

Telekom Srbija

PRESENTS

COMMUNICATION ON PROGRESS
FOR THE YEAR 2020





Introductory address

For Telekom Srbija as well as for many companies, due to the coronavirus pandemics, the year 2020 was one of the more challenging over the past period. However, it is with joint forces that we managed to generate the results of which our shareholders can be very proud.

In 2020, our operating revenues at a consolidated level amounted to over 138 billion dinars, whereas operating profits before depreciation, interest and taxes (EBITDA) amounted to 49 billion dinars, which represents record amounts that we generated in our business operations so far against the background of the global crisis caused by the pandemics and continued pressure by the competition. We wish to stress that the key catalyst of our financial results in 2020 lies in a 13% increase in revenues from the Internet and revenues from multimedia by 22%. Most importantly, we rendered the position of Telekom Srbija in Serbia, B-H and Montenegro dominant, so that a rise in revenues was guaranteed, with a very low risk of the customer base being affected by the competition. In 2020, we maintained the trend and even ensured an exceptional increase in the number of users in the sphere of the Internet and multimedia. The number of users rose by 8%, respectively, which goes for all of the Group members. In the mobile telephony segment, the number of post-paid customers saw a 2% increase for all members of Telekom Srbija group. Another important fact is that in the course of 2020 we became leaders in the production and distribution of TV content.

We would like particularly to stress the fact that in 2020, on the model of European corporations, we issued for the first time corporate bonds, thus improving our liquidity and providing for more inexpensive borrowing for the company. The investments made in the course of 2020 amounted to 56 billion dinars and were mostly aimed at multimedia content, further promotion of the ALLIP project and an upgrade of the mobile network, which was also attested to by yet another recognition from RATEL, this being that in terms of all comparative measurements, Telekom Srbija is the best network in Serbia, primarily owing to the significant improvement of all services in all categories.

Telekom Srbija is successfully adapting to market demands recognizing the importance of introducing new services, creating potentials for entering fresh markets. Besides the basic telecommunications services, at present, we mostly focus on the development and provision of multimedia, financial and digital products and services and on projects of exceptional importance for all people in the diaspora. In the forthcoming period, Telekom Srbija will focus on the development of services and maintenance of acquisitions commenced in Serbia and the region.

The focus so far on boosting the profitability of our main segments will continue to be our primary commitment, particularly in terms of increasing revenues from multimedia, and creating and selling content. Lying ahead for Telekom Srbija in 2021 is the necessary reorganization and modernization of its operations, optimization of costs, and a clearer focus on the needs of all customers and further development of digital services and content. As of 2021, Telekom Srbija will have a special-purpose fund for financing startup projects worth five million euros.

Likewise, we shall continue to develop production and cooperation with the most distinguished world distributors. I believe that we shall promote our production across the world and that it will become an integral part of the television offer in many countries. Practically, we shall ensure that Telekom is positioned as the Serbian brand in digital services and content in the world market.

As a successful company in its business, Telekom Srbija has been a responsible partner of the community since its establishment, and in 2020, the company confirmed this by its readiness to take quick actions aimed at alleviating the consequences of the corona virus.

Apart from sending support and aid to those who needed it the most at that particular moment, we carried on with the projects that we have been implementing for a number of years in order to support education, children and young people, health centres and cultural and social welfare institutions, thus showing our care and awareness of the importance of support to society.

Telekom Srbija remains committed to the principles of the UN Global Compact and the achievement of the Sustainable Development Goals, and in the report that you have in front of you, you can assess how successful we were in doing so.

Sincerely,

Vladimir Lučić



CEO

Corporate responsibility as a permanent commitment

Telekom Srbija's readiness for social solidarity, which expresses a general attitude of humanity, mutual assistance, understanding and reciprocity, has determined the company's direction in the era of the global corona virus epidemic. As a socially responsible company that cares about the health of employees, their families, business partners and the entire society, Telekom Srbija has adapted its business to the new situation without delay. Specific due to the circumstances caused by the Covid-19 virus pandemic, this year was observed through the socially responsible engagement of Telekom Srbija - the year of good deeds. Telekom Srbija remained true to its commitment to continue long-term investment in the community, and in keeping with the new circumstances, key projects were implemented, and humanitarian actions were initiated in the field of health and social protection. Support to youth and education was the focus of socially responsible activities in 2020 as well, so over 40 percent of the budget for monetary donations was directed to projects supporting youth development, while over 35 percent of the budget was allocated to support the health system, primarily in the fight against Covid 19. The Group's activities in the field of social responsibility have been recognized by the professional and general public. Based on a research by Ipsos strategic marketing agency, Telekom Srbija was again positively assessed as a credible company, with a high reputation of socially responsible business, thus retaining a leadership role in the field of social responsibility.

Telekom Srbija

- Charter for outstanding contribution during the Covid 19 virus pandemic
- Charter for exceptional contribution to the drive entitled Serbia without Barriers and the development of humanitarianism and philanthropy.

Telekom Srbija is a signatory to the UN Global Compact and takes responsibly and with dedication its obligation to contribute continuously and extensively to achieve the Sustainable Development Goals, especially the 2030 Agenda. The company plans and implements its activities in entirety keeping in mind the importance of its own impact on society and the environment.

With this membership, Telekom Srbija accepts, supports and establishes, within its sphere of influence, a number of values in the field of human rights, labor rights, environmental protection and anti-corruption policy by observing ten principles of the Global Compact:

1. Companies should support and respect the protection of internationally guaranteed human rights
2. Companies must not be complicit in human rights violations
3. Companies should support the right to free association and the right to collective agreements
4. Companies should eliminate forced labour
5. Companies should ban child labour
6. Companies should prohibit discrimination in employment and occupation
7. Companies need to take environmental precautions
8. Companies should take steps to promote environmental responsibility
9. Companies should encourage the development and diffusion of environmentally friendly technologies

10. Companies should be involved in the fight against every manner of corruption, including extortion and embezzlement.

The following are the key socially responsible activities of the Telekom Srbija Group, arranged per adopted goals of sustainable development for the purpose of eradicating poverty, protecting the environment and ensuring peace and prosperity for all. Sustainable Development Goals and Targets are numbered according to the adopted 2030 Agenda.



Target 1.5.

Build the resilience of the poor and vulnerable by 2030 and reduce their exposure and vulnerability to climate-related extreme events, and other economic, social and environmental shocks and disasters

During 2020, Telekom Group recognized the target group that was most affected and life-threatened during the Covid-19 pandemic. That is why it focused its humanitarian activities on caring for the elderly, for shelters, care centres for children and people of insufficient means. Telekom Srbija provided funds for the purchase of equipment to The Children and Youth Centre Miroslav Antić Mika from Sombor. The Association of Parents, Guardians, Children and Friends of Children Suffering from Malignant Diseases Čika Boca received support for the organization of We Can Do Anything camp, and Serbian Union of Associations Fighting Diabetes for lectures on prevention and treatment of diabetes. Representatives of Telekom Srbija participated in the manifestation Digital Serbia Business Run 2020 and contributed to the humanitarian action for one annual student scholarship for high school students from socially endangered families, carried out through the Ana and Vlade Divac Foundation.



Target 3.8

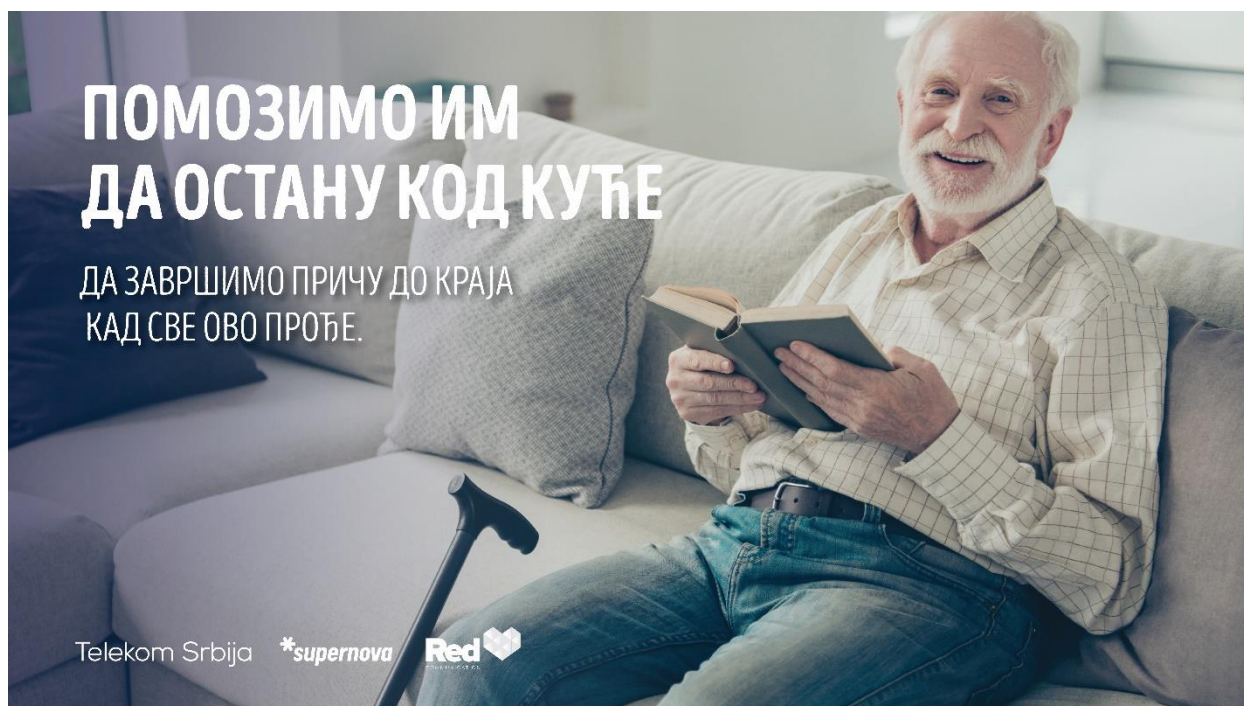
Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all

As a company with a long tradition of philanthropic activities, Telekom Srbija has provided 20 million dinars for the health system in Serbia in the initial phase of the fight against the virus. In cooperation with the Ministry of Health, the funds were allocated to the Institute of Virology, Vaccines and Serums Torlak, the Clinic for Infectious and Tropical Diseases, Clinical Center Serbia, the Clinical Center of Niš and the Provincial Secretariat for Health in Novi Sad. The Company donated five million dinars to each of these health institutions. Telekom Srbija continued with its activities related to regular support, donations for the purchase of necessary medical equipment: The Institute of Oncology and Radiology of Serbia, the Clinic for Endocrinology, Diabetes and Metabolic Diseases of the Clinical Center of Serbia, the Special Hospital for Psychiatric Diseases Kovin and Infirmary in Sopot. Telekom Srbija joined the campaign of the B92 Fund and provided part of the funds for implementation of the project

Campaign Against Obstacles for Persons with Disabilities. Telekom Srbija provided funds to Gea Association from Pirot for the project No Barriers, to overcome barriers for children with special needs and their inclusion in the social life of the community, and Kladovo Development Association ARK received a donation from the Company to equip its premises and procure an access ramp. For three years now, Telekom Srbija has been assisting in the implementation of the project You are not Alone, which aims to overcome prejudices towards young people with mental health issues and towards people with disabilities. The Company also cooperates with a large number of associations dealing with health and social protection of citizens through the activation of humanitarian numbers. Employees of Telekom Srbija and Supernova, as volunteers, helped vulnerable fellow citizens, and the Company paid special attention to more vulnerable and endangered groups through the campaign Help Them Stay at Home, which was implemented in cooperation with Supernova and the Red Communication agency. In addition to this, Telekom Srbija and Moja Supernova enabled our fellow citizens over the age of 65 to use all services without restriction, even if they had failed to pay their bills during the state of emergency. The company donated funds to the Belgrade Children's Shelter, as a social protection institution that provides support to the most vulnerable group of young people, to set up a disinfection tunnel in front of the entrance to the facility in order to prevent and fight the Covid-19 virus.

There are two humanitarian associations of voluntary blood donors in Telekom Srbija, which had 880 regular members, voluntary blood donors, at the end of 2020:

- "Od srca" (2019 - 520 members, 2020 - 460 members)
- "U srcu" (2019 - 320 members, 2020 - 391 members)





A contribution to the development of talents, investment in the generations of young people and improvement of conditions for the purpose of acquiring knowledge were integrated by Telekom Srbija in the “We Promote the Promoters” program. The program consists of three individual projects: “We create knowledge”, “mts app competition” and “mts start-up acceleration”, as well as cooperation with the company Strawberry Energy, through which Telekom Srbija completed its support to young people, from the elementary and secondary school students to young startup creators.

In 2019, the “We Promote the Promoters” program won one of the most important awards in the field of corporate social responsibility Đorđe Vajfert, awarded by the Serbian Chamber of Commerce.

Target 4.3.

By 2030, ensure equal access for all women and men to affordable and quality professional education on all levels, including university

The project of dual education of the Republic of Serbia Government is a project aimed at improving the process of education in secondary vocational schools for certain occupations, promoting their adequate application in practice and contributing to the strengthening of the competitiveness of the Serbian economy, in accordance with modern technological tendencies Telekom Srbija created the necessary prerequisites for joining the project for the telecommunications network fitter educational profile. This was made official by the Certificate of fulfilment of conditions for the process of learning through work, issued by the Serbian Chamber of Commerce in October 2020. In September 2020, the first generation of students of the telecommunications network fitter educational profile enrolled in the PTT Vocational High School in Belgrade. Next year they are expected in the training centre of our company, where, supported by the colleagues of the Technical Affairs Division - licensed instructors, they will attend the learning-through-work program.

Better conditions for acquiring knowledge - We create knowledge

The students of twenty primary schools in Serbia started the new, in many ways specific, school year in new state-of-the-art IT cabinets thanks to a donation from Telekom Srbija in the We Create Knowledge campaign. During the period of four years, 80 schools in the country received a valuable donation from Telekom Srbija.

Telekom Srbija supported the purchase of modern computer equipment for some high schools, among which are the School of Economics and Trade in Kraljevo, as well as the School of Economics and Trade and the Technical School in Vranje.

Target 4.4.

By 2030, substantially increase the number of young people and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship

The „My First Salary“ program of the Republic of Serbia Government is intended for young people of up to 30 years of age, who have finished high school or university and have no work experience. By participating in this

program, Telekom Srbija opens its doors to ambitious young people to gain their first professional experience. During their practical training, the candidates get a chance to develop professionally and acquire skills and competencies for independent work in a reputable company such as ours. The candidates can apply for one of the positions in the Division for IT Support and ICT Services, Technical Affairs Division, Residential Customers Division and Business Customers Division. Mentors from the relevant organizational units are appointed for these positions to support the trainees, according to the training plan. Students' practical training is conducted at Telekom Srbija on the basis of contracts with 4 higher education institutions: University of Belgrade, University of Kragujevac, University of Niš and Faculty of Technical Sciences in Novi Sad.

In 2020, Telekom Srbija conducted the mandatory practical training for university and secondary school students:

- 90 university students and
- 219 students of secondary technical schools in Serbia, most of whom were from the PTT Vocational High School.

Due to the new circumstances, students could attend online practical training course, which was conducted for 16 students.

Practical training days

As in previous years, Telekom Srbija was an annual partner of the Student Association of the Faculty of Organizational Sciences. The goal of the partnership in 2020 was to integrate young talents into the mts digital world. As a partner of the organization, the Company supported their "2020 Practical Training Days" project in which students solved a case study on the topic "mts - digital operator".

Target 4.b.

By 2020, substantially expand globally the number of scholarships available to developing countries, in particular least developed countries, small island developing states and African countries, for enrolment in higher education, including vocational training and information and communications technology, technical, engineering and scientific programmes, in developed countries and other developing countries

The „mts app competition“ project Telekom Srbija has been successfully implementing the mts app competition project for 10 years, encouraging high school students to express their knowledge and creativity in the process of programming applications for mobile devices, now in the online form. It is intended for high school students from specialized classes for talents in the sphere of mathematics, IT and computer science.



By participating in the mts app competition, the students will have a chance to design a useful and practical application in Android™ or iOS, to program it and present it as a unique product on the market. After the presentation of the applications, the jury announces five best applications and teams, which get valuable prizes (mobile phones). The winning teams from Serbia meet their peers from Bosnia and Herzegovina and Montenegro within the Regional App Challenge, the next level of competition that brings together teams from theregion, because the competition is also held and organized under the same conditions by m:tel BiH and m:tel CG. Members of the winning team from the Svetozar Marković High School in Niš got prestigious computer equipment.

Programs and partners in the field of education are always a top priority

For the implementation of projects in the field of social responsibility, the Company carefully selects partners, sharing with them the same values and goals. For more than a decade, some of these long-term partnerships have brought progress and success to the project participants. Cooperation with the High School of Mathematics in Belgrade stands out among numerous partnerships. It is a school of special national importance with which the Company, in addition to the mts app competition, organizes mathematics camps and enables students to participate at numerous international competitions. At the beginning of 2020, owing to the Telekom Srbija support, the talented students of the High School of Mathematics participated in the Zhautykov Olympiad in Kazakhstan and won seven medals in the field of mathematics, physics and computer science, as well as one gold and five bronze medals at the competition held in Bucharest.

Target 4.5.

By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations

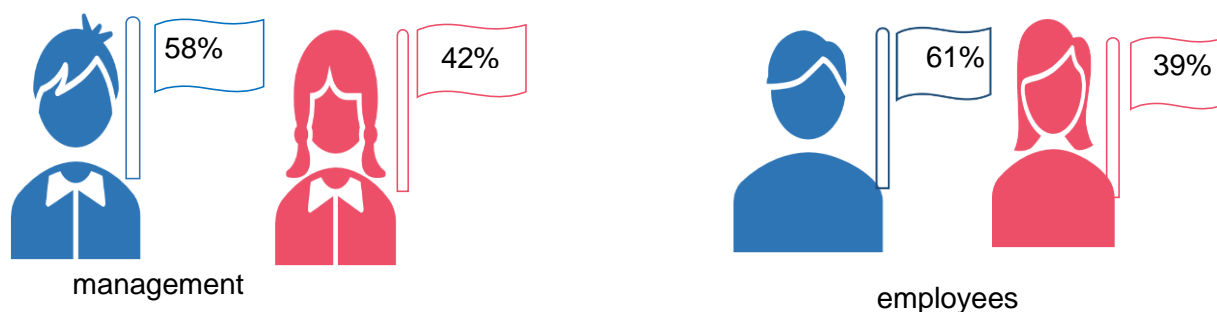
In cooperation with the Office for IT and eGovernment of the Serbian Government and a non-profit initiative Digital Serbia, Telekom Srbija, together with another two operators, donated mobile devices and SIM cards to eighth-grade students, who did not have the opportunity to take the online graduation tests at home, and 5GB for mobile devices per month to students from socially vulnerable families. The May - the Month of Mathematics event has been organized for several years by Telekom Srbija, the Regional Talent Center, which organized the World Research Paper Competition, and the Center for the Promotion of Science. In 2020, for the first time, it was organized in a virtual form. For several years the Company has supported the „Tesla Global Forum“ Association for the organization of an event dedicated to the work and achievements of the great scientist.



Target 5.5.

Ensure women’s full and effective participation and equal opportunities for leadership on all levels of decision-making in political, economic and public life

In accordance with the diversity of activities performed by its members, Telekom Group has a mixed gender structure. Most members have a balanced distribution of both sexes in the total number of employees. As far as the management gender structure is concerned, women’s share in management positions is higher than their share in the total number of employees. In the total number of training hours on the level of Telekom Srbija, both sexes are equally distributed.



No. of hours of education	Telekom Srbija	
	2019	2020
men	29.905	16.236
women	30.397	17.564

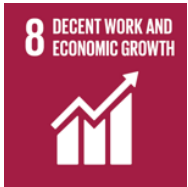


Target 6.4.

By 2030, significantly increase water efficiency in all sectors and ensure sustainable water use and fresh water supply to respond to water scarcity and significantly reduce the number of people facing water scarcity

In the course of 2020, Telekom Srbija made significant water savings up to 50,000 m3, which is lower by approximately 32% compared to 2019. The savings were primarily made by optimizing the total business premises

as well as organizing the work of a large number of employees outside the business premises during the pandemic. Telekom Srbija has recognized the importance of this goal and will continue with the activities of rationalization in all areas of business.



Target 8.2.

Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including focusing on laborintensive and highly profitable sectors

mts start-up acceleration

In 2020 Telekom Srbija continued to cooperate with the partner organization Startit, through the “mts startup acceleration” program dedicated to startups in the final stage of the entrepreneurial idea development. Within the program, during the previous three cycles, seven teams received an incentive in the amount of 60,000 euros, five of which are still actively working on further development of their services. Since 2020, Startit has thoroughly reorganized a program designed for entrepreneurial teams, under the title „Startit Growth“, which also includes cooperation with investment funds from all over the world. Telekom Srbija provided technical support, i.e. fully equipped a new Startit centre in Kragujevac with internet installation and, as a national partner of this organization, it continues to support the work of these centres in another seven cities in Serbia - Belgrade, Novi Sad, Indija, Vršac, Zrenjanin, Subotica and Šabac.

In 2020, the employees of Telekom Srbija were essential for ensuring the continuity of business processes, raising competencies, the quality of work and motivation of employees. During this period, Telekom Group paid special attention to:

- A change in operations and care for employees in a Covid pandemic
- The activities of attracting new/young generations
- The activities of retaining and developing key resources
- Protection of the employees' personality and rights

The employee development in the parent company is managed through regularly planned educational and development-motivational modalities intended for the management, talents and other employees (various internal and external education programs, business simulations, team building programs, additional schooling). On the other hand, the digitalization and improvement of the existing development processes has started and largely implemented through the integrated SAP Success Factors information system, through basic modules that support the processes of recruitment, selection, involvement and basic employee databases. Also, all modules have been largely developed and implemented. They will support and interconnect the following processes in a modern and interactive way: performance appraisal, talent management and the employee development and learning management. With the help of an online learning platform, the role of partners in creating a culture of continuous learning and development will be further enhanced. To adapt to the business challenges resulting from

the pandemic, as well as connect and exchange knowledge between employees in an informal way, in the course of 2020, six meetups were organized on various topics through MS Teams.

Also, significant HR projects in the sphere of innovations were implemented – the Corporate Innovation Project in cooperation with the Division for IT Support and ICT Services with the aim of developing internal innovations. A total of 156 employees' ideas related to processes and products were submitted. After three rounds of validation and evaluation by the expert commission, the final winning idea was chosen, which was adequately awarded.

Training

In 2020, due to the specific situation, the participation of employees in training fell by almost 50% (a lower number of training hours). About 69% of funds intended for employee development were allocated for training.

No. of hours of education	Telekom Srbija	
	2019	2020
men	29.905	16.236
women	30.397	17.564

Education held	Telekom Srbija	
	2019	2020
Educations (no. of hours)	60.302	33.800
employees	38.092	20.856
management	22.210	12.944

Number of employees	Telekom Srbija	
	2019	2020
Trainings for professional licence	1	9
Education paid by the company	15	8
Talent program	145	240
Team building	742	106
Job rotations	380	29
Inhouse trainings	566	154
Personal development	1895	1139
Total:	3744	1685
No. of employees with professional licences	507	474
No. of employees who are members of professional organizations zaposlenih članovi stručnih org.	449	481

Job rotation

The implementation of the job rotation program in Telekom Srbija continued in 2020. Due to the situation caused by the Covid 19 pandemic, the initially planned number of employees who would participate in the job rotation

program was reduced. Therefore, an emphasis was placed on a temporary job rotation. A total of 11 employees applied in 2020 and, after carrying out the activities according to the current Methodology, 6 employees, upon the expiry of the temporary job rotation program, were permanently assigned to the organizational unit in which they were temporarily assigned, so that the full effect of the job rotation process was achieved.

To motivate and retain key resources, the application of the Flexible Benefit Model continued in 2020. As a type of indirect compensations, regulated by the Decision on the allocation of flexible benefits, the model provides for the rules for benefit award and types of benefits. In 2020, 467 employees - users of flexible benefits from all organizational units of the Company – were selected. A total of 2549 applications for different types of flexible benefits were fulfilled (various types of employee insurance, various types of training, tourist trips, the costs of education of the employee's children, medical services, fitness and wellness services, various gift cards and vouchers). Also, in 2020, 10 housing loans were granted to employees, as a down payment for the loan with commercial banks, whereby the Company supported the employees in one of the most important life issues.

In the course of 2020, a one-off payment was made to all women on the occasion of Women's Day, 8 March, regardless of the type of employment, as well as a one-off payment to the employed parents of children under 10 and children with special needs up to 15 years of age for New Year's gifts. In addition to the above, Telekom Srbija has provided voluntary pension insurance to all employees since 2008, in the voluntary pension funds Dunav and Generali. Telekom Srbija continues the tradition of granting the jubilee awards to employees and former employees for 10, 20, 30 or 40 years of continuous service in Telekom Srbija, i.e. the PTT System of Serbia.

As a result of the measures taken in the previous period, Telekom Group recorded an increase in the number of new employees among young adults, which is a consequence of various employment branding activities and participation in the projects of the Government of the Republic of Serbia.

Age structure of newly employed	2020
Up to 30 years of age	34%
30-50	59%
Over 50	7%
Total newly employed	1318
Number of departures from TG Group	481
Net change	837

The average external fluctuation rate was relatively low in 2020 compared to the previous year, when Telekom Srbija implemented a voluntary layoff program.

External fluctuation rate	2019	2020
Telekom Srbija	17%	2%

Target 8.8.

Protect labour rights and promote safe and secure working environment for all workers, including migrant workers, particularly women migrants, and those in precarious employment

During the pandemic, Telekom Group showed a high level of understanding and care for its employees and made additional efforts to enable uninterrupted work from home and redistribution of working hours for all employees, where possible, as well as safety and health of employees.

In their by-laws, the Group members envisages the employees' right to regular medical examinations, as well as solidarity aid for them and their family members. According to the data of the representative members of the Group, solidarity funds were distributed to more than 13% of employees, whereas more than 25% of the Group's employees underwent medical examinations.

The Group consistently performs the activities defined by the Law on Safety and Health at Work. In order to raise the level of safety and health at work, Telekom Srbija implemented ISO standard 45001:2018 in 2019 and adopted the Policy of Safety and Health at Work, which defines the principles and area of application. At the end of 2020, the recertification was successfully performed, i.e. the validity period of the certificate was extended. As a result, training courses are implemented on an annual basis for employees in high-risk jobs, as well as for new employees and those reassigned to other jobs. Based on the data of the Group's representative members, it can be concluded that the number of training courses significantly increased, which consequently led to a significant decrease in the number of injuries in 2020 compared to 2019.

Health and safety at work	2019	2020
No. of employees at work posts with increased risk	1.558	2.019
Number of injuries at work with light injuries	53	39
Number of injuries at work with grave injuries - disability	6	5
Number of fatal injuries at work	0	0

Telekom Srbija provides group insurance to all employees against the consequences of accidents at work or outside of work (24/7), serious illnesses and surgeries. In 2019, by filing a claim for compensation, a total of 300 employees (4.46%) exercised the right to reimbursement of the insured sum by the insurance companies, whereas in 2020 this right was exercised by 214 employees (3.19%). Telekom Srbija provides additional protection of employees through group insurance, with special insurance of the employees assigned to high-risk jobs. The basic insurance of employees and professional liability insurance are defined by other members of the Group in their by-laws.



Target 9.1.

Develop quality, reliable, sustainable and resistant infrastructure, including regional and border infrastructure in order to support economic development and social welfare, with the focus on affordable and equal access for everyone

This objective is successfully implemented through the ALL- IP project of modernization on the Telekom Srbija fixed telephone network, which will, among else, allow a large number of customers, primarily in urban environments, to get access to optical cables where customer bit rates may range up to 1Gb/s. The implementation of the project will help create a more favourable environment for new investors because the use of optical cables is a turning point for further development of the economy. So far optical cables have been installed for 887,000 households, a total of 28,825 km of cable have been laid with almost 1.5 million km of optical fibres.



Target 11.4.

Strengthen efforts aimed at the protection and preservation of the world cultural and natural heritage

In 2020, the Company continued its successful cooperation with the Academy of Fine Arts. The Company secured a pecuniary award for the best student work at the Department for New Media, which has been granted for the fourth time. Thanks to the donation of Telekom Srbija a large 3D clay printer was launched into operation at the Academy of Fine Arts thanks to the donation of Telekom Srbija. With the already traditional support of the Company, younger generations of artistic talents were able to present their works at the “55th Children’s October Salon”. Support was granted for the holding of the Poetry Relay in Zrenjanin, and new books were provided as a gift to school libraries ahead of the New Year in another ten elementary schools throughout Serbia. Telekom Srbija and the Endowment of Ilija M. Kolarac continued their cooperation on the program “Kolarac – Your World of Music” within which the most significant names of the world music scene visited Belgrade, while young artists, with support from the Company, showed their talents at the 17th International Music Competition “Davorin Jenko”. Telekom Srbija helped the reconstruction of several churches and monasteries, including the Temple of Saint Basil of Ostrog in Belgrade, the Monastery of Saint Nicholas of Myra in Drača, the Temple of Saint Parascheva in Rakovac, the Church of Saint Demetrius in Obrenovac, and additional telecommunications services were enabled for the Chilandari Monastery in order to enhance the project of digitalization of the Chilandari Treasury. For the purpose of preserving the cultural heritage, Telekom Srbija helped the procurement of information equipment for the Historical Archives of Šumadija in Kragujevac. In its depots and funds, the Archive treasures valuable material documenting the history of this part of Serbia where the foundations of the modern Serbian state were laid. Through its long-term cooperation with the Ethno Network, which has organized the seventh exhibition in a row called “100 Women – 100 Miniatures”, Telekom Srbija contributes to the affirmation of women’s entrepreneurship in rural environments and the preservation of cultural heritage. As a traditional friend of the Sports Assembly of the Holy Serbia, Telekom Srbija supported the project aimed at the preservation of tradition, fellowship and the sports spirit among the youth – the central event on Ada Ciganlija in Belgrade, where a number of sports events, tournaments, cultural and educational events were organized.

Target 11.6.

Decrease the negative impact of cities on the environment measured per capita until 2030, with a special focus on air quality and waste management on municipal and other levels

Digital solutions that transform our cities are developed either independently by Telekom Srbija or in cooperation with partners through the concept of smart cities. Some of the partners are young experts from the Strawberry Energy company, with whom the company has been cooperating since 2011, when they started to develop smart solutions for urban environments using modern technologies. After the installation of the Smart Bench in Novi Sad a year earlier, cooperation was implemented in 2020 by the installation of a Smart Bench in Leskovac, as a gift to the Centre for Professional Training and Education, on the occasion of Science Day. Apart from allowing access to free Internet and serving as a solar charger for mobile handsets, the bench also provides information about air

quality, noise level in the environment, temperature and air pressure, which indirectly raises awareness of the need for environmental protection.



Target 12.4.

Until 2020 we will be able to ecologically manage chemicals and all types of waste during their entire life cycle, in accordance with the agreed international frameworks, and significantly reduce their release into air, water and land in order to reduce their negative impact on the health of people and the environment.

According to the Law on protection from non-ionizing radiation, the measurement of the level of electro-magnetic radiation of radio base stations is performed every two years. In 2020, measurement was performed at 667 base stations:

- First measurements for 253 base stations were performed at 81 locations
- Expert evaluations of environmental burden were performed at 101 locations including measurements for 356 base stations
- An additional 58 zero measurements were performed within the Expert evaluations for newly planned locations

In 2020, the number of boiler-rooms releasing toxic gases was reduced by four, from 14 to 10 boiler-rooms, which resulted in a lower emission of toxic gases by approximately 40% of substances, which are measured in the air.

The management of heat and the raw materials necessary for the heating of business facilities was conducted by a detailed planning of the fuel supplies with a strict control of consumption and indication of each increased consumption of individual facilities. The result is a lower consumption of the most significant fuels as compared with 2019.

Consumption of raw material and energy, gas emission	2019.	2020.	rast
NO ₂ kg	5.240	5.379	3%
CO kg	11.057	6.430	-42%
SO ₂ kg	6.353	3.558	-44%
Wood m ³	61	73	19%
Coal kg	195.978	184.763	-6%
Fuel oil I	309.935	292.245	-6%
Heating fuel I	284.268	275.202	-3%

The company is very careful regarding the procurement and use of the car fleet. The overall consumption of fuel in 2020 was decreased by almost 9%, i.e. the consumption of fuel was reduced by a total of 150 thousand litres.

Car fleet	2019	2020	growth
number of vehicles	1.074	1.072	-0,2%
share of freight vehicles in total number	52	51	-0,2%

Fuel consumption	2019.	2020.	rast
dizel consumption (Lit)	811.430	712.906	-12%
petrol (Lit)	999.315	939.242	-6%
Total	1.810.744	1.652.148	-9%

Target 12.5

Significantly reduce the production of waste until 2030 through prevention, reduction, recycling and reuse

The process of waste management is defined by the regulations of the Republic of Serbia, and the internal by-laws – Guidelines on waste matter management, Procedure for write-off, offsetting and liquidation of assets and the Rules on implementation of the procedure of sale of written off assets and the handover of sold assets. As compared with 2019, Telekom Srbija handed over 417 tons of waste more, and the period of storing the waste until its handover to qualified legal persons for recycling was significantly shortened. The software application used for monitoring the handover of waste is the application of the Agency for Environmental Protection, Ministry of the Environment.

Waste quantity (in tons)	2019	2020	growth
Total hazardous and non-hazardous waste	720	1.137	58%
Total non-hazardous waste	602	462	-23%
Total hazardous waste	119	674	468%

Through the activities of rationalization of business premises and the recording of the installed capacities for heating technical and business premises, Telekom Srbija in 2020 generated significant annual savings in costs in dinars as compared with 2019:

Savings made	Annual savings
Heating	31.858.240
Electricity	5.489.788
Water supply and sewerage	1.216.240
Removal and disposal of bulky waste	2.801.848
Energy supplies delivery in common boiler room	1.959.660
Total:	43.325.776

In 2020, Telekom Srbija implemented an intense campaign for the E-invoice service with numerous advantages and discounts for the customers. It is estimated that significant savings of some 16% were made in the consumption of paper and printed materials by the rationalization of printing and the continued e-invoice campaign.



Target 15.5.

Undertake urgent and significant activities for reducing the degradation of natural habitats, stop the loss of biodiversity and protect the endangered species and their extinction until 2020

The members of the Telekom Srbija Group in every business and organizational segment have in mind the necessity of environmental protection. They fully respect legal regulations and international standards, aimed at making a contribution to the implementation of key objectives of sustainable development. Like every year, in 2020, most attention was dedicated to the operation of radio base stations and the electro-magnetic field, emitted by them through the antenna system. For the purpose of environmental protection, the members implemented a number of other activities.

In an attempt to contribute to raising the community's awareness of ecology, Telekom Srbija continued with its activities for the purpose of protection of the environment and the endangered animal and plant species. The donation to the Foundation for the Protection of Birds of Prey –Belgrade enabled the procurement of a satellite

transmitter by which, for the first time in Serbia, satellite telemetry was applied in the monitoring of a migratory and globally endangered species of birds – the short-toed eagle.

With the help of Telekom Srbija's donation to the Jadovnik Association – An Oasis of Unspoiled Nature, video surveillance was secured with the auxiliary equipment for the feeding ground Kašan at Jadovnik and is used for monitoring the arrival of griffon vultures, an endangered species. By investing in the preservation of plant and animal species and their habitats, Telekom Srbija additionally draws attention to the protection of biodiversity.



Target 16.1.

Significantly reduce all forms of violence in all spheres and the related death rate

Respect of the employees' rights is the basic obligation in achieving the harmonization of internal relations. In Telekom Srbija as the parent company we established, via an internal portal, two channels of protection of the employees through which the employees can resolve the open issues regarding their labour related rights and obligations:

- Ask human resources and
- Legal and labour counselling within which employees can address an expert team of lawyers for all kinds of assistance in the exercise and protection of their legal and labour position in accordance with the law and internal by-laws.

The Rules on Personal Data Protection defines the basic principles and rules of behaviour in the sphere of the processing and protection of personal data taking into account the possibility of a risk and the level of risk to the rights and freedoms of physical persons. For the purpose of protecting every employee from discrimination and mobbing, two judicial proceedings were launched in 2020. Also, in accordance with the Law on the Protection of Whistleblowers, a person was appointed for receiving information and introducing a procedure related to whistleblowing.

In Telekom Srbija there is a total of 10 trade unions of which 2 have the status of representative trade unions. Also active within Telekom Srbija are associations with over 1,300 members:

- Association of fitters for the telecommunications network of Serbia (860 members)
- Association of engineers of Telekom Srbija (175 members).
- Association of the shareholders of PE PTT Traffic Srbija and Telekom Srbija (268 members).

Target 16.5.

Significantly reduce corruption and bribery in all its forms

The Rules on the procedure of internal whistleblowing, based on which the Decision on the appointment of persons for receiving information and the implementation of a procedure related to whistleblowing was adopted, defines the manner of acting on information for the purpose of establishing and removing irregularities indicated by the information.

In 2020, preparatory activities were undertaken related to the creation of the integrity plan, in accordance with the Law on the Prevention of Corruption. The aim is establishing the mechanisms which will ensure a more efficient and effective functioning of the Company, through strengthening responsibility, increasing transparency in the process of decision-making, strengthening work ethics and introducing a more efficient system of surveillance and control. The Code of corporate behaviour defines struggle against corruption and other illegal activities, as well as Company apply The Code of Conduct since his adoption in 2012.



Target 17.17.

Encourage and promote effective public, public- private, and civil society partnerships, building on the experience and resourcing strategies of partnerships

The Telekom Srbija Group believes that the aims are best implemented in communication with expert and committed people and confirms this by its long-term corporate membership in expert and philanthropic organizations. Telekom Srbija is aware that leadership in services and market growth carries with it an additional

responsibility toward the local community and responsibility for the implementation of global objectives, which it accepted by its accession to the United Nations Global Compact in 2010.

Telekom Srbija is traditionally an active member of many international and local organizations:

- Cullen International
- European Telecommunications Network Operators Association (ETNO)
- ESOMAR
- Gartner Inc
- GSM Association (GSMA)
- Internationaler Controller Verein (ICV)
- IEEE
- IoT Forum
- LoRa Alliance
- Metro Ethernet Forum (MEF)
- TeleGeography
- TeleManagement Forum (TMF)
- United Nations Global Compact Network (UNGCN)
- Forum for Responsible Operations (FOP - Smart Collective)
- French-Serbian Chamber of Commerce (CCIFS)
- Digital Serbia Initiative (IDS)
- Italian-Serbian Chamber of Commerce (KISP)
- NALED
- German-Serbian Chamber of Commerce (NSPK)
- Regional Business Club "Business Plus"
- Foreign Investors Council (FIC)
- Serbian Association of Managers (SAM)
- Association of Corporate Directors of Serbia (UKDS)
- Association of SAP Users in Serbia (USKUS)
- Serbian Philanthropic Forum
- Serbian Chamber of Commerce

Other socially responsible activities of Telekom Srbija for the purpose of community care

Investment in sports Telekom Srbija has supported the Movement for Women's Basketball – Marina Maljković since its foundation, which made it possible to organize the training classes free of charge at several locations in Belgrade, Obrenovac and Novi Pazar, for 2,000 girls of elementary school age so far.