

# Telekom Srbija

PRESENTS

**COMMUNICATION ON PROGRESS**  
FOR THE YEAR 2021

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**25**  
YEARS



## INTRODUCTORY ADDRESS

Despite the fact that in 2021, the pandemic caused by the Covid-19 virus affected the world in ways that no one could have predicted, we are proud to point out that we managed to achieve enviable business results, so we have every right to say that we are leaders in the region.

We are pleased to present to you the Annual Business Report of the Telekom Srbija Group for 2021, one of the most challenging and dynamic years in the current decade. Together, we have managed to meet all the challenges and lay the foundations for a modern, future-oriented company, with a focus on building a better society based on communications and digital technologies. As a result, at the end of 2021, for the first time, Telekom Srbija has the largest number of customers ever in almost all the segments of service provision, as well as the highest revenues as compared to the telecommunications operators in the region.

We do not intend to stop at what has been achieved, but we are planning further expansion and development, with the ultimate goal of positioning ourselves among the most valuable companies in this part of Europe in the not-so-distant future. A new strategic cycle for the 2022-2026 period has been launched, through which we will further strengthen our position as a customer-oriented, socially responsible, highly efficient and profitable company. Since I have no doubt that in the next 10 years, we will experience expansion that you can hardly imagine now, I take this opportunity to remind you what we have achieved together in the past year.

In 2021, the operating revenues, at the consolidated level amounted to over 150 billion dinars and the operating profit before amortization, interest and taxes (EBITDA) amounted to 55 billion dinars, which is a record amount that we have achieved so far in business, in the unfavourable conditions in the global crisis caused by the pandemic and continuous pressure of competition.

The upward trend in revenue growth in the territories of Serbia, B&H and Montenegro continued in 2021 as well, with a constant increase in the total number of customers at the Group level.

The amount of the investments made during 2021 was 78.1 billion dinars and they were primarily directed to the investments in the multimedia content, digital development and continuous improvement

of the mobile network. The research studies made by RATEL and the well-known German company "Net Check" confirmed the fact that Telekom Srbija, according to almost all comparative measurements, has been the best mobile network in Serbia for the third year in a row. At the same time, we have brought optics to one million households in Serbia, which is one of our strongest strategic pillars for the further development of the company.

Significant partnerships have also been provided. By cooperating with Vodafone, we receive expertise in the field of business and cost optimization, logistics, digital transformation of business processes, products and services, and the agreement with the European Investment Bank provides us with further construction of 4G and set up of the 5G network, which will strengthen our leading position the following period by all the parameters for the mobile network quality. At the same time, we continue to build and improve the optical network and IoT networks (LoRa and NB-IoT), by investing in the quality of the existing, and creation of new services and providing the superior content and user experience.

The English Premier League is finally coming to the Arena Sport channels, thus completing a high-quality offer of the sports program (Champions League, Spanish, Italian and French football leagues, as well as the NBA and ABA basketball leagues, etc.).

As of this year, a quality news channel "Euronews" is on our multimedia platforms and soon, Bloomberg Adria, the world's leading business news service, will become part of our regional offer. In this context, it was extremely important to step into the production of content, especially serial and film programs, where the constant improvement of production in terms of quality and quantity, in cooperation with the eminent world's distributors is already yielding significant results (Brazil's largest streaming platform Globoplay purchased the rights to broadcast the feature series "Civil Servant" and that is just the beginning). In this way, we will successfully promote our production around the world, with the desire to become an integral part of the television offer in many countries.

All the cable companies we acquired have become part of the same system. Regardless of the technology, it is imperative that we continue to provide customers with a superior service and the best user experience.

Telekom Srbija will focus on continuing the development of digital services, as well as on potential acquisitions in the countries of the former Yugoslavia (we expanded our business in North Macedonia, currently only with satellite television services, but we have the highest ambitions in that country as we have wherever we are present) and, as a MVNO and pay TV provider in Europe, America and Australia (where there is our Diaspora).

In 2021, Telekom Srbija implemented a reorganization and modernization of operations with careful cost optimization, a clearer focus on customer needs and further development of digital services and content.

TS Ventures was launched - a dedicated fund for financing start-up projects, the largest in Serbia, in which 25 million euros will be invested in the next five years. I would also like to emphasize that we are a high-tech oriented company, aware of its impact on the social and living environment, in which the environmental protection, responsible business and company management are recognized as strategic goals and are integrated into all our business activities, towards sustainable and efficient use of resources.

Besides, our company is systematically working to further develop the corporate environment that is safe and motivating for our employees and attractive to new talents.

Finally, I would like to express my special gratitude to all our customers, partners and owners for the great trust that has been placed in us. At the same time, I would like to thank the members of the Supervisory Board and all the employees of the Telekom Srbija Group, whose dedicated work, optimism and readiness for challenges helped us achieve all these impressive results and success that our shareholders and we can be proud of.

As usual, Telekom Srbija remains committed to the principles of the UN Global Compact and the achievement of the Sustainable Development Goals, as active member of UN Global Compact. Telekom Srbija is a signatory to the UN Global Compact from 2010 and takes responsibly with dedication and 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 great respect,



**Vladimir Lučić**  
**Chief Executive Officer**

Through the membership in the UN Global Compact, 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.

In order to improve the institutional and legal framework of corporate governance, Telekom Srbija a.d. Beograd has adopted and applied the Code of Corporate Governance (hereinafter: Code) that is available on the Company web page: <https://mts.rs/O-Telekomu/Investitori-i-akcionari#tab=tab-five>, which regulates the shareholders' rights, the duties and responsibilities of the corporate bodies of the Company and its members, the remunerations for work and rewards paid to the members of the Company corporate bodies, public communication, disclosure of information and transparency and improvement of the corporate system and the business ethics.

The Code is based on the generally accepted principles of corporate governance established by OECD and it contains the principles of corporate practice and organization of structure that the holders of corporate governance in the Company, the members of the Company corporate bodies and all the employees should comply with.

Telekom Srbija has adopted the Code of Corporate Conduct, covering, inter alia, the segments of conflict of interest, combating and preventing corruption and bribery, money laundering and the issues of competition and Personal data protection.

### **Socially responsible activities of Telekom Srbija and its alignment with sustainable development goals**

As a company responsible to its customers, employees and the community, Telekom Srbija, apart from achieving positive business results, in 2021, continued with the implementation of socially responsible projects that contribute to the welfare of the community where it operates. In the dynamic business circumstances, the company tried to offer solutions that are one step ahead of the requests and expectations of the customers, thus making its position in the country and the region even stronger and more dominant. Led by the same principle of proactiveness, Telekom Srbija approached the implementation of projects in the sphere of social responsibility. Investment in education and support for the development of an entrepreneurial spirit among the young people remained at the focus of socially responsible activities, while the need to emphasize the importance of protection of the environment led to the launching of the *No Species Dies Alone* campaign, which contributes to the preservation of biodiversity and ecological balance in nature.

The company also confirmed its position as a reliable corporate partner in the community through numerous philanthropic activities. On the fourth National Giving Day organized under the auspices of the Serbian Philanthropic Forum and the Coalition for Charity, Telekom Srbija was granted a Charter for an exceptional contribution to the campaign dedicated to one of the most humane goals – food donations.

Believing that together we can always achieve more, the company fosters partner cooperation with reputed educational and scientific institutions. Thus, in 2021, on the fifty fifth anniversary of the Mathematical High School in Belgrade, Telekom Srbija was granted a charter as a sign of special gratitude for the long-term support that the company has provided to this school of special national importance for over a decade.



The company also pays great attention to responsibility towards its employees and creating an inspiring work environment. Such approach did not go unnoticed and Telekom Srbija received great recognition by obtaining a *Family Friendly Enterprise* certificate which includes the creation and implementation of an HR policy from the domain of sustainable operations and harmonizing the professional and private segments of the employees' lives.

Telekom Srbija also received reassurance that it was on the right path regarding good practice and the attempt to connect its socially responsible activities with its core activity, as a member of representative institutions dealing with the promotion of the social responsibility concept – the Social Responsibility Forum and the UN Global Compact, while the company has been a member of the Committee for Socially Responsible Operations of the Serbian Chamber of Commerce as of 2021.

#### **Awards for Telekom Srbija in 2021**

- Charter for exceptional contribution to the drive *Save Food, Save Humaneness*
- Charter for long-standing support to the work of the Mathematical Grammar School in Belgrade

The following are the key socially responsible activities of the Telekom Srbija (below), grouped by the adopted goals of sustainable development for the purpose of eradicating poverty, environmental protection and peace and prosperity for all. The global goals and Targets are listed according to the adopted 2030 Agenda. It includes, with all its 17 goals, 3 dimensions of sustainable development: economic growth, social inclusion and environmental protection.



In 2021, Telekom Srbija was particularly focused on the following goals:

- 4 – Quality education
- 8 – Decent work and economic growth
- 9 – Industry, innovation and infrastructure
- 12 – Responsible consumption and production



#### 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**

Telekom Srbija Group pays special attention to vulnerable categories of citizens. In 2021, the Company supported the Unicef project „Mitigation of the Covid-19 effects on social and financial status of children and their families“ and it helped in providing humanitarian financial aid for the most affected families with children.



#### 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**

Telekom Srbija endeavours to contribute by its activities to the welfare in the public health sphere, but also to stand as support to vulnerable groups and to all everybody who is in need. To secure better conditions for treatment, for a large number of citizens, donations continued for the procurement of required medical equipment for healthcare institutions across Serbia. In 2021, new devices, reagents and other medical means were granted to the University Clinical Centre Kragujevac, the Institute for Oncology and Radiology of Serbia, Special Hospital for Psychiatric Diseases in Kovin, Health Centres Irig and „Dr Dragan Funduk“ in Pećinci.

For four 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 organization Friend in Trouble was assisted in the implementation of the program for the rehabilitation, socialization and becoming independent for young people with disabilities.

Traditional cooperation with the Association of Parents, Custodians, Children and Friends of Children recovering from cancer „Čika Boca“ to whom support was extended for the organization of camp *We Can Do It All*, and with the Association of Serbian Communities Fighting the Diabetes, that organized the camp *My Sweet Life* supported by Telekom Srbija.

It also continued the cooperation with the Always with Children Association, which has been fighting for better conditions for treatment of children with cancer, and supported the Clown Doctors project in order to improve children's stay in hospital and make it fun. The company has traditionally provided support to the Centre for Palliative Care and Palliative Medicine *BELhospice*.

The Company also cooperates with many associations dealing with health and social protection of citizens through the activation of humanitarian numbers.

There are two humanitarian associations of voluntary blood donors in Telekom Srbija, which had 1248 regular members, voluntary blood donors, at the end of 2021, and their number keeps growing.



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 umbrella program consists of three individual projects: "We Create Knowledge", "mts App Competition" and "mts Start-Up Acceleration" – which is empowered each time a new generation of elementary school pupils gets a computer classroom, when talented secondary school students make a new and useful app or when some of the startups supported by the company manages to successfully roll out its business solution. Telekom Srbija has recognized the founders of the Strawberry Energy company as its promoters, with whom it started cooperating at the very start of development of their business ideas and such cooperation survived to date owing to state-of-the-art technical solutions of the company and a steadfast partnership.

Recognizing the importance of support at the beginning of personal development or a new business idea, through this project the company encourages emergence of positive changes that may help create a better and more advanced society for all who live and create in it.

#### **Target 4.3.**

**Until 2030 make accessible and quality professional education equally available on all levels, including university education, to all women and men**

**The dual education project of the Serbian government** is a project whose goal is, in accordance with modern technological tendencies, to improve the process of education in secondary vocational schools for certain occupations and promote their adequate implementation in practice, and also contribute to strengthening the competitiveness of the economy of the Republic of Serbia.

Telekom Srbija provided the necessary preconditions to include in the project the educational profile of a telecommunications network fitter, which was made official by the Certificate on the Fulfilment of Terms for Learning through Work awarded to the company by the Serbian Chamber of Commerce in October 2020.

The first generation of students who will be trained for the educational profile of TK network fitter was enrolled in September 2022 at the Secondary Technical PTT School in Belgrade, and next year we expect them in the training centre of our company, where they will go through a learning through work program, with the support of colleagues from the Technical Division - licensed instructors.

#### **“We Create Knowledge” – we encourage curiosity from the school age**

In order to improve digital literacy, Telekom Srbija, in cooperation with the Ministry of Education, Science and Technological Development, through the “We Create Knowledge” project, equips elementary schools in Serbia with modern information science classrooms. During the five years that the project has been implemented, the company has equipped 100 information science classrooms in 100 elementary schools, and set aside 100 million dinars for that purpose. Every year, Telekom Srbija enables the purchase of modern computer equipment for a number of secondary schools across the country.



#### **Target 4.4.**

**Until 2030 significantly increase the number of young people and adults with appropriate skills, including technical and professional skills, for employment, decent jobs and entrepreneurship**

The program **My First Salary of the Serbian Government** is intended for young people up to 30 years of age with completed secondary or higher education and no work experience.

By participating in this program, Telekom Srbija opens the company's doors to ambitious young people who gain their first professional experience. During the internship, the participants were provided with professional training and the acquisition of skills and competencies for independent work in a reputable company such as ours. Candidates could apply for one of the advertised positions in the Division for IT Support and ICT Services, the Technical Division, the Residential Customers Division and the Business Customers Division.

Student professional internships at Telekom Srbija are performed on the basis of contracts with 4 higher education institutions:

- Belgrade University,
- Kragujevac University,
- Niš University and
- Faculty of Technical Sciences in Novi Sad.

In accordance with the tradition, Telekom Srbija once again in 2020 organized compulsory professional internship for students for

- 54 students and
- 98 students of secondary technical schools in Serbia, of which the largest part came from the Secondary Technical PTT School.

#### **Target 4.b.**

**Until 2020, globally increase the number of scholarships available to developing countries, especially the least developed countries, small developing island countries and African countries, for attending higher education, including professional education and information and communication technologies, as well as technical, engineering and scientific programs, in the developed countries and other developing countries**

##### **mts app competition**

Telekom Srbija sees future generations as the initiators of the development of society and in that spirit the company has been organizing the "mts app competition" for 11 years with the aim of enabling young people to implement their ideas.

The competition is intended for students of 51 secondary schools in Serbia who work according to the program for talents in the field of mathematics, informatics and computer science and who have the task to, working in teams, design and program a useful and usable application in Android or iOS, and in the finals present it before the jury as a finished product.

Thanks to the great success of the "mts app competition" in Serbia, the competition has been organized by m: tel BiH and m: tel Podgorica since 2017, and the five most successful teams from all three countries meet in the "Regional App Challenge" and compete for the main and special award for innovation.

##### **Cooperation with the school of special national importance**

Telekom Srbija is committed to nurturing a network of reliable partners with whom it shares the same values and goals. In that domain, it is worth emphasizing the cooperation with the Mathematical High School in Belgrade, a school of special national importance. Cooperation with the Mathematical High School began in 2010 and is reflected in the implementation of the "mts app competition", the organization of a mathematical and sports camp in Tulba near Požarevac, the procurement of licensed software, but above all, in the provision of necessary support for student participation in the international competitions in mathematics, physics and informatics. So far, the students have participated in 30 competitions in which they have won 104 medals: 37 gold, 35 silver and 32 bronze.

Telekom Srbija supports the Regional Centre for Talents whose participants have achieved great success at world and national competitions and knowledge olympics, as well as the Centre for the Promotion of Science that has been organizing the event entitled “May – the Month of Mathematics” for several years now.

For several years, the Company has been supporting the association “Tesla Global Forum” organized by the event dedicated to the work and achievements of the great scientist.



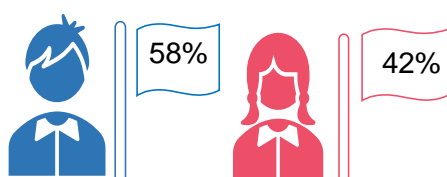
#### Target 5.5.

**Secure that the women fully and effectively participate and have equal possibilities for management on all levels of decision-making in the political, economic and public life**

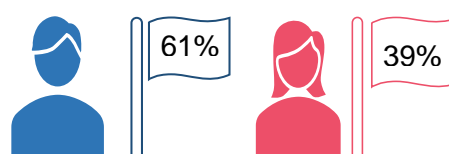
In accordance with their mutual differences in the type of activities they perform, Telekom Srbija Group has a different gender structure per member. A significant number of members have a balanced share of both sexes in the total number of employees.

When it comes to the gender structure of the management, the share of women in the management is higher than the share of women in the total number of employees.

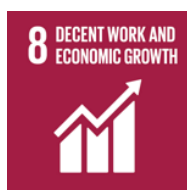
management



employees



In the overall number of the training hours of employees on the level of Telekom Srbija Group both sexes are equally represented.



#### Target 8.2.

**Achieving the higher levels of economic productivity through diversification, technological upgrade and innovations, including focussing on labor intensive and highly profitable sectors**

##### **mts start-up acceleration**

Convinced that technological entrepreneurship has the potential to be a strong driver of economic growth, Telekom Srbija has been implementing the “mts start-up acceleration” project, intended for technological start-ups at an early stage of development of their business idea, for four years. Prospective entrepreneurs are granted a cash incentive in the amount of 20,000 euros, mentoring advice, free services and support when entering the regional market.



The company implements the program in cooperation with the Startit Association, which has been organizing the most prestigious educational program in the field of technological entrepreneurship in the region called “Startup Academy”, which was renamed into “Growth” in 2020.

During the previous four cycles of mts start-up acceleration, 80,000 euros were invested to encourage technological entrepreneurship, and free mts services and mentoring of management representatives were provided for 10 awarded start-ups.

### Target 8.3.

**Promote development oriented policies which support production activities, creation of decent jobs, entrepreneurship, creativity and innovativeness and encourage the official establishment and growth of micro-companies, i.e. small and medium-sized enterprises, among other things, through access to financial services**

Management of employee development in the parent company is implemented through regular planned educational and developmental and motivational modalities specifically intended for management, talents and other employees (various types of internal and external education, business simulations, teambuilding programs, additional training. With the help of the learning platform, the role of the employee as a partner in creating a culture of continuous learning and development is improved.

### Training

In 2021, the employee's share in the training programs was greater than the management's, and the number of training hours also increased.

| Hours od education          | Telekom Srbija |        |
|-----------------------------|----------------|--------|
|                             | 2020           | 2021   |
| Education (number of hours) | 33.800         | 45.917 |
| employees                   | 20.856         | 36.973 |
| management                  | 12.944         | 8.944  |

#### Number and structure of implemented training programs

| Number of employees               | Telekom Srbija |      |
|-----------------------------------|----------------|------|
|                                   | 2020           | 2021 |
| Training for professional licence | 9              | 115  |
| Education by the Company          | 8              | 5    |
| Talent program                    | 240            | 236  |
| Team building                     | 106            | 551  |
| Rotations                         | 29             | 28   |
| Internal trainings                | 154            | 117  |
| Personal development trainings    | 1139           | 1088 |
| Total:                            | 1685           | 2140 |
|                                   |                | 27%  |

|                                     |     |     |
|-------------------------------------|-----|-----|
| Number of employees with profession | 474 | 446 |
| Number of employees who are memb    | 481 | 458 |

#### Rotations

In 2021, the employee rotation program in Telekom Srbija continued. Due to the situation caused by the Covid-19 virus pandemic, the initially projected number of employees to participate in the rotation process was reduced. In this regard, the emphasis was on temporary employee rotations. In 2021, a total of 28 employees applied for this form of rotation.

#### Flexible benefits in Telekom Srbija

In 2021, 860 employees – users of flexible benefits from all organizational units of the Company were determined. A total of 3,212 requests for different types of flexible benefits were accommodated (different types of employee insurance, different types of training, tourist trips, covering the costs of educating the employee's children, medical services, fitness and wellness services, various gift cards and vouchers).

In 2021, 16 housing loans were granted to employees, against participation in a loan with commercial banks, by which the Company provided the employees with support in resolving one of the most important life issues. In 2021, on the occasion of 8 March, the Company granted one-off payments to all women, regardless of the type of employment, and New Year's packages for children – payments for employed parents of children up to 10 years of age, and for disabled children up to 15 years of age.

Telekom Srbija has been providing voluntary pension insurance for all employees since 2008, in the voluntary pension funds Dunav and Generali. Telekom Srbija continues the tradition of jubilee awards for employees and former employees, who during the year will have continuously worked in Telekom Srbija, i.e. the PTT system of Serbia for 10, 20, 30 or 40 years.

In 2021 Telekom Srbija had the largest number of new employees (employees of Pošta NET), while the employee attrition rate was 2% - the same as it was in the previous year.

#### Target 8.8.

**Protect the labor-related rights and promote a safe and secure working environment for all workers, including migrant workers, especially women migrants, and those doing dangerous jobs**

During the pandemic, Telekom Srbija showed a high level of understanding and care for employees and made additional efforts to ensure uninterrupted remote working and redistribution of working hours for all employees whose workplaces made this possible.

Telekom Srbija, by their internal acts, envisaged the right to regular health check-ups for employees, as well as solidarity aid, both for employees and their family members.

The activities defined by the Law on Safety and Health at Work are consistently applied. In order to raise the level of occupational safety and health, Telekom Srbija implemented the ISO standard 45001: 2018 in 2019 and adopted the Occupational Safety and Health Policy, which defines the principles and areas of implementation. At the end of 2020 and 2021, recertification was successfully carried out, i.e. the validity of the obtained certificate was extended. Accordingly, appropriate training is provided annually for employees in high-risk jobs, as well as for new hires and employees who are reassigned to other jobs.

Telekom Srbija provides collective insurance for all employees from the consequences of an accident at work and outside of work (24 hours) and serious illnesses and surgical interventions.

Telekom Srbija provides additional protection of employees through collective insurance, with a special insurance of employees who are assigned to jobs with increased risk.



#### **Target 9.1.**

**Develop quality, reliable, sustainable and resistant infrastructure, including regional and border infrastructure, in order to support economic development and human welfare, with a focus on cheap and equal access for all**

This goal is successfully implemented through the ALL IP project of fixed telephone network modernization where customer speeds may range up to 1Gb/s for the purpose of creating a more favourable business environment for new investors.

in Serbia, Telekom Srbija has until now built and provided:

- Optical cables for 1,030,000 households,
- 31,090 km of cable have been laid,
- Almost 1.6 million km of optical cables were laid,
- 1.8 million lines at digital exchanges,
- 2,895 base stations.

Through a joint project with the TTT ministry, called "Rural Broadband", it is planned to jointly build optical infrastructure for covering a large number of rural settlements. Joint construction is planned so that the TTT Ministry would build so-called mid-mile part of the network, from the operator's point of presence to the village, while the operator would build the access network in the village. Telekom Srbija signed contracts on joint construction with the TTT ministry in 382 out of 400 settlements. Until the end of 2023, in these 382 settlements, the company will make it possible for some 60,000 households to have broadband services of speeds up to 1Gb/s.

## Target 9.c

### **Significantly increase access to information and communication technologies and make efforts to provide universal and affordable Internet access in the underdeveloped countries until 2020**

Telekom Srbija invests significantly in improving network quality in all the areas of our country, both urban and rural. For rural and less developed areas, technically more feasible and economically more acceptable are solutions through wireless technologies, so that significant efforts were made in order to improve the coverage of territories and population of such areas by mobile signal. According to RATEL's latest applicable report (third quarter of 2021), Telekom Srbija in Serbia provides the coverage of:

- 99.25% of the population with the 2G signal,
- 96.90% of the population with the 3G signal, and
- 98.20% of the population with the 4G signal.

Coverage with the 4G signal is also the largest percentage of coverage of population with the 4G signal among the operators in Serbia.



## Target 11.4.

### **Increase efforts to protect world cultural and natural heritage**

Telekom Srbija cooperates with the Faculty of Fine Arts and, apart from donations for the procurement of equipment, the company has been providing a pecuniary award for the best student work at the Department for New Media over the last five years.

With the traditional support of the Company, the younger generations of artistic talents had the opportunity to present their works at the "Children's October Salon". Support was given for holding the "Poetry Relay" in Zrenjanin and Zmaj's Children's Games in Novi Sad, and new books were provided as a gift to school libraries ahead of the New Year, as part of the campaign that Telekom Srbija has been conducting for seven years.

Telekom Srbija and the Ilija M. Kolarac Endowment continued their cooperation on the program "Kolarac - Your World of Music", within which world-famous musicians visited Belgrade, and young artists, with the support of the Company, showed their skills at Nemanja Radulović's master class. Theatre lovers were able to enjoy the programs of the "Nušić Days" festival in Smederevo and the 30th International Festival "Zoran Radmilović Days" in Zaječar.

Telekom Srbija helped renovate several churches and monasteries, including monasteries within the Orthodox Diocese of Niš and the Diocese of Raška and Prizren, the Church of the Holy Apostle and Evangelist Luke in Smederevo and the Church of St. Simeon the Myrrh-bearer in Belgrade, while additional telecommunications services were provided to the Chilandari monastery, in order to improve the project of digitalization of the Chilandari treasury.

In order to preserve the cultural heritage, Telekom Srbija helped the digitalization of the "Scenario House" within the National Library in Vrnjačka Banja. Through many years of cooperation with the Ethno Network, which organizes the exhibition "100 women - 100 miniatures", Telekom Srbija contributes to the affirmation of women's entrepreneurship in rural areas and the preservation of cultural heritage.

As a traditional friend of the "Sports Assembly of Holy Serbia" event, Telekom Srbija supported a project aimed at fostering tradition, community and the sports spirit among young people, the central event on Ada Ciganlija in Belgrade, where a number of sports events, tournaments, cultural and educational events was organized.





#### **Target 11.6.**

**Until 2030 reduce the negative impact of cities on the environment measured per capita, with special attention to air quality and waste management at the municipal and other levels**

By donating Smart Benches - innovative technological solutions created by experts from the “Strawberry Energy”, with whom Telekom Srbija has been cooperating for an entire decade, the company contributes to environmental protection and at the same time supports technological entrepreneurship and digital solutions that transform our cities. After the installation of the Smart Bench in Novi Sad in 2019, in 2020 cooperation involved setting up a “Smart Bench” in Leskovac, as a gift to the Centre for Professional Development in Education on the occasion of Science Day, and in 2021 the Smart Bench was donated to the Student Home “Milutin Milanković”, on the occasion of marking the 60th anniversary of its founding.

In addition to providing free Internet access and serving as a solar charger for mobile devices, the bench also provides information on air quality, ambient noise levels, as well as temperature and air pressure, which raises awareness of the need to protect the environment, and in educational institutions to which it was donated, it also serves as a practical tool for conducting workshops in the field of renewable energy sources and environmental protection.



#### Target 12.4.

**Until 2020 achieve environmentally sound management of chemicals and all types of waste throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release into the air, water and soil in order to minimize their negative impact on human health and the environment**

In 2021, Telekom Srbija performed the following:

- 181 expert assessments of environmental load, which include measurement of electro-magnetic fields for 495 base stations;
- Electromagnetic field measurements for 138 locations or 276 base stations;
- 66 Environmental Impact Assessment Studies;
- 57 public hearings at which control of the impact of base stations on human health and the environment was presented to the public;
- Through 199 inspections the company controlled the legal operation of its mobile telephony base stations

The management of thermal energy and raw materials for heating business facilities was guided by a detailed planning of energy deliveries with a rigorous control of consumption and special emphasis on any increased consumption by individual facilities.

| Consumption of raw material and energy, emission of gases | 2020    | 2021    |
|---|---------|---------|
| NO2 kg  | 5.379   | 10.797  |
| CO kg   | 6.430   | 5.562   |
| SO2 kg  | 3.558   | 4.341   |
| Wood m <sup>3</sup>                                       | 73      | 73      |
| Coal kg   | 184.763 | 166.755 |
| Fuel oil l  | 292.245 | 302.715 |
| Heating fuel l  | 275.202 | 240.906 |

Vehicles with the latest generation power generators that meet the minimum Euro 6 standard were procured. Most vehicles have the option of using additional additives to reduce nitrogen oxide emissions. The vehicle fleet was significantly increased due to the need for vehicles of the Technical Division, which is related to the "24 Hours" project. The results of responsible use of the vehicle fleet in Telekom Srbija, mtel Podgorica and Mtel Group are presented through a significantly lower fuel consumption.

| Car fleet                                       | 2020  | 2021  |
|---|-------|-------|
| Number of vehicles                              | 1.848 | 2.462 |
| Share of freight vehicles in the overall number | 514   | 516   |

| Fuel consumption | 2020             | 2021             |
|------------------|------------------|------------------|
| Diesel (Lit)     | 1.385.086        | 1.961.032        |
| Petrol (Lit)     | 1.019.771        | 1.069.595        |
| <b>Total</b>     | <b>2.404.858</b> | <b>3.030.627</b> |

|                                |              |              |
|--------------------------------|--------------|--------------|
| <b>Consumption per vehicle</b> | <b>1.301</b> | <b>1.231</b> |
|--------------------------------|--------------|--------------|

## Target 12.5

### Until 2030 significantly reduce the production of waste through prevention, reduction, recycling and reuse

Compared to 2021, Telekom Srbija handed over about 700 tons less waste, and the period of waste storage until it is handed over to qualified legal entities for recycling was significantly shortened. The software application that monitors the delivery of waste is an application of the Environmental Protection Agency, Ministry of Environmental Protection.

| Waste in tons                           | 2020. | 2021. |
|---|-------|-------|
| Total non-hazardous waste               | 656   | 417   |
| Total hazardous waste                   | 677   | 159   |
| Total hazardous and non-hazardous waste | 1.333 | 576   |

During 2021, the members of the Telekom Srbija Group conducted an intensive campaign for the E-invoice service with numerous benefits and discounts for the user, based on which it was estimated that significant savings were achieved.

| Structure of investments in environmental protection (in RSD) | 2020      | 2021      |
|---|-----------|-----------|
| Funds invested in environmental protection                    | 649.661   | 663.066   |
| Savings in the consumption of paper and printed material      | 9.426.224 | 7.893.984 |

In order to further implement the initiative to **reduce the use of paper**, Telekom Srbija has undertaken and plans further activities to introduce electronic office operations and reduce emerging paper documentation, as follows:

- From 2019, the company has provided the scanning of complete incoming documentation received in paper form in file rooms, as well as its electronic delivery to organizational units, through the documentation management application (JAKiA);
- The company has extended the range of receiving electronic incoming documentation through the official electronic address of the file room;
- In 2020, the company launched the process of successive and partial inclusion of organizational units into the process of application of the original electronic incoming and outgoing documentation;
- In 2022, the company secured the archiving of electronic internal documentation and extension of the range of the incoming and outgoing electronic documentation with other legal entities;
- In 2022, it is envisaged to reduce the incoming and outgoing invoices in paper form with other legal entities, by transition to electronic invoices, through the system for electronic invoice management of the Finance Ministry.



## Target 15.5.

### Undertake urgent and significant activities for the reduction of degradation of natural habitats, prevention of biodiversity loss, and until 2020 protect the endangered species and prevent their extinction

Telekom Srbija in every operational and organizational segment has in mind the need to take care of the environment. Company fully respects the legal regulations and international standards, and is committed to contributing to the implementation of the key goals of sustainable development.

In an attempt to contribute to raising the community's ecological awareness, Telekom Srbija continued the activities aimed at protecting the environment and the endangered species and in 2021 launched the campaign "No Species Dies Alone". The title of the campaign is supposed to emphasize the importance of biological diversity as a precondition for the preservation of ecological balance and healthy environment.

The first phase of this long-term campaign is dedicated to the protection of birds because they are the first indicator of environmental quality. Their number and distribution clearly reflect the conditions of the habitats where they live, together with people. In addition to contributing to the quality of soil, water, food and thus our health, many of them can prevent the spread of possible diseases.

The campaign is a result of the company's long-term support to companies, associations and experts who through active protection measures and the implementation of modern mobile telecommunications technologies in the monitoring of endangered bird species, are working to improve living conditions for them and for all of us.

By investing in the preservation of plant and animal species and their habitats, Telekom Srbija additionally draws attention to the protection of biodiversity.

# ČUVAJMO NAJVAŽNIJU OD SVIH MREŽA. MREŽU ŽIVOTA.



| NAZIV: BEOGLAVI SUP ( <i>GYPS FULVUS</i> ) | NAZIV: MODROVRANA ( <i>CORACIAS GARRULUS</i> ) | NAZIV: ORAO ZMIJAR ( <i>CIRCAETUS GALLICUS</i> ) | NAZIV: UTINA ( <i>ASIO OTUS</i> ) |
|--|--|--|-----------------------------------|
| DUŽINA: 95-110 CM                          | DUŽINA: 29-32 CM                               | DUŽINA: 62-69 CM                                 | DUŽINA: 31-37 CM                  |
| TEŽINA: 6-10 KG                            | TEŽINA: 150 G                                  | TEŽINA: 1,2-2,3 KG                               | TEŽINA: 350 G                     |
| RASPON KRILA: 230-280 CM                   | RASPON KRILA: 52-58 CM                         | RASPON KRILA: 162-178 CM                         | RASPON KRILA: 86-98 CM            |
| ZNAČAJ: SPREČAVA ŠIRENJE ZARAZA            | ZNAČAJ: REGULIŠE BROJNOST INSEKATA             | ZNAČAJ: REGULIŠE BROJNOST GMIZAVACA              | ZNAČAJ: SPASAVA USEVE OD GLODARA  |

**NIJEDNA VRSTA NE UMIRE SAMA**

**Telekom Srbija**  
Tu gde ste vi



Target 16.1.

**In all places, radically reduce all forms of violence and the related death-cases**

Respect for the rights of employees is a basic obligation in achieving the harmonization of internal relations. In Telekom Srbija, as a parent company, two channels of employee protection have been

established through the internal portal, through which employees can resolve open issues related to labour-related rights and obligations;

- Ask human resources, and
- Labour and legal counselling, within which employees can turn to a professional team of lawyers for any assistance in achieving and protecting their legal position in accordance with legal and internal regulations.

The Rules on Personal Data Protection define the basic principles and rules of conduct in the field of personal data processing and protection, considering the probability of risk and the level of risk to the rights and freedoms of individuals.

A total of 10 trade unions are registered in Telekom Srbija, of which 2 are representative trade unions. Also, within Telekom Srbija, there are associations gathering 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 Shareholders Employed in PE PTT Traffic Srbija and Telekom Srbija (268 members)

#### **Target 16.5.**

##### **Significantly reduce corruption and bribery in all their forms**

The Rules of Procedure of Internal Whistleblowing, based on which the Decision on appointing a person to receive information and conduct a procedure related to whistleblowing, defines acting on the information for the purpose of determining and removing the irregularities indicated by information.

In 2020, preparatory activities were carried out in connection with the development of an integrity plan, in accordance with the Law on the Prevention of Corruption. The goal is to establish mechanisms that will ensure a more efficient and effective functioning of the Company, through strengthening responsibility, increasing transparency in the decision-making process, strengthening ethics and introducing a more efficient system of supervision and control.

The Code of Corporate Conduct defines the fight against corruption and other illegal actions.



#### **Target 17.17.**

##### **Support and promote effective public, public and private partnerships and civil society partnerships built on the experiences and strategies of finding resources for the partnerships**

Telekom Srbija Group believes that the goals are best realized in communication with professional and dedicated people, which is confirmed by several years of corporate membership in international and domestic professional and philanthropic organizations.

Telekom Srbija is aware that leadership in services and market growth carries additional responsibility towards the local community, and also responsibility for the realization of global goals, which it accepted by joining the UN Global Compact in 2010.

Members of the Telekom Srbija Group are already traditionally active members of many international and domestic organizations:

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

- Cullen International
- European Telecommunications Network Operators Association (ETNO)



- Gartner Inc
- GSM Association (GSMA)
- IEEE
- IoT Forum
- LoRa Alliance
- TeleManagement Forum (TMF)
- United Nations Global Compact Network (UNGCN)
- Responsible Business Forum (FOP - Smart kolektiv)
- Digital Serbia Initiative (IDS)
- NALED
- Foreign Investors Council (FIC)
- Serbian Association of Managers (SAM)
- Association of Corporate Directors of Serbia (UKDS)
- CFO & Controlling Club
- Serbian Philanthropic Forum, and
- Serbian Chamber of Commerce

## **Other Telekom Srbija's socially responsible activities for the purpose of taking care of the community**

### **Investment in sports**

Team spirit and perseverance are important not only in sports but also in life and that is the reason why the company supports projects aimed at developing and strengthening these qualities in young people. Since the founding of the "Movement for Women's Basketball - Marina Maljković", Telekom Srbija has supported its work, so that as many girls as possible become interested in playing basketball and see the benefits of doing sports. Thanks to the support of Telekom Srbija, at several locations in Belgrade, Novi Pazar and Obrenovac, 50 trainings per week are organized for girls of primary school age within the free basketball school. So far, almost 3,000 girls have had the opportunity to train basketball within the "Movement".

