



**Corporate Sustainability Report
Telekom Romania Mobile Communications S.A.**

Non-financial Indicators for 2021



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Message of the Chief Executive Officer

Dear readers,

Our common goal, of the entire Telekom Romania Mobile team, is to be number 1 in TRI*M, as well as in the minds and hearts of customers. By caring for our customers and putting their interests first, we provide them with the mobile experience they want. Our claim „mobile as you want it” is our guiding principle.

This is a new mobile journey and our purpose is to build customers’ trust. The new journey for our customers starts with these promises: Same offer if you are a Telekom client or you port in, simple unlimited tariffs, with no surprises: residential = business.



We know how important it is for customers to be connected to the boundless Internet, wherever they are, on any device, for their business, children’s school, or family. In November, we launched Unlimited WiFi – the simplest WiFi Internet solution, portable and connecting any mobile device anywhere and anytime to the Internet, by simply connecting a WiFi router to a plug.

Our new mobile journey started after 30 September 2021, when OTE S.A announced that the sale of its 54% stake in Telekom Romania Communications S.A. to Orange Romania had been completed.

The top priorities during the pandemic remained protecting the health of our employees and our customers by promoting digital solutions. Employees were involved in the Healthy Me community, where sports classes, wellbeing seminars and personal development classes were offered to mitigate the effects of the isolation in the pandemic safely.

Sustainability remained an integral part of our strategic planning and operations based on the mainstays of enabling digital responsibility, literacy and inclusion, and improving energy efficiency by pushing for zero CO2 emissions. In 2021, the Telekom Romania Mobile network ran 100 percent on green electricity for the first time in our history. Significant steps were also made toward lowering the energy consumption and CO2 emissions of our company.

On the digital front, the fight against cyberbullying continued, together with scholarships for STEM students, digital availability for children, seniors and other citizens, along with security solutions to stop identity theft. During the COVID-19 pandemic, the educational platform for digitization continues with public conferences on User Experience, Agility, and Robots.

Sustainability is a continuous journey, and our new mobile mission and manifesto, *Mobile as you wanted*, comes to support sustainability efforts by offering customers’ products and services for a digital era, from an energy conscious company.

Dina Tsybulskaya,
CEO Telekom Romania Mobile Communications

Corporate Responsibility Highlights in 2021

Sustainability is at the center of Telekom Mobile strategy. We aim to address the needs of all our stakeholders in terms of meeting the Sustainable Development Goals. In our operations, we have given balanced consideration to climate change issues, as well as our impact on improving education and on the development of society.

1. **100% renewable energy**

In 2021, the Telekom Mobile network ran 100% on green electricity for the first time in our company history



2. **35 266 people gained digital skills**

35 266 people, including children, youngsters and adults, enhanced digital skills in various projects targeted on vocational testing, coding, STEM education, public WiFi, and cyberbullying.



3. **10 scholarships**

The company offered scholarships to the ten winners of the 11th edition of the social responsibility program "Telekom Scholarships".





1 Presentation of the company

Telekom Romania Mobile Communications S.A. (Telekom Mobile) has been present on the Romanian market since 2014, after the rebranding of COSMOTE Romania, thus continuing a history started over 15 years ago. Telekom Mobile is one of the most important players on the telecommunications market in Romania. Our operations take place in several hundred offices, technical spaces and stores throughout the country, with its headquarters in Bucharest. More details about the history of Telekom Romania Mobile Communications can be found [here](#).

Telekom Romania Mobile offers mobile telephony and data services through GSM 900, GSM 1800, 3G and 4G technology, as well as using 3G 2100 MHz.

Until the 30th of September 2021, Telekom Romania group comprised two entities: Telekom Romania Communications and Telekom Romania Mobile Communications. In September 2021, Hellenic Telecommunications Organization S.A. (“OTE”) completed the sale of its 54% stake in Telekom Romania Communications S.A. (“TKR”) to Orange Romania. Therefore, the former company Telekom Romania Communications S.A. (Telekom Fixed) has no longer been part of the Deutsche Telekom Group starting with the respective date.

In November 2021, Telekom Mobile launched a new position and promise based on what customers want. Telekom Mobile’s new approach is based on customer-centric thinking - and nothing else – starting from the basic needs and their highest expectations and dissatisfactions when it comes to mobile services. According to the company’s research:

- Honesty, transparency, simplicity and the quality of the promised services - are the most important things that Romanians expect from their mobile phone providers. And Telekom Mobile makes every effort to give them the mobile experience they want, simpler and fair. Unlimited offers and communication with clear prices, without restrictions or hidden costs.
- Customers demand that their mobile service provider takes care of them, respect them and appreciate them for their loyalty. Sometimes they are unhappy because of the incapacity to negotiate a better offer, better suited to their needs, and that they receive more expensive offers than those they see on TV in advertising campaigns dedicated mainly to attracting new customers. Therefore, Telekom Mobile offers access to current customers to the same aggressive offers available until now only for new customers, and the offers were valid for both individuals and legal entities.

The promise of the new Telekom Mobile brand - “Mobile as you want. Simple and fair.” - puts the customer at the heart of all the company’s initiatives.

Telekom is a brand owned by Deutsche Telekom, one of the leading global integrated telecommunications companies, which is a shareholder of the Hellenic Telecommunications Organization (OTE). OTE Group is the largest telecommunications service provider on the Greek market and one of the main telecommunications groups in Southeast Europe, with a presence in Greece and Romania.

Structure of shareholders

Shareholders to Telekom Romania Mobile Communications S.A.

- Hellenic Telecommunications Organization S.A. - 99.9999994%
- Societatea Națională de Radiocomunicații S.A. – 0.0000006%

1.1 Company management

The main structure involved in decision making is the Board of Directors. Its members are responsible for the development of strategic business plans, as well as for the monitoring and management of operational performance. The Board of Directors members are also responsible for developing appropriate and effective risk management policies and relevant processes. The process of selecting the members of these authorities is based exclusively on the qualifications and expertise of the members.

Telekom Romania Mobile Communications S.A.

The Board of Directors at December 31, 2021

- | | |
|-----------------------------|----------------------|
| ▪ Mr. Charalampos Mazarakis | Chairman |
| ▪ Mrs. Dina Tsybulskaya | Executive member |
| ▪ Mr. Konstantinos Liamidis | Non-executive member |
| ▪ Mrs. Eirini Nikolaidi | Non-executive member |
| ▪ Mr. Rodrigo Diehl | Non-executive member |
| ▪ Mrs. Eva Somorjay-Tamassy | Non-executive member |

Dina Tsybulskaya was appointed CEO of Telekom Romania Mobile Communications S.A., effective September 1st, 2021. Previously, the position of general manager was held by Mr. Vladan Pekovic.

At 31st of December 2021, 60% of Telekom Mobile executive management board was represented by women. More details about the composition of the Telekom Romania Mobile Communications S.A. executive management team can be found [here](#).

1.2 Results for 2021

Telekom Romania Mobile Communications S.A. made a positive impact on the Romanian market in Q4 2021, after having launched its promise to deliver to its customers “Mobile as you want it. Simple and fair”. Thus, in the last quarter of 2021, post-paid subscribers increased by 5.3% versus the same period in the previous year, confirming the results of the strategical actions for this customer segment.

At the end of 2021, more than 1.735 million postpaid subscribers used Telekom Mobile services. The total number of customers (postpaid and prepaid) reached 3.69 million. The prepaid segment has been growing for the last two quarters of last year. With the company stabilizing the overall customer base, ARPU also increased by 2.4% compared to 2020, proving that the operator’s offers have a good value-for-money ratio.

During the first full quarter as a mobile company, pursuant to the separation from the fixed operations, TKRM’s EBITDA stood at 10.4 million euros, keeping its year-on-year growing trend.

In 2021, the total revenues of the company (including MVNO) reached 386.8 million euros, a 14.6% decrease compared to full year 2020. The fluctuation came amid the separation from the fixed operations and the customers that had fix-mobile convergent (FMC) services, but also due to the pandemic, which limited travels across the globe. Nevertheless, the company was able to overcompensate this on a margin level, where Telekom Mobile was successful in further reducing the indirect costs by 2.8% YoY, due to company’s focus on operational and financial efficiency.

The company’s sound position was also reflected by the Adjusted Free Cash Flow, which recorded an important and steep increase YoY. This provided the ground for further investment to offer our customers a high quality experience. Since the second half of 2018, Telekom Mobile’s cost base continued to benefit from its long-term cost transformation program that generated significant operational improvements.

Financial results in 2021

Summary of operation	2019	2020	2021
Total revenues	2,211,764,933	2,208,738,880	1,960,037,730
Total Operating Costs	2,482,998,039	2,817,840,893	1,739,015,097
Taxes to the Government	2,532,262	19,705,382	1,877,305

Note: All amounts in lei. Reporting according to the Romanian Accounting Standards.

1.3 Taxonomy-aligned activities

The taxonomy is intended to help the EU to implement the European Green Deal, creating a common understanding of the environmental sustainability of activities and investments.

The EU taxonomy KPIs are applicable to the two environmental objectives that have been published to date: “climate change mitigation” and “climate change adaptation.”

Two activities and associated criteria have so far been defined by the EU taxonomy for telecommunication sector, namely “Data processing, hosting and related activities” and “Data-driven solutions for GHG emissions reductions” – for example, operating computer centers or developing IT solutions that reduce greenhouse gas emissions.

Based on the provisions of the EU taxonomy, the total figures consolidated for Deutsche Telekom Group that are relevant for this calculation in the reporting year are EUR 108.8 billion (turnover), EUR 35.7 billion (capital expenditure), and EUR 0.5 billion (operating expenditure).

An aggregate view of the taxonomy-eligibility of both economic activities provides very low proportions in the reporting year of turnover (1.8%), capital expenditure (0.1%), and operating expenditure (2.1%).

We acknowledge that the telecommunications industry is a key building block for the EU Green Deal. Suitable EU taxonomy criteria with which we could describe our contribution to climate protection as taxonomy-aligned do not yet exist either. Deutsche Telekom therefore support in a range of business and industry associations the inclusion of suitable, relevant criteria in the EU taxonomy to describe our core activities.

For more details please follow this link: <https://www.cr-report.telekom.com/2021/management-facts/economy/sustainable-finance#atn-19590-19595>

1.4 Services and products

In line with the priority of the company to provide reliable mobile voice coverage for all Romanians, the 2G/GSM network is over the 99% population coverage threshold. All infrastructure has been upgraded to support 4G/LTE data services. The 4G coverage has surpassed 98% of the population, nearing the voice services percentage. Moreover, Telekom Mobile already implemented in tests 5G antennas from Bucharest International Airport to the center of Bucharest and the results showed performances of over 260 Mbps download speed, while the average values recorded were at approximately 150 Mbps.

In 2021, Telekom Mobile continued to offer innovative services with unlimited benefits to its mobile customers at a great value for money.



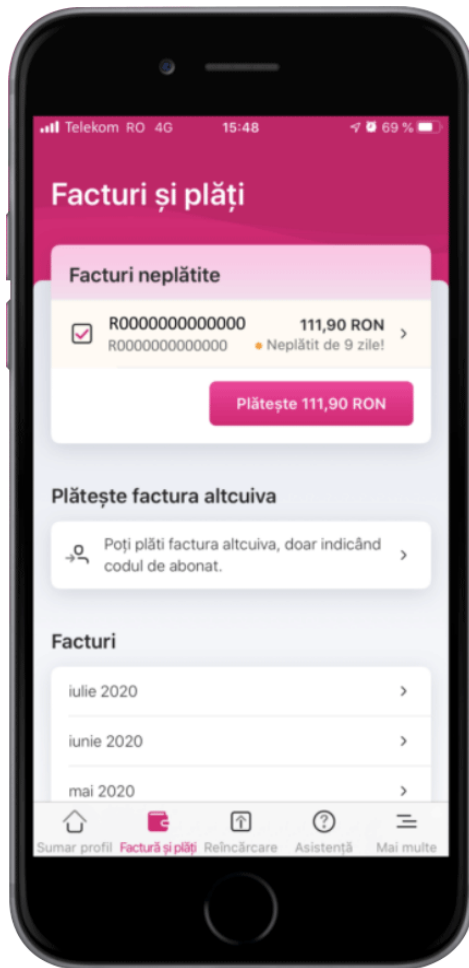
In November 2021 Telekom Mobile announced major changes for customers with a new brand promise that puts the customer at the heart of all the company's initiatives: "Mobile as you want. Simple and fair."



As one of the biggest wishes of the Romanian customers is to get fair treatment from their telecommunications operators and to have smooth access to the most attractive promotions, Telekom Mobile took the first step and abolished the gap between attraction offers for new clients and retention offers for current subscribers.

In the spirit of the new brand promise, Telekom Mobile also launched the new Nelimitat WiFi service, offering unlimited portable internet anywhere, anytime, on any device: smartphone, smart TV, laptop, tablet.





At the end of 2021, more than 1 million connected devices were using the My Account Telekom Mobile mobile service management application.

Over 92% of them used the application on their mobile phone, but there were users who also accessed it on computers or tablets. Almost 70% of the devices ran the application through Android operating systems and over 15% through the iOS system. The difference is other operating systems, such as Windows.

The most common operations were: viewing the status of the account and services, viewing and paying invoices, accessing promotion information, and, for prepaid users, reloading the card.

The application enjoyed good feedback from customers, with ratings of over 4 stars in Android and iOS operating systems.

Externally, we aim to simplify as much as possible the experience of our customers in managing interactions with the company's products and services from the comfort of their homes, making it faster, easier and most importantly - safer. Thus, at the end of 2021:

- 36% penetration of digital OneApp, with more than 900,000 active users per month;
- 75% of residential customer base are using e-bill, while 44% of the B2B clients have the e-bill activated;
- 7% penetration of e-top up services for the period October 1st – December 31st, 2021.

In 2021, for the fourth year in a row, we doubled the number of active robots: Telekom Mobile introduced 75.5% more software robots (RPA) into service compared to 2020, becoming one of the largest Robotic Process Automations (RPA) farms in the country.

The company is highly dedicated to designing and creating a portfolio of products and services in a way that ensures a high level of comfort and safety across their lifespan. We are devoted to treating responsibly and diligently the technique of proper and informative labelling of our products, in addition to the one related to maintaining the confidentiality of our customers' personal data. We take this commitment seriously, which permits us to standardize and integrate these good practices into our daily routine. Therefore, we make sure that all our products and services are certified and bear all mandatory markings required by EU law or directives and regulations on the safe use of products, the restriction of hazardous substances and the reduction of electronic waste.

Furthermore, we invest resources in the improvement of products and services that tackle current challenges from the social, economic and environmental areas. Our product and service approach has the following targets:

- Enhancing the sustainable development of our company;
- Supporting the transition to a low-carbon society;
- Facilitate access to education and health services for as many people as possible;
- Supporting the sustainable growth of Romanian communities;
- Helping clients achieve their own sustainability goals.

Trusted by customers

In 2021, Telekom Romania Mobile Communications conducted recurring surveys, in order to measure customer satisfaction and loyalty, thus obtaining their opinions. The company maintained its scores in the TRI*M Loyalty Index, the company's performance evaluation, compared to the previous year.

Indicatively, in 2021, high scores were achieved on the question "How would you evaluate the company as to: whether the company makes me feel like I am in good hands?", since the majority of customers responded "Excellent, Very Good or Good" (76%). According to the study, 81% of customers in Romania rated the overall company's performance as Excellent, Very Good or Good.

Real-time feedback on customer experience is also collected through specific platforms. Following the customers contact with the company's touch points (i.e. call center, stores and technical service), questions on the employees' quality attributes (e.g. employee knowledge) and the touch points' overall service (e.g. waiting time) are put forward. In 2021, Telekom Mobile increased slightly on two of the most important touchpoints, Inbound and Own Shops.

1.5 Our principles and culture

In our work, we follow a set of specific rules or principles that manage and guide the culture within the company, describe how we work together as well as our interactions with third parties. These principles also serve as the basis for our Code of Conduct, explaining the significance they have in our daily work as well as their practical and effective impact.

Our Principles and Code of Conduct in 2021 are the principles of our Group, Deutsche Telekom:

	<p>OUR PRINCIPLES AND CODE OF CONDUCT valid in 2021</p> <ul style="list-style-type: none"> ▪ Delight our Customers ▪ Get things done ▪ Act with Integrity & Respect ▪ Team together team apart ▪ I am T conunt on me ▪ Stay Curios & Grow
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More information about the Guiding Principles is here:

www.telekom.com/en/company/details/the-company-values-of-telekom-355188.

In November 2021, the company announced its new positioning: Mobile as you want it, with limitless communication. Honesty, transparency, simplicity and the quality of the promised services: these are the most important things that Romanians expect from their mobile phone providers, according to company's research. Telekom Mobile will make every effort to give them the mobile experience they want, simpler and fair.

The new positioning has at the core the aim to win and keep the customers' trust, and a manifesto:



OUR BRAND NARRATIVE

SIMPLE & FAIR. MOBILE AS YOU WANT IT.

We care for our customers and we put their interests first. That's why we strive to provide them with the mobile experience they want.

One that simplifies their lives by giving them unlimited mobility to stay connected anywhere and anytime, on any device, in a seamless and carefree way.

But equally important, we value their trust and we strive to earn it, by being honest and fair and keeping our promises, so they genuinely feel they are in good hands.

By caring for our customers and putting their interests first, we provide them with the mobile experience which they (!) want. Our claim "mobile as you want it" is our guiding principle. We simplify customers' lives by giving them unlimited mobility to stay connected anywhere and anytime, on any device, in a seamless and carefree way. We do it at a fair price with no hidden clauses.

We do it to win the trust of customers and to become their no. #1 choice. We do it by giving customers promises and keeping these promises. Keeping promises is the organizing principle of winning the trust. We will become obsessed about keeping the promises because we don't want to destroy the trust of the customer. Through promises we make commitments to customers and to ourselves to do the right thing for the customer. Trust is gold. We won't waste it!

With the mission and the promise for ever improved customer experience, Telekom Mobile embarked on redefining its organizational culture. In Q4 2021, in a series of internal workshops and surveys, the management team identified how the culture could support its mission and promises made to the customers. To fulfil the manifesto, the team identified that all colleagues aspired to drive mindset change and help people to embrace it; reward customer orientation excellence, nurture learning, instil true listening to others, and improve the work environment together. All with also celebrating the wins and create positive memories.

If customers receive offers they want, the new culture aims to be as the colleagues in Telekom Mobile want: customer centric and solution-oriented, result oriented, valuing responsibility, growth, transparency, engagement, and cross-functional collaboration. The organizational culture would drive mindset change based on encouragement, entrepreneurial spirit, by simplifying and eliminating the unnecessary. Last but not least, the culture would be of empathy, care, tolerance and fun.

1.6 Awards and recognition



- **Effie Awards 2021**

Telekom Mobile was awarded the Client of the Year and the client with the highest performance at the Effie 2021.

The Effie 2021 Gala is the most important competition in the Romanian advertising industry. Telekom Romania gained eight awards in recognition of the efficiency and impact of the campaigns on the business and brand results. Most importantly, the company won a Grand Effie for the “Online Park” project. Telekom Romania received two Gold Awards for the Online Park campaign in the Timely Opportunity and Social Good Brands categories. It earned three Silver Effie Awards for the campaigns Ghiță ported to Telekom and Smart TV Stick in the Telecommunications category, along with FanAfaceriMici in the Business-to-Business category. One Bronze Award was granted for FanAfaceriMici in the Timely Opportunity category. Furthermore, the Online Park campaign also received the grand award of the gala, the Grand Effie 2021, and Telekom Romania received the title Client of the Year for the fourth consecutive year as the brand with the highest communication performance in Romania.

- **Leo Burnett Bucharest and Telekom Romania won Gold at the ANDY Awards 2021**

Romanian advertising agency – the Publicis Groupe – is the only agency and Telekom Romania the only company from CEE to be accoladed at the prestigious global awards this year. Leo Burnett Bucharest’s “The Online Park” campaign created for Telekom Romania was awarded a Gold by the International ANDY Awards 2021. This prestigious accolade represents the only award won by an agency and a company in Romania and the Central Eastern Europe (CEE) region at ANDY this year.

- **Bronze at Cannes Lions International Festival 2021**

Telekom Mobile won a Bronze Lion at the Cannes Lions International Festival in the Media/Use of Stunts category for the “Online Park” Project.

- **Silver and Bronze at Eurobest 2021**



Telekom Mobile won a Silver and a Bronze at Eurobest for the “Online Park” Project in the Outdoor and Media categories.

- **Bronze at Euro Effie 2021**

Telekom Mobile won a Bronze at Euro Effie 2021 for the “Online Park” Project, in the category Best of Europe: Internet & Telecom.

- **2 IAB MIXX AWARDS in 2021**

Telekom Mobile won 2 IAB Mixx Awards for the best video and best integrated campaign for the “Online Park” Project.

- **Gold and Silver at Internetics 2021**

Telekom Mobile won Gold and Silver at Internetics 2021 for the Online Branded Content and Services Category respectively.

- **Telekom Romania at the Top of Sustainability in Romania – Gold Winner in the Category Romania CST Index 2021**

Telekom Mobile has once again demonstrated its commitment in the field of sustainability with a position at the top for the fifth consecutive year in the CST Index 2021.

- **CSR Awards 2021**

Telekom Mobile received the Silver Prize for Digital Innovation in the CSR category at the CSR Awards 2021 for the “We keep Romania Connected” campaign.

- **PR Awards 2021**

Telekom Mobile was nominated an Award for Excellence in the Corporate Communication category for the campaign: Operations Separation.

1.7 Membership in Associations

For Telekom Romania Mobile Communications, stakeholder engagement is not a one-time process, but continuous in nature, allowing us to develop lasting partnerships with various stakeholder groups, including NGOs, local communities, suppliers and the business sector.

Organization		Type of participation
United Nations Global Compact - Global Compact Network Romania		Partner since 2015
Romanian Advertising Council		Member since 2015
Romanian Mobile Operators Association		Partner since 2008
International Telecommunication Union		Partner since 2015
GSM Association		Full rights member
ITC Coalition for Safer Use of Connected Devices and Online Services by Children and Young People in the EU		Participant since 2013, as member of the Deutsche Telekom Group
Romanian-German Chamber of Commerce and Industry (AHK)		Since 2021
Foreign Investors Council (FIC)		Since 2016

2 Sustainability strategy

Telekom Romania Mobile Communications, being part of the Deutsche Telekom, OTE groups and its position as a member of Global Compact Network Romania, aims to incorporate sustainability into its business strategy. At the same time, it accepted the challenge of contributing to the achievement of the UN Sustainable Development Goals (UNSDG) through its projects.

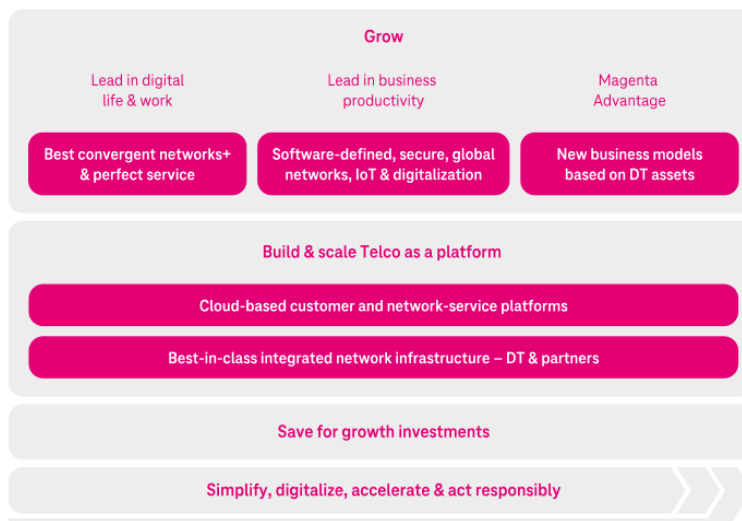
Deutsche Telekom aims to become more sustainable, by also aiming to help the customers become more sustainable. The Group uses the #GreenMagenta and #GoodMagenta labels to identify the products and services that make a clear and positive contribution to ecological or social sustainability.

“Act responsibly” is a key and integral component of Deutsche Telekom’s Group strategy. Therefore digital responsibility and sustainability represent two underlying principles.

Through the digital responsibility guideline, the Group aims to push digital inclusion, enable media literacy, fight hate speech, and stand-up against discrimination. Through the Sustainability lenses, DT aims for zero CO2 emissions, improving energy efficiency, and pushing models and developing green offers.



Corporate strategy: Leading European Telco



Telekom Romania Mobile Communications is convinced that sustainability involves creating economic value by responsibly applying fundamental business practices and by increasing the positive impact on society and the economy, as well as by reducing the negative impact on the environment. The fundamental aspects that underlie our strategic thinking within the company are aligned with the sustainability strategy of Deutsche Telekom Group and OTE Group.

In order to measure and control our performance in terms of corporate responsibility, Telekom Mobile uses guidelines and indicators developed by Deutsche Telekom and OTE Group. These indicators are essential, as they

help us to optimize and improve our performance, in a systematic and transparent way. The assessment of Telekom Mobile’s social contribution is based on a measurement model for the London Benchmarking Group’s inputs, outputs and impacts. This model is in line with and compatible with international indicators and sustainable development initiatives, such as the Dow Jones Sustainability Index (DJSI), the Global Reporting Initiative (GRI) guidelines or the SROI.

2.1 Indicators of sustainability in 2021

Strategic area	Key performance indicator (Definition)	2019	2020	2021
Planet	ESG KPI Carbon Intensity (kg CO ² /Terabyte bzw. kWh / Terabyte)	414.09	134.81	3.13
	ESG KPI Energy Intensity (kg CO ² /Terabyte bzw. kWh / Terabyte)	1,053.81	434.96	305.34
	Direct and indirect CO2 emissions (Scope 1, 2 and 3) (in t)	262,763	385,095	163,076
	Electricity consumed (in GWh)	111.04	120.15	103.9
	Renewable energy ESG KPI (in %)	43	44	100
	Renewable electricity – self produced electricity (in GWh)	n/a	n/a	1.054
	Electricity Savings (in GWh)	n/a	n/a	4.32
	Take Back Mobile Devices ESG KPI (mobile phones collected in thousands/number of devices in circulation, in millions)	0.24	0.01	0.08
	Waste managed (in t)	453.02	433.64	596.67
Society	Investments in community (in euro)	209,109	76,459	162,218
	Social commitment (importance of social involvement and the activities of social involvement of the company in %)	65	57	n/a
People	Identification of employees with corporate responsibility (in %)	70	n/a	67
	Satisfaction of employees with corporate responsibility (in %)	68	n/a	66
	Fatal labour accidents	0	0	0
	ESG KPI Beneficiaries – Focus topics (digital inclusion) (number of people)	n/a	n/a	35,266
	ESG KPI Reach (Total beneficiaries, including Digital Inclusion) (number of people)	12,848	158,844	649,742

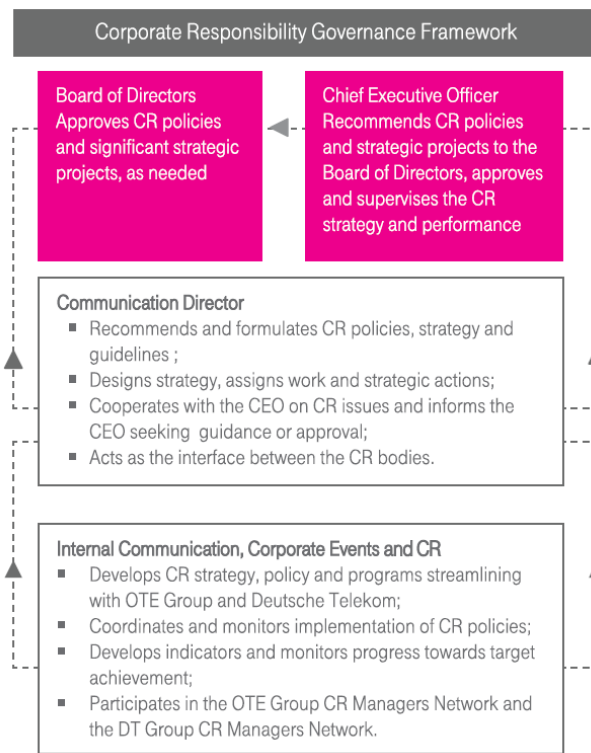
Obs: All 2021 indicators are computed according to DT methodology. More information here: <https://www.cr-report.telekom.com/2021/>

2019 and 2020 indicators were reported using combined OTE and DT methodologies.

2.2 Management of sustainability

In order to achieve optimal management for all social programs and initiatives, Telekom Mobile systematically develops internal mechanisms and processes. We ensure the connection between the Corporate Responsibility Strategy and the Board of Directors through our Corporate Communication functions. The process is administered as follows: (1) The Board of Directors entrusts to the CEO, in accordance with the law, the responsibility in relation to the Corporate Responsibilities; (2) The CEO constantly informs the Board of Directors on how to fulfil Corporate Responsibilities; (3) The Director of Communication is responsible for the strategic definition and implementation of relevant actions in this regard.

- The General Director oversees the fulfilment of the corporate sustainability and responsibility objectives and strategy and is systematically informed about the implemented programs.
- The General Director approves all sponsorships and donations, following review and approval by the Compliance Officer.
- There is a systematic dialogue with stakeholders. New social initiatives are proposed taking into account the corporate responsibility strategy and the needs of stakeholders, while data are collected to measure the impact of programs on society.

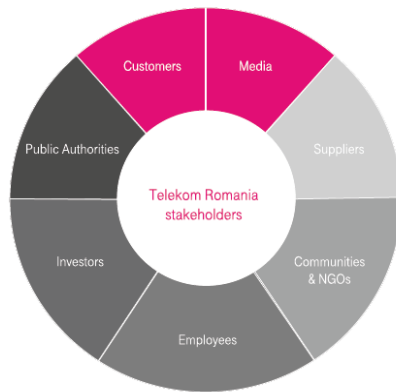


Operationally, since October 1st 2021, the Corporate Responsibility function, within the Corporate Communication Romania Division, was integrated in the Human Resources, Legal and External Affairs Executive Direction.

2.3 Management of reputation and stakeholders

Stakeholders are very important to the operations we carry out. Thanks to the information they provide in connection with local and global issues, Telekom Mobile receives valuable information in this way, which it could not obtain in any other way. Our stakeholders are people and organizations capable of shaping company policy - in fact, they can impact our business and choose how to be affected by it. We identified stakeholder groups based on their impact on our company and associated interest.

In 2017, we conducted a stakeholder update process together with the OTE group, and in this process we identified 9 stakeholder groups / stakeholders. This process was verified in the 2019 and 2021 reporting years, and the need for changes was not identified. However, due to important organizational changes (the sale of the fixed operations and operational segregation of the fixed and mobile entities), it was identified the need to organize a new stakeholder identification process during 2022.



1. Customers and potential customers
2. Companies
3. Investors and analysts
4. Media
5. Scientific, research and educational organizations
6. State / government entities
7. Suppliers
8. Employees, potential employees and their representatives
9. Non-profit organizations and communities

Materiality analysis

To ensure that all relevant issues related to sustainability are covered in our reporting process, we have followed the three steps recommended by [GRI](#):

- Identification (aspects and limitations that could be considered for inclusion);
- Prioritization (previously identified issues and topics);
- Validation (prioritized issues or topics).

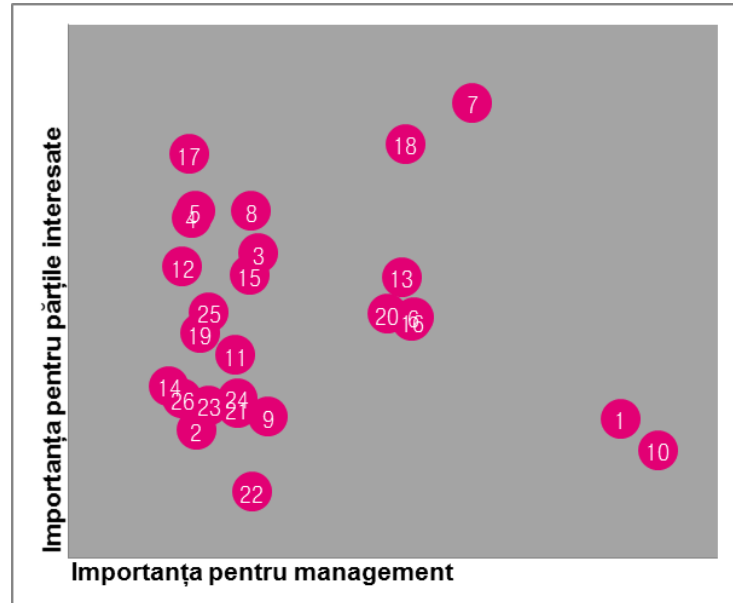
The results of this three-step process were used to define the structure and content of our report.

For the 2021 reporting cycle, we analysed the following:

- We have defined the sustainability issues related to our services, products and operations, based on external sources, the Sustainable Development Goals (SDGs), as well as on the strategic priorities of the DT and OTE Groups;
- In 2017, together with the executive directors, we prioritized 49 topics, through an evaluation process based on the risk methodology of our group, in order to identify the most important aspects;
- We had a dialogue with stakeholders, through a survey of 26 questions resulting from topics validated by executives. These 26 questions were rated on a 4-level scale, from “unimportant” to “very important”, by 11,113 respondents belonging to the following 9 groups: shareholders, bondholders, investors and analysts; customers; employees; business; scientific, research and educational organizations; NGOs; mediate; state / government entities; suppliers;
- The most important topics for stakeholders were: data security and confidentiality, customer satisfaction, employment, business performance and resilience;
- This process was verified in the 2019 and 2021 reporting years, and the need for changes was not identified. However, due to the organizational changes mentioned above, it was identified the need to organize a new materiality assessment on key aspects during 2022.

Relevant materiality aspects:

1. Economic performance
2. Governance and management
3. Company compliance policies
4. Employee compliance mechanism and complaint handling mechanisms
5. Respecting the human rights
6. Resilience in business
7. Data security and confidentiality
8. Safe and responsible use of technology
9. Supply chain (suppliers)
10. Employment
11. Fair employment and equal opportunities
12. Employee health, safety and well-being
13. Hiring and training employees
14. Products and services for sustainable development
15. Research and innovation
16. Responsible competition
17. Responsible communication with customers
18. Customer service and satisfaction
19. Digital inclusion
20. Supporting information technology education
21. Contribution to the local community
22. Stakeholder engagement
23. Energy and climate change
24. The circular economy
25. Electromagnetic fields (EMF)
26. Other environmental issues





The subject or concept of "Materiality" reveals to an organization the activities, impact and achievements it must communicate and helps to define and determine the social, business and environmental issues that are most important for an organization and its stakeholders. The "Materiality Assessment" sorts the important / less important aspects to be reported or highlighted. In the case of Telekom Romania Mobile Communications, this process is illustrated by the table below:

AREA OF TOPIC	Strategic topics - Primary material topics	Very Important topics - Secondary material topics	Important topics - Third rate topics
MARKET& CLIENTS	<ul style="list-style-type: none"> Data security and privacy Customer service and satisfaction Business resilience (including business transformation, continuous mobile& Internet access) Economic performance & impact 	<ul style="list-style-type: none"> Responsible communication with customers Research & innovation Business enterprising 	
SOCIAL IMPACT	<ul style="list-style-type: none"> Support education on ICT 	<ul style="list-style-type: none"> Digital inclusion Child safety 	<ul style="list-style-type: none"> Managing impacts to society and the local community (volunteerism, social engagement, sponsorship)
ENVIRONMENTAL IMPACT		<ul style="list-style-type: none"> EMF, noise, etc. 	<ul style="list-style-type: none"> Products & services for sustainability (ICT solutions for a low carbon economy) Energy efficiency and climate change mitigation Materials& Waste management Circular economy
HUMAN CAPITAL	<ul style="list-style-type: none"> Employment (including employee satisfaction, involvement & motivation) Employee training& skill development 	<ul style="list-style-type: none"> Fair employment (including Employees' compliance and grievance mechanisms) Employee health& safety, wellness 	<ul style="list-style-type: none"> Equal opportunities
COMPLIANCE, ETHICS & GOVERNANCE	<ul style="list-style-type: none"> Responsible competition 	<ul style="list-style-type: none"> Corporate compliance policies (including ethics& anticorruption) Human rights 	<ul style="list-style-type: none"> Governance & management

During our materiality assessment process, we identified the boundaries of material aspects based on the criteria below.

- The relevance of the material aspect in the company;
- The material aspects for which the associated impacts can appear inside the organization, respectively during the operations managed directly by Telekom Romania Mobile Communications, mobile operations.

Relevant material aspects outside the company - material aspects whose impact may manifest outside Telekom Romania Mobile Communications (operations that are not directly controlled by the company) at the level of contractors, suppliers, distributors and customers:


- Network maintenance and development contractors (A)
- Administrative services contractors (B)
- Headquarters maintenance contractors (C)
- Hardware Equipment Suppliers (D)
- Software Providers (E)
- Distributors / trading partners (F)
- Customers (companies) (G)
- Customers (individuals) (H)

Organizations in which we participate

For Telekom Romania Mobile Communications, stakeholder engagement is not a one-time process, but continuous in nature, allowing us to develop lasting partnerships with various stakeholder groups, including NGOs, local communities, suppliers and the business sector.



Organization	Type of participation
United Nations Global Compact - Global Compact Network Romania	Partner since 2015
Romanian Advertising Council	Member since 2015
Romanian Mobile Operators Association	Partner since 2008
International Telecommunication Union	Partner since 2015
GSM Association	Full rights member
ITC Coalition for Safer Use of Connected Devices and Online Services by Children and Young People in the EU	Participant since 2013, as member of the Deutsche Telekom Group




2.4 Contribution to the Sustainable Development Goals of the UN (SDG)



The Sustainable Development Goals (SDGs), also known as the Global Goals, are a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity.

Our direct impact in Romania through our sustainability strategy contributes to the following Sustainable Development Goals (SDGs):

<div style="text-align: center;"> <p>1 NO POVERTY</p>  </div>	<p>Fighting poverty (#1)</p> <p>Some groups are disproportionately represented among the poor, and face additional constraints in trying to escape poverty. Organizations also have the opportunity to proactively take action to address the constraints these groups face, such as through inclusive business models or innovative products. We are constantly trying to increase efficiency, competitiveness and market access for SMEs.</p>
<div style="text-align: center;"> <p>3 GOOD HEALTH AND WELL-BEING</p>  </div>	<p>Health and welfare (#3)</p> <p>Health is a fundamental human right and a key indicator of sustainable development. All actors, including those in the private sector, should work together to develop medical solutions that work for individuals, families, communities and nations. We support e-health policies and strategies that encourage the development of health education.</p>

<p>7 AFFORDABLE AND CLEAN ENERGY</p> 	<p>Accessible and clean energy (#7)</p> <p>An organization's business can accelerate the transition to an accessible, safe and sustainable energy system by investing in renewable energy resources, prioritizing energy efficiency practices, and adopting clean energy technologies and infrastructure. By providing ICT solutions such as smart grids, smart buildings and smart logistics, which can play a major role in an energy-efficient future, global greenhouse gas emissions are reduced.</p>
<p>8 DECENT WORK AND ECONOMIC GROWTH</p> 	<p>Decent jobs and economic growth (#8)</p> <p>Telekom Mobile's commitment to support the professional development of its employees, to provide equal pay to all employees without discriminating against race, sex or religion and to support the development of new SMEs in Romania. Most of the Telekom Mobile providers are local, respectively from Romania.</p>
<p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p> 	<p>Industry, innovation and infrastructure (#9)</p> <p>Investment in infrastructure and innovation are determinants of economic growth and development. ICT has a critical role in providing convenient and enhanced access to information, by enabling research into new and sustainable technologies and solutions.</p>

As we are representative of the ICT sector, we have indirect impact and influence in contributing to all other Sustainable Development Goals (SDGs).

- Fighting hunger (#2)
- Quality education (#4)
- Gender equality (#5)
- Clean water and hygiene (#6)
- Decent jobs and growth (#8) – Responsible Purchasing and Supply Chain Management
- Reducing inequalities (#10)
- Responsible consumption and production (#12) - Responsible Purchasing and Supply Chain Management
- Climate action (#13)
- Underwater environment (#14)
- Terrestrial environment (#15)
- Peace and justice, strong institutions (#16)
- Goal Setting Partnerships (#17)

3 Our employees

The Culture of Promises: the journey of building the new culture started in 2021 together with the company relaunch, continues in 2022, based on a comprehensive plan on four axis:

- Supporting the improvement of customer experience and promises kept, with several programs, such as **The Flag Platform, T Ambassadors, Rewarding Customer Excellence, and Adopt a Shop**;
- Transparency and engagement, with programs such as: monthly internal managerial forums and Town Halls, ongoing internal communication on business updates or other topics, Open Doors, informal events for various celebrations;
- Continuous learning opportunities, through local trainings and the Group's platform (Percipio);
- Caring for employees during complex times, with information and various workshops with experts.



The performance of Telekom Mobile in the telecommunications market is based on our support for the creativity, dedication and visions of our employees.

Employees are introduced, from the first day, in the company culture, activities and processes through introduction programmes.

A safe work environment and focus on professional and personal development through opportunities for increasing their knowledge and expertise through a variety of courses is what we offer to all our employees.



3.1 Who are our employees?

At the end of 2021, the total number of active employees in our company was **876**, almost all of them working full time. 41% of our employees are men, the percentage of employees represented by women being 59%.

The vast majority of our employees in the company (77%) are aged between 30-50 years old. In terms of type of work, 16% of the employees work in the office, and the rest in retail, or other type of work. All employees who have an employment contract concluded for an indefinite period are employed full time. 9% of the employees had management responsibility.

In 2021, 70% of the new recruits were women, and 30% men, while the promoted were 50% women and 50% men. In recruitment, 28% were people under 30 years, 65% between 31 and 50 years old, and 8% over 51 years.

Our company rejects all forms of discrimination in the workplace and is in favour of promoting equal opportunities, as well as the diversity of all employees in terms of gender, age, culture, religion, skills and sexual orientation.

This mentality is detached from and is in line with those stipulated in our Code of Human Rights and Social Principles. Our Code of Human Rights and Social Principles was adopted in 2018, through which the company assumes the responsibility to respect internationally recognized human rights.

Information on respect for human rights is included in compliance materials.

HUMAN RIGHT DUE DILIGENCE PROCESS IMPLEMENTED IN ORDER TO MEET REQUIREMENT OF UNITED NATIONS GUIDING PRINCIPLES ON BUSINESS AND HUMAN RIGHTS COVERING DT VALUE CHAIN

Raising awareness, trainings & engagement (6)

- Awareness for senior managers
- Active engagement with stakeholders

Control, communication and reporting (5)

- Monitoring: Social Charter Performance Report & Employees Relations Policy Review
- Transparent communication and reporting

Integrating a human rights perspective (4)

- Internal: Relevant business departments and processes (e.g. Supplier chain, compliance audits)
- External: Clients suppliers and further relevant groups



Basic Statement on human rights (1)

- Respect for human rights (Social Charter, Global Compact Lead, Sustainability Code)

Grievance mechanism (2)

- Contact points accessible internally and externally (via hotline, mailbox, post and also anonymously, i.e. Whistleblower portal TellMe!)

Human rights risk and impact assesment (3)

- Identifying potential impact of business activities on human rights

3.2 Indicators regarding the employees

	2019	2020	2021
Employees with undetermined period contract	1,094	977	861
Employees with limited period contract	33	22	15

	2019	2020	2021
% employees aged below 30	28%	21%	15%
% employees aged 30 to 50	68%	73%	77%
% employees aged over 50	4%	6%	8%
% employees women	63%	64%	59%
% employees men	37%	36%	41%

	2019	2020	2021
New employees aged below 30	42	20	11
New employees aged 30 to 50	19	21	26
New employees aged over 50	3	3	3
New employees women	33	20	28
New employees men	31	24	12

Non-discriminatory compensations

Telekom Mobile does not make any distinction or differentiation based on sex in terms of remuneration. The pay ratio between men and women is 1 to 1. Employees' salaries are determined by their level of education, years of experience and their position. The gross monthly basic salary is granted according to the company's salary policies, depending on the employee's salary category.

3.3 How we support our employees

- **SUPPORT FROM THE VERY FIRST DAY.** Our induction program for new employees includes a separate familiarization section on Compliance Issues, the Code of Ethics, Sustainable Development, and the Group's internal policies.
- **COLLECTIVE LABOUR CONTRACT.** We fully respect the regulations of the Romanian legislation on labour, freedom of association and collective labour agreements. Our employees are members of trade unions, with a representative union at the company level. The collective labour contract in force, applicable at the level of Telekom Romania Mobile Communications (signed in 2020, for the period 02/2020 - 03/2022) regulates the aspects related to health and safety at work, rights and obligations, working time, holidays, benefits, the increase for overtime, weekly rest, social protection, labour discipline and trade union rights.
- **GENDER EQUALITY.** The company does not make any distinction or differentiation based on sex in terms of remuneration.
- **INTERNAL COMMUNICATION.** Regarding internal communication, the main awareness and involvement campaigns of employees are briefly described below.

In 2021, Telekom Mobile continued to operate in the context of COVID-19. Like many companies in Romania and around the world, Telekom Mobile was in the position to adapt to what "new normal" involved after the initial confusion from the previous year – provide the telecommunication services seamlessly,

supporting people's connectivity from anywhere, anytime. After a shocking and confusing 2020, people's and businesses' lives continued to be affected by uncertainty. The continuous lack of closeness and difficulty to be together fuelled Telekom Mobile to claim its mission to Keep Romania Connected.

Outside the company, accomplishing this mission supposed active participation in keeping the public administration, the educational system, the medical system, but also public and / or private companies connected. Through the telecommunications services and equipment available all across the country, with a resilient network and adapted to increased communications needs, Telekom Mobile was a reliable partner. Also for its employees, continuing to work remote on a large scale, the company had to ensure not only perfect connectivity, but the sense of belonging, engagement and further professional and personal development.

In this context, within the organization, Telekom Mobile had to keep its people and teams connected, thus continuing to replicate some of the external activities, but also completing them with new and customized ones, adapted to the company's specificity. Therefore, supporting the employees was a top priority and this was realized through dedicated programs. Some of them started in 2020 and continued with good engagement rate in 2021 (such as HEALTHY ME, the virtual community of those who want to maintain or improve their health in all aspects, from physical, to mental and education). Some were new initiatives.

The new internal initiatives developed under *We Keep the Company Connected* platform considered as a prerequisite the employees' need to get in touch, to see, hear each other and do things or learn together. The new programs launched and deployed along the year were with employees and for employees.

Examples of employee projects developed in 2021:

- **Extra Mile** was a customer centricity recognition program carried during 4 months, with 53 outstanding applications coming from colleagues and 12 winners publicly awarded by the CEO; each winner had the chance to promote their work and results;
- **Business Talks** sessions focused on a certain topic and engaging an employee and an expert as speakers in dialogue. 504 employees attended during the two editions held;
- **Employees' kids events** unfolded along the year included 9 editions of "Cool Talk for Kids" workshops – online sessions of kids presentations of passions that enhance their way of learning;
- **Children's Day** celebration event, where kids and parents enjoyed together learning and fun activities.

Overall, 196 children took part and enjoyed togetherness with parents in these kind of events, promoting both idea of keeping connected and part of the family, as well as supporting work-life balance.

At Telekom Mobile, 48% of employees completed the Employee Satisfaction Survey in November 2021. This participation rate showed that, despite the first months after the operational separation from the fixed business involving and exceptional effort, the employees were still interested to express their opinion and get involved in important issues that affect their work environment. 67% of Telekom Mobile employees identify with the company's social and ecological commitment and 66% believed that the company acted responsibly towards the environment and society.

Significant data on the internal communication in 2021

- 25 issues of weekly newsletters were sent to about 1,000 employees.
- more than 300 internal announcements were communicated to employees.
- Over 100 internal campaigns and other employee support activities were developed.

Last year was extraordinary in terms of internal communication, due to the announcement of the sale of the fixed operations, the subsequent operational separation, and relaunch of the mobile business with a new strategy and a new brand promise.

All three events and afferent processes involved intensive communication, both external and internal, and towards all stakeholders, during a period spanning on 11 months, from the initial announcement on November 9, 2020, until the operations' separation on September 30, 2021.

The effort aimed to support business continuity, support the group's reputation and keep customers and employees connected and informed in the context of the operations separation process between **Telekom Romania Mobile Communications S.A. (Mobile, TKRM) and Telekom Romania Communications S.A. (Fixed, TKR)**. These events also overlapped on the different reality generated by the COVID-19 context.

The corporate communication of the separation process aimed to:

- Keep employees and customers informed while guarding the reputation of the company and the trust invested in the Telekom brand and in the mobile company to successfully continue operations;
- Support talent retention;
- Keep employees motivated, balanced, and focused during unprecedented times.

The communication effort was aimed at both the internal and external stakeholders: employees, management teams, shareholders, customers, media entities, regulators, and the entire Romanian public. The communication process focused on all communication channels both internal – Intranet, livestreaming, newsletters, internal e-mails, online and hybrid meetings, webinars – and external – press releases, media gatherings, livestreaming, etc.

All shareholders and top management of the company were involved in the communication process and in ensuring the business continuity of the company operations. The messages were developed in accordance with the specific topics in focus in all the 11 months of continuous and transparent communication.

Communication Milestones

1. The announcement of the agreement and the appointment of the new CEO – November 2020

On November 9th, 2020, OTE announced that it has entered into an agreement to sell its 54% stake in Telekom Romania Communications (Fixed, TKR) to Orange Romania.

In the same day, Telekom announced Mr. Vladan Pekovic's appointment as CEO.

The corporate communication for the transaction observed communication conditions of relevant European stock exchange markets as well as other conditions.

326 media articles were published on the topic. The communication team coordinated and deployed over 20 internal communication activities (such as livestreaming sessions for employees, internal e-mails to teams, dedicated newsletters and Intranet posts) in less than 4 hours, to ensure timely and transparent information for all stakeholders.

2. The European Commission announcement of the conditional approval of the separation – July 2021

More than 200 reports in the Romanian media marked the European Commission conditional approval of the transaction in late July. On the internal communication side, the team deployed seven communication activities in less than 2 hours (Intranet, video messages etc.). All this external and internal communication effort was synchronised.

3. The completion of the separation process and announcement of the new management team of TKRM – October 2021



On October 1, 2021, OTE announced that the sale of its 54% stake in TKR to Orange has been successfully completed. In less than 24 hours from the announcement, over 50 media articles were published on the matter.

During the next day, Telekom Mobile announced its complete executive management team. Together with the CEO and CTIO (announced during September), a new Chief Commercial Officer and a new Chief Human Resources, Legal & External Affairs Officer were appointed.

The completion of the process meant that the employees of both companies were relocated in different office spaces and all the infrastructure and operations were separated. The communication efforts focused on the internal deployment of the new mobile company with shareholders video statements and livestreaming sessions, together with internal messages and the deployment of a new internal Intranet page.

The key messages focused on assuring business continuity and reinforcing the commitment of the shareholders to support the people and Romanian operations.

Overview

- 11 months of continuous internal and external communication for the most publicized event of the telecom industry in the recent years;
- During these 11 months, the communication team was in a permanent, continuous alert and readiness, to ensure a correct information through mass-media;
- The separation process gathered around 35% of the internal communication materials in the respective period of 11 months;
- The separation process had the most intense shareholder participation in communication. Shareholders' representatives participated at 3 livestreaming sessions with all employees and video materials and statements were sent to the employees continuously during this 11 month process;
- The process gathered the most internal initiatives conducted in a short time span in Telekom Romania's history – 20 complex internal activities in less than 4 hours;
- The internal communication campaign had the biggest reach in all the company's history – over 50% of employees were reach during each communication flight;
- The separation also meant a 7-month internal program dedicated to change and to supporting employees, with complex initiatives and external guests such as psychologists, life coaches, business trainers etc.
- Finally, it was an intense synchronization process as the deployment was made in couple of hours to all targets – from mass media and employees to call centers, B2B and B2C customers and to all public.



3.4 Professional development and benefits

We offer training programs and a number of benefits to our employees, supporting them and their families in their daily lives, and providing them with support at important moments in life, promoting a work-life balance.

During 2021, Telekom Mobile employees participated in various in-class and online trainings, using the internal e-learning platform, accumulating a total of 9,992 participations and 40,461 training hours. On average, the company's employees received 47.46 hours of training annually. An estimated 74% of the trained employees were women.

- **PERSONAL AND PROFESSIONAL DEVELOPMENT**

The company provided knowledge and skills development through the online learning platform PERCIPIO - offering the employees flexibility, accessibility and courses tailored accordingly to the nowadays needs. PERCIPIO offered various learning areas, from project management to sales, and from design to web development. Furthermore, there were provided foreign languages classes – English and German. All Telekom Mobile employees can benefit from free of charge access to all courses provided through PERCIPIO. The learning platform could be accessed by employees anytime, anywhere, from any type of device (computer, tablet, mobile phone).

The company also provided numerous learning opportunities through HealthyMe program, described in the present report.





- **OPPORTUNITIES FOR YOUNG TALENTS**

In 2021 we continued the Vocational Scholarships program supporting students from the technical faculties within the company, and we offered scholarships for students from vocational high schools with economic and telecommunications profile.

- **PROFESSIONAL EVALUATION**

All eligible Telekom Mobile employees were evaluated for performance. In the company, the Performance Management System continues to facilitate collaboration and a set of common goals for all employees. Moreover, since 2019, the principle of cascading the company's objectives has been strengthened with the development of a system that allows employees to identify their individual objectives and contribution to the company's objectives.

The company offers a package of benefits that meets the needs of employees and their families: the package of medical services, the flexible individual model of rights and benefits, as well as special offers through partners. In the flexible individual benefit model, employees are entitled to opt annually for a range of benefits from those provided, in a fixed amount.

Benefits:

Telekom Romania Mobile provides the following benefits for its employees:

- **CORPORATE PACKAGE**

The company provides mobile phone and subsidy for its employees.

- **MEDICAL SERVICES PACKAGE**

The company provides employees with packages of medical services through renowned partners in the field of health in Romania.

- **INSURANCE**

Employees have the right to opt in the flexible individual benefit model for a Pillar 3 private pension insurance type.

- **FAMILY**

The families of our employees are very important to us. Therefore, our offer of benefits includes: Easter cash gift for employees, cash gift for children from June 1, cash gift for women from March 8 (provided that the employee selects these options in the flexible individual benefit model).

Also, the company offers a series of benefits for birth, marriage, death, Christmas gift for children and others, benefits provided in the Collective Labour Agreement in force, valid at company level. In addition, the employees have pregnancy and maternity leave for child care, within the limits of legal provisions.

- **SPARE TIME**

Holiday bonus, Christmas bonus, Easter bonus, settlement of holiday or treatment expenses, or holiday ticket to purchase touristic services in Romania (provided as options in the flexible individual benefit model).

- **OTHER BENEFITS**

Meal vouchers, reimbursement of transport expenses (provided as options in the flexible individual benefit model).

▪ **WELLBEING**

The company offers employees, through partners, numerous special offers for wellbeing products and services, holidays, financial-banking services, health and sports, education and much more.

Wellness@home: A series of short videos on the internal intranet with tips and suggestions on nutrition, exercise and musculoskeletal health issues. Also, the company provided live training sessions with expert personal trainers for gentle physical activity from home, through the former Healty Me program, which was common for the fixed and mobile companies. In addition, in 2021 we continued the informative live webinars, for well-being, self-improvement and maintaining work-life balance. The company provided training videos through 5 streams of the Healthy Me program such as: healthy body, healthy mind, healthy learning, healthy community and healthy leadership.

Following the operational separation, in October 2021 the former common Healthy Me program was reshuffled into a different series of workshops and webinars to support the new mobile company's objectives.

The benefits are the same for all categories, the differences are as follows:

- For those with a part-time contract, the benefits were granted in proportion to the actual time worked.
- For those with a fixed-term contract, the benefits were granted in proportion to the duration of the contract.

All Telekom Mobile employees participated in occupational health and safety courses in 2021, totalling 5,964 hours of training, averaging 6.8 hours / employee. In 2021, the health surveillance and safety inspections of employees remained at high levels, as in previous years and given the legal restrictions due to the pandemic situation.

In 2021, there were no fatal work accidents due to the nature of the work.

During 2021, an employee of Telekom Romania Mobile Communications was involved in a minor accident, due to human aggression. The employee did not need medical assistance or medical leave.

In 2021, Telekom Romania Mobile Communications implemented additional awareness actions on the health and safety area. The outbreak of the COVID-19 pandemic resulted in embracing the work-from-home scheme, with subsequent awareness actions being implemented focused on preventing work from home accidents as well as maintaining a healthy work-life balance.

4 Social responsibility, digital inclusion and security

Telekom Mobile supports social initiatives for disadvantaged categories, education, digitalization, technological development, environmental protection and a healthy life, in order to contribute to the sustainable development of the Romanian society.

4.1 Responsibility in the society

Healthy Me

HEALTHY ME was an important campaign carried out in Telekom Romania, representing a virtual community of people who want to maintain or improve all aspects of their health. The program was created at the instigation of our employees because they helped us to identify points of suffering during isolation, aspects of uncertainty and issues in the pandemic context. We offered a common virtual space where we invited them to participate in sports, training or learning events, to browse articles, recommendations and other resources designed to help us achieve or maintain our wellbeing in the company, and to deal with a variety of personal challenges. The program had five strands: healthy body, healthy mind, healthy learning, healthy community, and healthy leadership.



Corporate citizenship

Telekom Scholarships

BURSELE TELEKOM

11 ani dedicați susținerii educației, explicați în cifre:



Telekom Mobile supports and encourages young people in education through the social responsibility program "Telekom Scholarships". Since the scholarships were launched in 2010, over 2,500 students with notable performances have entered the competition, and 125 of them have benefited from scholarships conferred by Telekom Mobile. The company offered more than 440,000 euros in financial support to the winners of the eleven editions of the program. Please refer to the Internet for more information about the "Telekom Scholarships" program www.burseletelekom.ro. The company offered scholarships to the ten winners of the eleventh edition of the social responsibility program "Telekom Scholarships". Ten students received a monthly scholarship worth 2,230 lei between January and June and October and December in 2021. They had achieved exceptional academic results in key subjects and they stood out by virtue of their extracurricular projects and volunteering activities. The jury of the "Telekom Scholarships" 2020 to 2021 edition was composed of professionals in the field of communication and academics: Emil Cazacu – Professor of Engineering, Faculty of Electrical Engineering, Polytechnic University of Bucharest, Mihaela Perianu – founder and managing partner, AIMS Executive Search & Consulting, Sorin Psatta – lecturer, Faculty of Journalism and Communication Sciences, University of Bucharest and Integrated Communication Director, Graffiti BBDO Romania, and Ruxandra Vodă – Corporate Communications Director, Telekom Mobile.

Telekom Skating Arena

In 2021, Telekom Romania Mobile continued to support the Telekom Skating Arena operated by the Ion Tiriac Foundation. The company supported the only existing rink in the Bucharest Ilfov district with the aim of encouraging sports among children, young people, and support the professional ice hockey teams.

4.2 Digitization with user experience and agility

Telekom Romania organized the first digital conference on "User Experience during COVID-19: changes, challenges, and a new perspective on the user"

The event took place on 27 January 2021 and was addressed to professionals in User Experience Design and to people passionate about digital, and to businesses who want to adapt to the new reality. The conference was broadcast live on Facebook. This initiative is a premiere for the Romanian market and was created as part of the Telekom Digital Lab platform.

The previous year has changed customer behavior, as a result, businesses have had to respond to new challenges and adapt quickly. The new atypical context put the component of User Experience Design, or simpler UX design, even more at the focus of attention, but it also brought multiple challenges. The objective of the conference was to provide other companies and all interested parties with information about the latest ideas and trends in UX design, including both the expertise of Telekom Romania and the perspective and solutions of specialists with national and international experience.

UX în timpul COVID-19: schimbări, provocări și o nouă perspectivă asupra utilizatorului

27 ianuarie

Ora 15:00

Pe pagina de Facebook Telekom Romania

Speakeri:

- Alina Catălina Bănuleasa**
Founder & Consultant
The School de Design
- Andrei Mihai**
Founder & Head of Design
UXProject
- Nica Lavinia**
UX Writer & Copywriter
Telekom
- Iulian Corunga**
Design Team Lead
eVision Industry Software
- Veronika Zsófia Szabó**
Product Designer &
Scrum Master
Aera Technology
- Alecsandru Grigoriu**
Product Design
Consultant & Founder
Leonnade Studio
- Andreea-Zenovia Popescu**
Design Team Lead &
Mentor
Telekom & EIT Health
- Setin Măgănean**
UX Designer
Telekom
- Simina Harla**
Senior UX Designer
Visma

EXPERIENȚE ÎMPREUNĂ.

ii Digital Lab
powered by 9

During the conference, nine professionals, recognized for their expertise in the field in Romania, approached the theme from different perspectives. Topics discussed included Design Thinking, UX Pandemic Research, UX Consulting, UX Writing, and Copywriting. At the same time, the participants had an opportunity to discover the latest information about the evolution, opportunities, and challenges of the industry, in extensive and intensive sessions with the invited specialists.

Telekom Romania organized the online conference "Agility in the organization – what does it mean and how does it help us to organize in the new reality"

Telekom continued its mission to keep Romania connected and organized the second digital online conference of 2021 under the Digital Labs umbrella. The conference entitled "Agility in the organization – what does it mean and how does it help us organize in the new reality" took place on 11 May 2021 during a live broadcast on the company's Facebook page. Participation in the event was free. The speakers were local and international mentors, experts in agile transformation and promoters of the principles of agility in business responsible for successful local and international transformations

The speakers used the topics of their presentations to analyze the efforts of organizations to embrace an agility-based culture and transparently present the benefits and challenges of adopting agile principles at both the individual and organizational levels. Experts clarified the roles that employees and team members must play in order to operate according to agile principles and they highlighted the relationship between agile organizations and their stakeholders. Speakers make use of the event to share their knowledge with the audience, but also presented good practices based on work experiences in agile culture.

Connecting the unconnected

First green space in Romania with solar benches and free WiFi

Telekom Mobile supported the first green space in Romania with solar benches and free WiFi, since 2019, this has been an area in the Bucharest Botanical Gardens where nature and technology come together. The space offers visitors the wonders of botany, along with two benches with solar panels that allow phones to be charged with USB and contact ports, together with free WiFi Internet access. This is the first facility of its kind to be installed in a green space in Romania.



The benches allowed visitors to charge their phone using USB ports on the side or by direct contact, using a special surface. Anybody who wants to upload pictures from the Botanical Gardens on social networks or simply wants to be online can do this by accessing the free WiFi network provided by Telekom Mobile (WifiBotanicabyTelekom). The benches could also be used during cloudy periods since they had the capacity to store solar energy on days when the weather is sunny. The project was developed in collaboration with Asociatia TeamWork and the Bucharest Botanical Gardens.

Donations by text message

Telekom Mobile helped vulnerable people by supporting Romanian NGOs in their fundraising, opening text message lines where customers can send text messages and contribute financially to various humanitarian causes. Every year, the company provides operational services for good causes and facilitates help for thousands of people. Organizations interested in applying for a text message donation line can access the website www.donatie.ro, which is managed by Asociatia pentru Relatii Comunitare.

Stop online identity theft

Tech premiere: Telekom Romania announced an application that prevents identity theft in the online environment

In March 2021, Telekom Romania introduced a new measure to protect customers in the digital environment and prevent fraud through identity theft, an absolute first in the Romanian telecoms market, but also in the Deutsche Telekom Group.



This measure is enabling Telekom Romania to prevent one of the most widespread frauds in the online environment. This involves the conclusion of subscriptions in real names, but using stolen photos and identities. The new application used by Telekom means that it is impossible to upload an image from the phone in the subscription form because the photo is obtained live, online. The user does not have to download any application to use this feature.

The procedure recently implemented by Telekom Romania for online purchases on telekom.ro is described here. If customers want to purchase a subscription with or without a phone by accessing telekom.ro from a cellphone, they are asked to take a selfie and a picture of their ID card. The application does not support uploading any documents.

If the purchase is made from a computer, the users receive a link by text to access the online application and follow the procedure described above.

Futureproof vocational platform

Over 100,000 Romanians from Generation Z tested the Futureproof vocational platform launched by Telekom

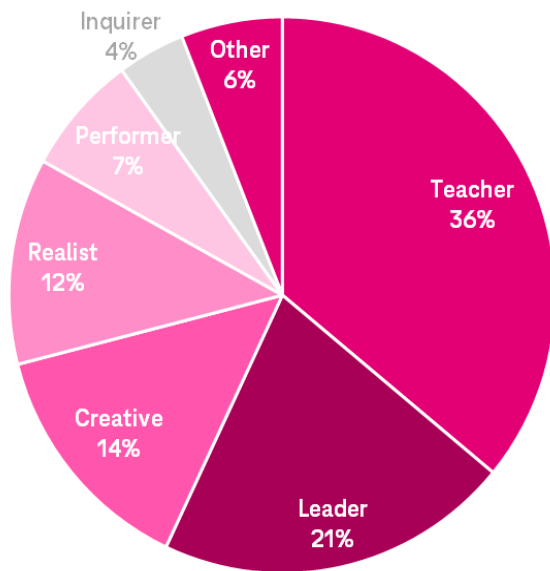


The Futureproof project was launched by Telekom in mid-May 2021. The Futureproof support platform was developed to demonstrate the huge potential of Generation Z and to inspire young people to identify opportunities for future careers, and to discover skills they have not yet exploited.

The platform was launched in the ten European countries where the Deutsche Telekom Group is present, and Romania gathered the second largest number of unique visitors, after Germany.

At the heart of project Futureproof is a free-to-access digital tool that helps Generation Z to better understand their abilities and how these are connected to future career opportunities.

The tool helps Generation Z to see how their passions, skills, talents and personality are fundamental to support them shape their future journey and how they can best use these personal attributes as part of future careers. Moreover, the cumulated results present a uniquely Gen Z perspective, identifying key trends and changes in the world of work, delivering insights through a personalized, gamified experience.



Over 117,000 individual profiles have been created in the application, cumulatively, in the ten countries in which Deutsche Telekom operates. 36 percent of respondents have an educator profile – they have communication and knowledge sharing skills. 21% showed skills of leaders and managers, and 14% showed artistic and creative inclinations. In Romania, an estimated number of 28,000 profiles were created.

Project Futureproof has been developed in collaboration with both Generation Z contributors and a diverse group of professional skills and employability experts. It aims to connect users to peer-to-peer inspiration, support and to provide easy access to a range of inspirational materials and tools to discover the skills needed to shape a future career. It has been endorsed by the seven-time GRAMMY award winner Billie Eilish.

Process optimization with robots

Telekom Romania unveiled how it puts software robots to work for customer excellence

At the end of the second quarter of 2021, Telekom Romania was operating more than 200 software robots under the umbrella of digitization, streamlining internal processes and customer interaction, which represents a doubling compared to the numbers in the previous year. More than 220 processes had been automated with software bots by 30 June 2021. This yielded multiple benefits, including: a 39% increase in the number of customers receiving digital invoices and a 24% increase in the number of active customers in the MyAccount application, compared to the same period last year.

RPA is a software technology aimed at automating business processes and managing software robots that replicate the actions of humans interacting with digital and software systems. Many of the repetitive tasks previously performed by humans have been transferred to software robots. A pioneer in this direction, Telekom Romania now has a wealth of experience in business optimization using RPA, which it shares with those interested in learning how they can enhance business performance and improve their customers' experience. Telekom Romania organized an open access online conference on 21 September 2021 under the title "RPA @Telekom – Putting robots at work for customer excellence", which was streamed live on Telekom Romania's LinkedIn and Facebook platforms. The conference highlighted the company's commitment to a long-term transformation process based on digitization and process automation, with excellent results in internal operations and customer satisfaction. The speakers were company's top management and internal and external experts.

Essentially, RPA technology is one of the most advanced digital transformation technologies that can be deployed by organizations to reduce costs, increase efficiency and security by automating repetitive tasks and ensure business continuity in difficult times.

Telekom Romania launched the chatbot ANA, to offer HR support to employees

In May 2021, Telekom Romania launched the chatbot ANA, a virtual assistant that has the role of automating the management flows of activities related to internal human resources and providing "self-service" support for employees. The chatbot was implemented by Future WorkForce, a company specialized in business process automation. It is based on DRUID technology for developing virtual assistants (chatbots) for Enterprise organizations.



ANA is developed and trained on DRUID conversational technology. It's accessible through the company's Intranet platform and integrates with the internal human resources applications but also with operational software robots developed using the UiPath end-to-end automation platform. The chatbot helps to approve leave requests and takes specific HR requests from Telekom Romania employees, for example medical or employee certificates, displays the available leave days and updates their personal data using optical character recognition (OCR) technology. At the same time, managers have access to a set of standard reports through the connection between ANA and the robots developed with UiPath technology. This allows them to obtain centralized information about employees and the team.

ANA also includes an FAQ-type functionality for automated answers in response to general questions relating to human resources. The answers will be perfected and expanded over time, as the chatbot learns from its direct interactions with users.

As one of the technology leaders in the local market, we wanted to offer the same modern digital experience to our employees, which we make available to customers through the virtual assistant Tim. Collaborating with Future WorkForce has allowed us to simplify and, at the same time, streamline the interaction process with the Human Resources department. ANA continues the promise of digitization and helps us to significantly reduce the processes that involve routine activity.

4.3 Security

For those that require efficient connections and efficient data exchange, Telekom Mobile offers intelligent solutions. An adequate level of security ensures an optimal customer connectivity experience.

Lack of knowledge of the risks of the digital space and too much trust put into providers of digital services who are considered experts in the field have led to people having a greater confidence in the security of the digital products and services they use.

The company makes every effort to sustain a high level of cyber security, making regular investments in the security of its products and services. By developing a complex monitoring process, we ensure that all customer information and personal data are constantly protected against misuse and are used or processed only for the purposes for which they were collected. Moreover, to further strengthen security, information is encrypted.

MANAGEMENT APPROACH TO ENSURE AN OPTIMUM LEVEL OF SECURITY:

- Security and [Data Protection Policy](#) (defines standards to ensure an adequate level of security necessary for the protection of information and all data, including personal data).
- Code of Conduct on Privacy.
- Mandatory policy for the confidentiality of personal data within the DT group.
- Separate policies / main safety standards, covering areas such as:
 - IT Systems Security;
 - Corporate information and security of personal data;
 - Security of the human resources sphere;
 - Processing of personal data of customers / employees;
 - Privacy and security assessment policy

The Telekom Mobile website publishes [information on the processing of personal data](#), customers being transparently informed about the personal data we collect, for what purposes we use them and the rights they have in relation to their personal data.

In 2021, Telekom Romania Mobile Communications registered a number of 828 requests regarding the exercise of rights under the General Regulation on Data Protection (EU) no. 2016/679.

ENSURING PHYSICAL SECURITY IN TELEKOM MOBILE

- No physical security incidents were recorded.*
- 592 access control cards and 2 corporate badges were issued.*
- 36 physical security risk assessments were carried out.
- 5 on-site physical security inspection visits were performed.
- 1,219 data subject requests were handled.

*Since October 1st, 2021

Children's security in the online environment

Our engagement for digital inclusion

The fight against the cyberbullying



Telekom Romania and the Child's Phone Association continued the campaign against cyberbullying with messages adapted to the context of the pandemic. This project facilitates the reporting of child abuse cases, including online grooming and physical abuse. The campaign platform www.116111.ro is an educational platform that gathers useful information on how cases of child abuse can be reported, as well as ways to seek specialized counselling for such cases. HappyGraff is a mobile application that works like a diary in which teenagers can record their emotions whenever they feel the need and have access to useful tips on how to manage different situations with difficult emotional conditions. The mobile application can be accessed on phones equipped with an Android operating

system and is available for free download in GooglePlay. The application can also be downloaded from the campaign website.

Children's security in the online environment

Telekom Mobile ensures that through its services it offers content suitable for all age groups. In order to make access to this content as easy to manage and secure as possible, we have taken steps to ensure that the information provided by third parties is based on and in accordance with Romanian law. An important aspect that we take into account is that, in many cases, children adapt much faster than their parents to technology. Because of this, their parents need to be very well informed about the services facilitated by technological progress (such as voice calls and SMS, image sharing, internet access and browsing on social networks). The need is urgent, especially since, according to statistics, the vast majority of children surf the internet unattended, and many of them disseminate vulnerable personal data. By accepting and being aware of these threats, parents could apply technological measures and educate their children about the responsible use of technology.

Executive Coalition for Children

Telekom Mobile is a member of the OTE-COSMOTE Group, and the Deutsche Telekom Group is part of the "Coalition at CEO level (CEO) to make the Internet a better place for children". This self-regulatory platform was launched by the European Commission in December 2011 and aims to make the internet a safer place for children.



In January 2013, Deutsche Telekom committed to a set of 25 measures to further increase the online safety of children. These apply to each company within the Deutsche Telekom Group, including Telekom Mobile.

Any help begins with an initiative

Learn more about how you can prevent online abuse by contacting 116 111, the European children's telephone line, managed by the Romanian Children's Phone Association. Through 116 111, you can also report digital abuse such as online harassment, exposing children to illegal content on the internet, or online exploitation of children. You can also seek free legal advice from the organization's specialists. The information can also be sent to the e-mail address: telefonulcopilului@telefonulcopilului.ro. Visit www.116111.ro for relevant information about aggression / intimidation.

You can also find information on the OradeNet portal (<http://oradenet.salvaticopiii.ro/>), a portal related to a European program that promotes the use of the Internet by children and adolescents in a creative, useful and safe way in Romania.

5 Protection of environment

We consider the development of the company's products and services and the impact that their use can have on the environment. In our social initiatives, we are guided by the ideal of a circular economy, by building and rebuilding the general health of the system by recovering, reusing and reintroducing as many materials as possible into the economic cycle.

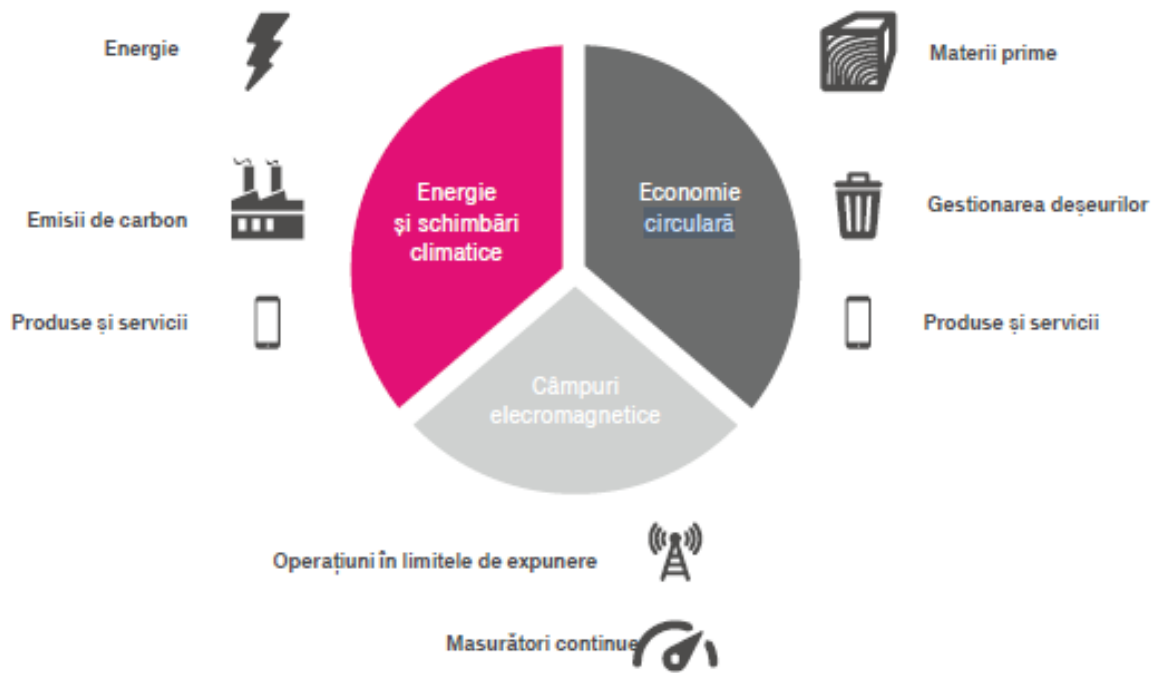
Within the OTE Group, Environmental Management Representatives / Coordinators are appointed by Decisions of the CEO in each country. The Group's executives are systematically informed by the Management Systems' representatives about the EMS' actions, objectives and programs.

5.1 Circular economy

The company follows Deutsche Telekom's circular economy strategy, which makes significant efforts to minimize the impact of our operations on the environment and to make employees and all stakeholders aware of the importance of environmental protection and the responsible actions to be taken to do so. Therefore, the company:

- Applies the "Reduce - Reuse - Recycle" principle in all its activities.
- Extends the life and full use of equipment offered to customers and facilitates recycling services for defective equipment.
- Informs and encourages citizens to adopt recycling practices.

IMPLEMENTAREA STRATEGIEI DE MEDIU ÎN 3 PILONI





Ecological Design

How can we make our products more sustainable and minimize their adverse environmental impacts throughout their entire life cycles? For each product, we begin answering this question very early on in the product's development. Our "Sustainability by Design Guidelines" give product developers specific information on how to proceed. The guidelines cover such aspects as "sustainable packaging," "hazardous substances" and "sustainability-oriented device development." This approach is in line with our aim of continually improving and expanding our range of sustainable products.

Introduction of Eco Rating

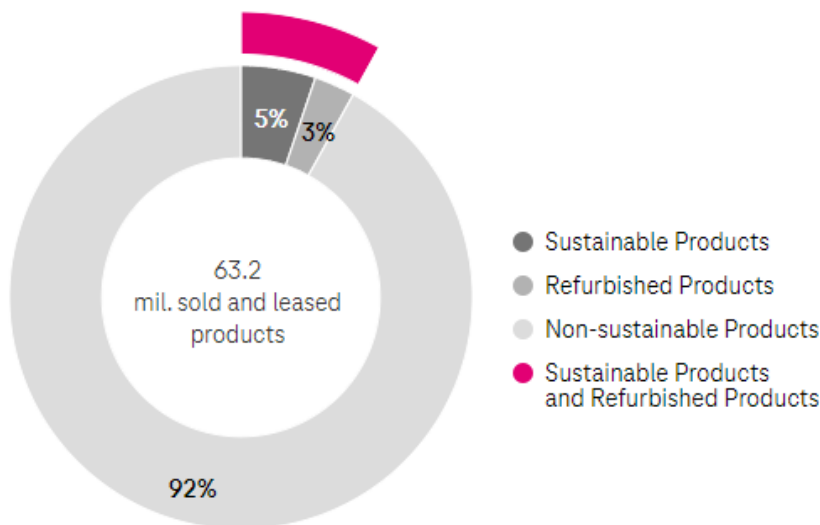
In 2021, working in cooperation with the telecommunications companies Orange, Telefónica, Telia Company and Vodafone, we launched the Eco Rating initiative, a new sustainability-rating system for cell phones. By the end of 2021, over 150 different cell phones had been evaluated in keeping with the Eco Rating method. The purpose of the rating system is to provide consumers with consistent, precise information about cell phones' environmental impacts throughout their entire life cycles, i.e. throughout their production, use, transport, and disposal.

Ecological responsibility in procurement

We work closely with our suppliers in order to be able to offer environmentally friendly products. In a sustainable procurement strategy that is valid throughout the Group, we have defined guidelines for our procurement processes. Our principles in this area are also enshrined in various sets of rules and standards, such as our Supplier Code of Conduct and our procurement guide (Leitfaden für den Einkauf). Our Global Procurement Policy sets forth the sustainability criteria that apply to our Procurement unit. These criteria are taken into account throughout the entire procurement process.

Ecologically sustainable products

We are offering our customers more and more products and services that are sustainability oriented. The basis for them is Deutsche Telekom's "green network," which is powered 100 percent by renewable energies. We use the #GoodMagenta and #GreenMagenta labels to highlight relevant key aspects of our products and services.



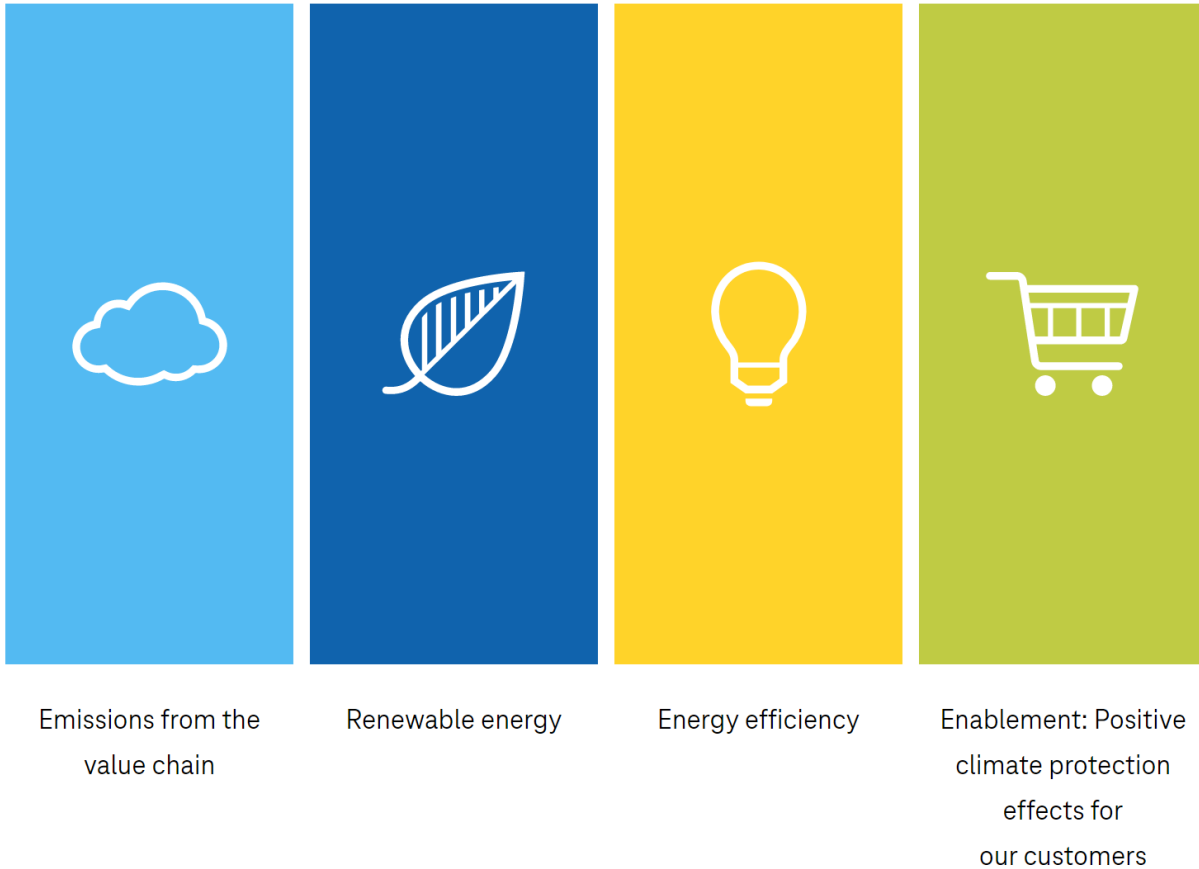
The Group uses various performance indicators to measure our progress in expanding our range of sustainable products. For example, we track the numbers of sustainable and refurbished devices in our mobile and fixed-line segments. We also specify the ratio of sales of sustainable products to total sales of all devices. By 2021, more than 40 percent of our fixed-line devices sold and leased groupwide were already sustainable.

Sustainable products - Deutsche Telekom Group

5.2 Climate Strategy

Our integrated climate strategy is based on four pillars: Emissions from the value chain; renewable energy; energy efficiency; and enablement: positive climate protection effects for our customers. We have defined objectives and/or key performance indicators for each of the four pillars.

The four pillars of our integrated climate strategy



We contribute to the fight against climate change by acting directly, reducing our own CO₂ emissions and indirectly, by offering services and products with a low carbon footprint. In simple terms, the carbon footprint is the total amount of carbon dioxide emitted by an entity. By keeping it low throughout the life cycle of our products and services, we reduce the CO₂ footprint of our customers.

Our goals in this direction is aligned to the Deutsche Telekom Group's Climate Change Protection strategy, which aims, among other things:

- Zero impact for direct and indirect CO₂ emissions by 2025 at the latest.
 - In 2021, TKRM achieved 100% green electricity in the network, thus being on the way to reaching the target.
- Zero impact for emissions from value chain by 2040.
 - In 2021, TKRM started to monitor the CO₂ footprint of its customers, thus securing the first prerequisites to achieve the above target.



What we have in mind to improve energy efficiency:

- Telecommunications networks, which aim at the transition to a more energy efficient network;
- Buildings, data centres and shops, with an emphasis on the correct and efficient use of the installed equipment;
- Concentration of equipment and reduction of space used;
- Our workstations are designed to be environmentally friendly, using energy efficient equipment;
- Road transport, with an emphasis on the renewal of the vehicle fleet, but also on the monitoring and control of the transport activity.

Energy conservation measures

Energy conservation measures	Scope	Result
Smart metering systems in base station sites with large energy consumption	Telecom network	Smart metering systems are already installed in 32 locations (Romania)
Legacy Network Power off	Telecom network	Switching off unused telecom equipment
Infrastructure Modernization/Optimization	Telecom network	Improvement of cooling air flow Improve Room thermal insulation Rectifiers replacement with new high efficiency Redimensioning of rectifiers and batteries
Free Cooling & Site Survey Teams	Telecom network	Free cooling systems are used for cooling telecom rooms by the use of low external air temperature from the environment, thus reducing the energy consumption of the compressor-based air conditioning unit. Site surveys are conducted in order to identify energy efficiency measures
Mobile Modernization	Telecom network	Mobile telecom equipment modernization using lower power consumption hardware
RAN Energy Features	Telecom network	Deactivation of capacity layers in low traffic periods
Maintenance of electricity generators	Telecom network	A maintenance program for base stations generators (for both 24-hour and emergency operation) was implemented.
Energy measures in buildings and shops	Shops	LED lighting systems in shops
Energy measures in Data Centers	Data Centers	Energy conservation measures aiming to improve the PUE of data centers
Energy management	All types of installations	Perform Energy Audits and detect measures that should be taken in order to improve the energy efficiency of the installed equipment



CO2 emissions

Tons equivalent CO2	2019	2020	2021
Direct emissions (Scope 1)	1,842	1,000	1,111
Indirect emissions (Scope 2) "market based"	44,706	37,599	0
Other indirect emissions (Scope 3)	216,215	346,496	161,965*
Total CO2 emissions	262,763	385,095	163,076

*The value shows the Scope 3 emissions for counted for both Telekom Romania companies. To avoid double counting, these were only counted once for the group value.

Telekom Romania, being aligned to the climate strategy set out at group level, had specific targets for Scope 1, Scope 2 and Scope 3 emissions. All these targets were met for the financial year 2021.

Starting with 2017, we calculate two new indicators relevant to our IT&C activity: **carbon intensity and energy intensity**. With the expansion of the network, energy consumption increases, and the indicators mentioned above express in a more relevant way the correlation between the volume of data transited in the network and energy consumption. As can be seen from the tables, the relevant indicators are declining.

ESG KPI "Carbon intensity"

	2019	2020	2021
Kg CO2/Terabyte	414.09	134.81	3

Energy consumption

GWh	2019	2020	2021
Electricity consumption	111.04	120.15	103.92
Urban heating and the fuel consumption in buildings	1.24	0.61	0.86
Fuel consumption (fleet)	6.16	3.4	3.67
Total	118.44	124.16	

ESG KPI "Energy intensity"

	2019	2020	2021
kWh/Terabyte	1,053.81	434.96	305

Water consumption

Total consumption of water	2019	2020	2021
m³	9,088	4,972	3,961

5.3 Resources and waste

Through our environmental policy and objectives, we are dedicated to managing and reducing the impact of our operations on the environment. Thus, we set up a monitoring system for all the materials and resources we use. It allows us to identify the potential for improvement and to establish specific measures to address those issues that we can control.

To increase material efficiency and waste management, we have developed our strategy based on 7 key principles:

- Monitoring the consumption of materials associated with our operations;
- Reducing the use of materials with high environmental impacts in their production phase;
- Prevention of waste generation whenever possible;
- Reuse of materials whenever possible or their recycling by specialized companies;
- Management of all electrical and electronic waste to prevent environmental impact;
- Development of products and services that contribute to dematerialization;
- Increasing the visibility and awareness of the importance of protecting the internal and external environment, in order to increase participation in recycling activities.

Waste generated as a result of our mobile operations is classified into the following main categories, according to specific criteria:

- Hazardous waste (lead batteries, lamps, portable batteries, creosote poles);
- Technical waste generated during technical operations on our networks and systems (e.g. cables, metals, electronic and telecommunications equipment) and used products (e.g. telephones and their accessories, etc.);
- Other (categories of waste not included in the previous categories, such as residual waste).

Consumption of materials

Tons	2019	2020	2021
Paper and cardboard	137.38	92.65	84.11
Wood	0.14	0.32	0.77
Plastic	0.58	4.47	0.16
Total	138.11	97.44	85.04

Managed waste

Tons	2019	2020	2021
Recycled waste	284.17	258.61	132,36
Not recycled waste	168.85	175.03	401.90
Total	453.02	433.64	534.26

Obs: All 2021 indicators are computed according to DT methodology. More information here: www.cr-report.telekom.com/2021/management-facts/environment/waste-prevention-recycling#atn-19702-19703,atn-19702-19704

2019 and 2020 indicators were reported using combined OTE and DT methodologies.

Other 2021 highlights:

Reduce materials use

- Paper - The utilization of IT applications in the context of the broader digital transformation program of OTE Group, resulted in 135 t of paper savings for Romania.
- Water - No planned or unplanned water discharges to the environment as well as no significant spills occurred during 2021.

Effluents and Waste

There were no significant spills during the management of batteries and lubricants.

Stop Wasting – Start Caring!

Internal and external environmental protection initiatives - [#GreenMagenta Program](#)

Telekom Mobile has developed numerous initiatives in order to digitalize its activities and reduce its environmental footprint:

- Online pay slip for employees;
- Water dispensers at all locations;
- Digitalized travel expense reports;
- Printers set to automatic printing on both sides of the paper and only black cartridge;
- Rental models (routers, modems and other equipment are leased through rental contracts). At the end of the contract, they are recovered for reuse, or recycled if necessary;
- “Push Online Customer Bills”: permanent awareness campaigns were carried out to migrate customers to electronic invoicing by alerting them to this option in the MyAccount application;
- SIM card reduction (50 percent plastic savings by reducing the size of SIM cards);
- Take back phones and other small items of equipment sold in shops (at every location we have recipients for WEEE and WB&A, and periodic collections are carried out by our recycling partners); flyers with information on management of these types of waste are available to customers at the point of sale;
- Regular training of employees on the e-learning platform for selective waste collection; selective collection receptacles are available at each location in order to increase the recycling rate for the generated waste. Responsibilities for electronic equipment, batteries, and packaging are transferred to authorized commercial operators in order to achieve recycling targets;
- Hazardous wooden poles collected as waste are handed over for incineration with energy recovery. Replacement of energy-intensive thermal power plants with more efficient facilities;
- Gradual connection of Telekom Mobile’s base stations to photovoltaic panels, where feasible, in order to replace the current power sources with renewable energy sources. More information, here: <https://mobile.telekom.ro/about-us/media/news/telekom-mobile-continues-to-invest-in-renewable-energy-for-a-green-future-as-part-of-its-environmental-strategy/article250313>



5.4 Electromagnetic fields

We continuously monitor various key aspects related to our activities that may have an impact on the environment, as well as on the health and well-being of society. We realize that we need to be aware of and map out the challenges associated with our mobile network, such as maintaining low noise levels, conserving the environment and measuring the impact of electromagnetic fields.

The impact of electromagnetic fields (EMF) is a subject under observation for over 40 years. Aware of the concerns related to EMF, we have adopted the EMF Policy which responds to these concerns through transparency, by increasing the visibility of this topic as well as by a participatory scientific approach.

Following our EMF Policy, we have adopted a number of practices that help us monitor, analyse and publicly communicate all aspects of EMF. Based on these practices, we are confident that the levels of electromagnetic fields in our base stations are significantly lower than the limits imposed at national level, by Order no. 1193/2006 of the Minister of Public Health.

This Order transposes Recommendation 1999/519 / EC on the limitation of exposure of the general public to electromagnetic fields (0 Hz to 300 GHz), as a reference document for all EU Member States, approved by the International Commission on Non-Ionizing Radiation Protection (ICNIRP), a non-governmental organization officially recognized by the World Health Organization.

In 2021, 13 measurements of electromagnetic fields were performed by ANCOM (National Authority for Administration and Regulation in Communications) at the equipment of Telekom Mobile base stations, at the request of external stakeholders. Through fixed monitoring sensors installed in urban centres, ANCOM performs measurements and the results are available to the public in real time. In addition, ANCOM performs measurements with mobile equipment that are also available to the public. More information about Continuous monitoring of electromagnetic waves in Romania can be found here: <https://www.monitor-emf.ro/map>.

Mobile networks operate on the basis of electromagnetic wave emissions, which come largely from mobile antennas. Regarding the transmission of waves, radio and television antennas are similar to those of mobile telephony, the electromagnetic fields are certainly non-radioactive, as similar fields are generated by other electrical appliances, which we use daily: radios, televisions, hair dryers, monitors, cordless phones, washing machines, or refrigerators.

5.5 Concern for biodiversity

We operate a wide network of telecommunications equipment (such as base stations and wireless communication stations). Some of these will inevitably end up being operated in protected natural habitats or ecosystems.

In Romania, in 2021, 32 base stations were located in the protected areas of terrestrial ecosystems in the following counties: Alba, Bihor, Brăila, Braşov, Caraş Severin, Gorj, Harghita, Mehedinţi, Mureş, Salaj, Sibiu, Tulcea, Vâlcea, covering a total area of 0.0092 km². All "protected operational areas" are developed, installed and operated on the basis of Environmental Impact Assessment studies. These studies are approved and designed by the authorities, in accordance with national legislation.

More information on the protected areas (e.g. location, maps, area, protected species, etc.) is available on the relevant website of the European Commission (NATURA 2000 sites) and the RAMSAR convention.

All installations operating in NATURA sites are fully licensed by regulatory authorities in Romania (National Authority for Management and Regulation in Communications). All buildings / installations / telecom lines that are currently in use and / or installed by Telekom Mobile are also registered and relevant information is available.

Noise and Visual Impact (Relevant for GRI Standard 305)

Noise:

In general, the noise impact from the activities of OTE Group companies is insignificant, as it is restricted to (a) the operation of electricity generators that are necessary in cases of power outage or when there is no reliable electricity supply, (b) ventilation systems (e.g. supply and exhaust units) and (c) the outdoor air-conditioning units located in building roofs, facades and open spaces (e.g. cooling towers).

- The operation of electricity generators in urban areas is in line with the provisions foreseen by legislation. In special cases, where sound levels from generators should be reduced, soundproofing constructions are placed or hybrid systems are installed, to reduce the operating hours of the generators, or old units are replaced with new, more advanced ones that operate at lower noise levels.
- In order to reduce noise levels from ventilation and/or cooling systems to the levels foreseen by legislation, soundproofing constructions are placed, or old units are replaced with new, more advanced ones that operate at lower noise levels.

Visual Impact:

Telecommunications companies have relatively small visual impact on the environment. However, to minimize whatever impact may exist:

- The size of new Base Stations being built now has been decreased.
- Efforts are made to collocate Base Stations in common installations with the other telephony companies so as to reduce all potential impacts, including overall visual impact of mobile Base Stations.
- For the installation of new telecommunication infrastructure necessary for the provision of communication services, all efforts are made, to the extent that is technically feasible, to minimize the visual intrusion produced, especially in urban areas by appropriate arrangements and constructions that blend well with the surrounding environment.

5.6 Compliance with laws and regulations

We follow the legal and regulatory provisions closely. We keep the noise level of our equipment below legal thresholds through maintenance programs and the replacement of old equipment. In the same vein, the levels of electromagnetic waves in all our base stations are significantly lower than national limits.

In 2021, the Environmental structure of our company did not register any complaints regarding environmental protection.

6 Responsible risk management

6.1 Enterprise level Risk Management

The complex process of technological development generates on the one hand advantages, and on the other hand significant costs. The dynamism of events and the links between them makes their analysis in time more and more difficult, thus giving rise to many risks and uncertainties that combine with each other and which are doubled by an acute lack of information.

From a technical point of view, contrary to our general understanding, risk and uncertainty are two totally different notions. Uncertainty denotes a lack of security or certainty, generated by the lack of information. Under these conditions, the result of an event is unknown and cannot be analysed, measured or predicted. Risk refers to the probability that a certain event will occur. Under risk conditions, a certain person can make certain decisions as the chain of events unfolds.

At the same time, there must be a certain degree of readiness in the case of events with a low probability and which can affect a process in a positive or negative way. When there is a certain risk, there is also certain information available that we can refer to.

In our company, we have managed to develop and create effective approaches and procedures to minimize risks and avoid uncertainties, and in order to operate efficiently in this volatile environment due to its operational size we need to anticipate, identify and manage any risks that could occur.

Thus, we have created an **Enterprise Risk Management Framework (ERM)** - a central element of our corporate governance through which risks and potential opportunities are identified in advance, monitored and managed. This framework is value-oriented and focused on covering all strategic, operational, financial, compliance and reputational risks.

The Company Risk Management (ERM) function within Telekom Mobile has developed and implemented a unified methodology for conducting risk assessment by all its departments that meet the requirements of "risk assessment at company level" imposed by both the ISO 31000:2018 standard, as well as those imposed by Romanian legislation.

Managing and reporting risks

The responsibility for risk management belongs primarily to our operational managers.

In order to ensure the timely identification of potential new risks and to keep abreast of the evolution of existing risks as well as their mitigation / prevention measures, we communicate quarterly and whenever necessary with a number of key people in our fields of business. In addition, we review management reports, group reports, financial reports, industry reports, macroeconomic indicators and progress reports related to our ongoing or planned strategic initiatives.

The ERM team systematically identifies and records the risks and then evaluates their impact and probability based on the agreed models. Risks identified by the ERM team that exceed the impact of EUR 500,000 on EBITDA are included in the Quarterly ERM Report which is validated by the GRC Committee (Governance, Risk and Compliance Committee) and presented to the Board of Directors

This report is used both in the planning and budgeting process of the following year, but also in the planning of future internal audit missions.

Telekom Romania Mobile Communications management system certifications

Within an integrated management system based on ISO 9001, the following certifications were obtained by Telekom Romania Mobile Communications.

- ISO 9001: 2015 | Quality management system - Requirements
- ISO 14001: 2015 | Environmental management system - User guide requirements
- ISO 45001: 2018 | Occupational health and safety management system - Requirements
- ISO 27001: 2013 | Information technology. Security techniques. Information security management system. Requirements
- ISO 22301: 2012 | Business continuity management system - Requirements
- ISO 31000: 2018 | Risk management system - Principles and guidelines (attestation)
- ISO 37001: 2016 | Anti-bribery management system - Requirements with user guide
- ISO 37301:2021 | Compliance management system - Guidelines (attestation)



6.2 Ethics, operational risk and compliance

Our culture of compliance and integrity

In the company, "Compliance" defines the way we want to act, not the way we are obliged to act. The culture of ethics and personal integrity is the foundation of our performance-based compliance programs which sustains the performance.

We have thus managed to integrate the principle of compliance in all our activities under the umbrella of the Compliance Management System (CMS), the ultimate goal being to support and strengthen our fundamental operational principles: transparency, justice, professionalism, integrity, compliance with the legal framework and ethical principles.

In our daily work we focus on:

- Raising awareness of non-compliance risks;
- Developing a culture based on compliance;
- Prevention of inappropriate behaviour;
- Detection and treatment of compliance issues;
- Providing necessary compliance advice.

In 2021, Telekom Mobile:

- was not involved in any incidents of non-compliance with corruption regulations;
- was not involved in any incidents of non-compliance with the regulations on preventing and combating money laundering;
- had no complaints or disputes that resulted in confirmations of discrimination in the workplace.

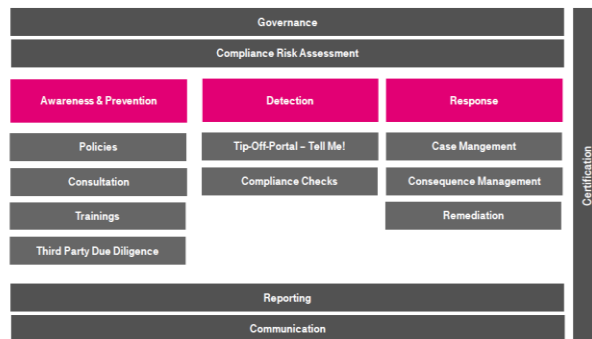
Compliance management system

We can intuitively understand the concept of compliance in the sense of complying with clear and fair rules, having clear procedures, always doing the right thing and adhering to the company's internal policies as well as ethical principles. or legal provisions.

Each of Telekom Mobile's employees or partners must respect and work in accordance with these principles.

Our compliance management system is based on best practices in the field as this system derives from internationally recognized principles and standards.

COMPLIANCE MANAGEMENT SYSTEM



WE RELY ON RULES AND PRINCIPLES IN EVERYTHING WE DO

The existing framework guidelines and **compliance** policies encompass all areas in which we interact:

- Code of conduct;
- Policy on avoiding corruption and other conflicts of interest;
- AML Policy;
- Supplier Code of Conduct;
- Code of Ethics for Chief Financial Officers;
- Policy on Accepting and Granting of benefit;
- Event policy;
- Donation policy;
- Sponsorship policy;
- Anti-Fraud policy;
- Anti-trust law policy;
- Integrity Checking Instruction Manual;
- Policy on Avoiding Sexual Harassment;
- Sustainability policy;
- Guiding Principles;
- Whistleblowing Policy.

OUR ETHICAL BEHAVIOUR

Our code of conduct is a framework guide for the behaviour of all employees. It reaffirms our strong commitment to comply with applicable laws and regulations as well as specific ethical behaviour obligations. It is this behaviour, along with other ideals that we share, that supports us in our work. Our principle of non-discrimination does not only cover issues related to gender, age or religion, but also covers issues related to ability, origin or sexual orientation. Furthermore, we have established an internal mechanism for reporting all questions, concerns or complaints related to non-discrimination and the principles of the Code of Conduct. Tip-offs can be addressed to the Compliance Department, through the following channels:

- By mail: Compliance Department, Piata Presei Libere 3-5, City Gate (North Tower), 16th Floor, Sector 1, 013702, Bucharest, Romania;
- By e-mail: whistleblowing.mobil.ROU02@telekom.ro and raportare.nereguli.mobil.ROU02@telekom.ro;
- Through the Electronic Irregularity Reporting Form (available on the company's website and on the company's intranet page).

Risks related to corruption and training in the field of compliance

Any activity can be susceptible to the risk of corruption. The crime of active corruption is committed by those who initiate the “corrupt process or action” (bribery) while passive corruption refers to the person (s) who accept or contribute to the “corruption process” (bribery).

How we maintain compliance

Our compliance training program is developed around internal guidelines and policies that are updated annually as part of the continuous improvement of the Compliance Management System and the Antibribery Management System.

Each year Compliance Department runs a Compliance Risk Assessment program which evaluates the compliance risk across the whole business units. The results are presented to the BoD.

Also, for 2021, the results of the 2 major compliance campaigns were:

- Compliance statements campaign – 85% completion rate;
- Conflict of interest campaign – 83% completion rate.

In Telekom Mobile, an e-learning program was developed during 2021 for sales partners with the subject of notions of anti-corruption and anti-fraud. The participation rate was over 95%.

6.3 Responsible entity

In Romania, the company follows the Romanian Advertising Council (RAC) Code of Conduct for advertising and communication. In 2021, RAC issued 1 complaint for advertising campaigns, where the Code's instructions were not adhered. RAC suggested Telekom Romania Mobile Communications to review the campaigns' communication content and modify it in line with the Code.

In 2021, the company was not fined for non-compliance with competition laws or regulations.

In 2021, at the level of the Environmental structure within the company, no complaints were registered regarding our operations.

The mobile telephony devices sold by Telekom Mobile comply with the international and European regulations issued by RED, RoHS, ICNIRP. The labelling of these devices also complies with the latest legislation in force. For mobile devices, Telekom Mobile requests from its suppliers the Specific Absorption Rate (SAR) and these values are available to customers in product packages or in the store network.

The sold electronic products include in their packaging a detailed installation manual or provide a web link to easily download the user guide and the device manual. Manuals for the safe use and installation of Telekom Mobile equipment are also available on the company's official website. Suppliers are also required to attach a warranty certificate to the products.

In 2021, no financial sanctions were applied to the company for non-compliance for any of the above issues.

Transparency in setting prices and tariffs

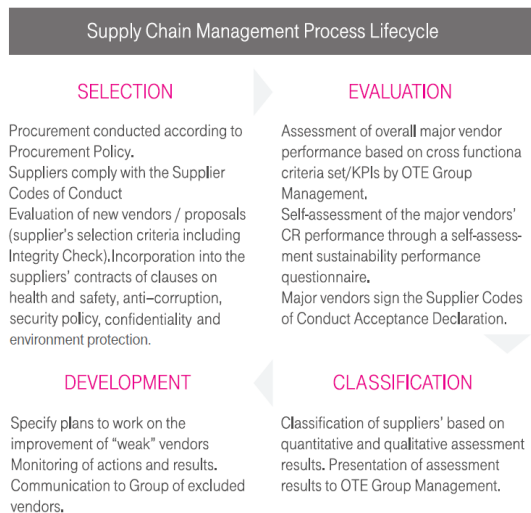
Telekom Mobile is committed to maintain a clear, simple and transparent communication process regarding prices in order to offer a high level of quality to its customers.

The transparency of these pricing policies, among others, also refers to providing customers the contractual information, the price information being also available on the website, in the company's brochures or through Telekom service centres.

Regulation 2021

Telekom Romania Mobile Communications reported in the regulatory field 8 fines, 1 appeal and 2 non-pecuniary penalties, with the cost of fines amounting to 168,745 €.

6.4 Responsibility and sustainability in the supply chain



We contribute to stimulating the economy throughout all operations related to our supply chain. Thus, we strongly support the fact that by creating opportunities for sustainable growth at the level of each segment of the supply chain we manage to generate positive feedback from which all parties benefit. Such a holistic understanding of sustainability provides opportunities for development for all and promotes equitable cooperation.

In addition, our development program helps our strategic suppliers implement or improve good business practices, a process that leads to a greater social impact, better and more effective environmental protection and greater economic efficiency. The development of this program is based on four key components or stages that guarantee a respectful interaction, thus leading to a mutually beneficial outcome. In the spirit of these principles, we create our supplier evaluation framework that helps to

incorporate the best practices in the field in the daily activity of all the entities involved.

Telekom Mobile and suppliers

Our suppliers operate in the following areas of economic activity: contractors, licensed entities, consulting services, companies that sell telecommunications equipment and services, companies that develop computer hardware and software, companies that sell the use of licenses for content rights, administrative services for buildings / facilities, marketing services, human resources services, printing services, correspondence services.

79.63% of our suppliers are from Romania, the rest being from North America and Asia.

Year	2019	2020	2021
Local suppliers	230	201	215
External suppliers	44	44	55

We understand the importance of paying supplier invoices on time and the impact of late payment. We have a clear procurement policy and we promote transparency in this respect. In specific cases we accept different payment conditions in case of vulnerable suppliers, especially small and medium enterprises, if there is a distinct need in their operations management for a lower payment term that is negotiated with the supplier and approved by the Treasury and Taxes departments.



100% of new suppliers in 2021 had included in contracts clauses on health and safety at work, anti-corruption, security and privacy, environmental protection. Also, into 2021, 270 suppliers were registered in the Vendor Register, thus accepting the provisions of OTE Group Supplier Code of Conduct. 100% of prospective suppliers - for all purchases exceeding € 10,000 for Telekom Romania Mobile Communications were reviewed and checked, unless they had been checked within the last 2 years. 100% of prospective consultants were checked, regardless of the purchase value.

The OTE Group Supplier Code of Conduct sets the framework for social, environmental and compliance audits. Monitoring activities on the supplier and its subcontractors are conducted to effectively evaluate the supplier's and subcontractors' actual conformity with the Code's Principles. This includes the right for OTE Group and/or its authorized representative to perform audits, including on-site inspections and carry out questionnaires and/or interviews with selected employees at supplier's premises, construction sites and/or other locations where work is performed on behalf of the supplier. The supplier acknowledges that OTE Group has the right to request and receive further information (e.g. through the OTE Group evaluation systems), if deemed necessary. If any non-conformity with the Principles is notified to OTE Group, the supplier or subcontractor bears the obligation to cooperate and provide to the authorized representative of OTE Group with all necessary information and, subsequently a dedicated improvement plan has to be filed to be implemented in due course.

More details about the [Suppliers' Code of Conduct](#) can be found on the telekom.ro website.

How we select our suppliers

The selection criteria are based on technical specifications, price, commercial conditions, contractual issues and specific corporate responsibility requirements. Contracts with all providers include specific clauses or annexes on occupational health and safety, anti-corruption, security, environmental protection, confidentiality and compliance with the Telekom Romania Mobile Communications Code of Conduct for suppliers. It is mandatory that all these clauses and specifications are accepted by all suppliers, without exception.

Evaluating the suppliers

Vendors are selected based on purchase orders (POs) issued through SAP-ERP systems over a 12-month period. All selected suppliers are evaluated by the operational units involved and also each supplier must answer a self-assessment questionnaire.

In order to evaluate our suppliers, we have implemented a dedicated system - "Supplier Evaluation System".

The supplier rating, made by the operational units involved of our companies, together with the self-assessment questionnaires completed by the suppliers, are published in the Supplier Evaluation System of the OTE Group, thus allowing us to compare and quantify the performance of suppliers.



7 Sustainability report methodology

Reporting scope

The aspects retained in the report concern the operations of Telekom Romania Mobile Communications S.A., presenting as a whole the actions, challenges, results and achievements during the period January - December 2021. Where possible, we made comparisons with information from the previous year.

In this report, the terms “Telekom Mobile”, “TKRM”, “We”, “Company” or “Our Company” refer to Telekom Romania Mobile Communications S.A.

Promoting Transparency

Data about the company were previously presented in 2015-2019 in the integrated sustainability reports of the Telekom Romania group of companies (respectively the companies former Telekom Romania Communications S.A. and Telekom Romania Mobile Communications S.A.), and in 2020 and 2021 only for Telekom Romania Mobile Communications S.A.. Because we want to improve the quality of our reporting, we are open to your comments. For any suggestions or questions, please contact us at: csr@telekom.ro.

Reporting according to OMF 1938/2.09.206, OMF 3456 / 01.11. 2018 and OMF 1239/30.12.2021.

This report for 2021 presents non-financial indicators of Telekom Romania Mobile Communications S.A. in the context of fulfilling the legal obligations related to Order 3456 of November 1, 2018 issued by the Ministry of Public Finance.

The information in this report is referencing Global Reporting Initiative (GRI) Standards, the most widely used standard at international level that allows companies to publicly showcase their economic, environmental and social impacts.

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