

Annual Sustainability

Report Vodafone
Ukraine
2022



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CEO's Address

The war in the center of Europe could not fail to reverberate around the world. But we felt its devastating impact even before the rest of the world realised its true scale. Thousands of human lives, millions of refugees, dozens of destroyed cities. Looking back at the past year, I realize that we did not have even a single free second; we had no weekends or holidays. We worked day and night. We repaired the damaged network, restored communication in the frontline areas, we built new base stations in the regions where plenty of people and businesses were moving into. We negotiated with foreign operators to support our subscribers who were forced to flee the war abroad. And thanks to such agreements, our subscribers enjoy their home rates even when roaming.

We learned how to work in a different way. Today, all our decisions are prompt and reactions are instant. We know how to restore the network even under fire. We can make decisions about providing free services for millions of subscribers in just 5 minutes. We realize that today communication has become literally vital. More than 14 million Ukrainians out of 18 million of our subscribers used the free services. We know how to provide Internet services even during blackouts.

Today, our efforts are focused on these three areas:

- reconstruction of the infrastructure in the frontline regions,
- expanding coverage in the western and central regions of Ukraine,
- supporting our subscribers at home and abroad.

However, our strategic priority is the development of digital infrastructure. During the wartime, this priority has become critical because digital technologies are not only our security, but also a weapon, a means of protection, and a countermeasure to enemy propaganda and disinformation.

The most challenging trials become a push for the development of technologies. The war in Ukraine and the global pandemic, which has receded into the background of the war, have become a powerful impetus for a leap towards a new level of digitalization and technological solutions. The high level of development of communication and IT technologies formed a solid foundation which enabled Ukrainians to quickly adapt to new working conditions during the COVID-19 pandemic and, moreover, to learn how to live, work and recover again and again during wartime.

The extreme situation forced us to quickly find solutions that help maintain stability, reliability, efficiency and cost-effectiveness in the use of available resources. For example, in response to the colossal destruction of the telecommunications infrastructure and unprecedented migration, Ukrainian telecom operators implemented national roaming in an extremely short period of time – less than 2 weeks.

Today, Ukraine's accession to the Euro-roaming zone is already being worked out. This is a challenge for both Ukraine and Europe, because Ukraine is not yet a member of the EU. And the first step towards Euro-roaming was the cooperation of Vodafone Ukraine with European operators.



Engineering solutions developed by Vodafone Ukraine are being adopted by other Ukrainian operators. An example of this is the solution for emergency network recovery based on satellite technologies. The Group's engineers have developed mobile units with Starlink equipment that can be quickly transported and used as a temporary solution to route traffic through satellite data links while fiber optic lines are under repair. The solution was tested in the first months of the war to restore communications in Irpin, Bucha and other de-occupied towns. In this way, coverage is deployed within a few hours. This experience in emergency restoration of communication in crisis situations has also interested some foreign operators.

The Group of companies has been actively implementing the innovative GPON technology, which allows providing high-speed optical Internet that works without the need for electricity. Gigabit Internet based on GPON technology has become extremely popular, especially due to the destruction of the country's energy infrastructure by the enemy and the resulting prolonged power outages.

Ukraine has become a kind of experimental ground for technologies and ideas. On the one hand, the country is at war- the harshest and most unstable conditions imaginable. On the other hand, we are no longer afraid of experimenting and have no time for hesitations. At the same time, Ukraine has an extremely high level of innovation potential and technological base, and Ukrainians have developed a habit of using digital services. This configuration of prerequisites generates breakthrough ideas and solutions, thanks to which Ukrainian businesses acquire a level of stress

resilience that is not found in any other country. Therefore, the Ukrainian business experience is valuable for the whole world.

We help the country not only with new technology and expertise, but also by providing financial support. And although Ukraine is currently at war, we do not stop investing in the development of its digital infrastructure. This is proof of our faith in a high-tech Ukraine and its bright future for the whole world to see after our victory. We are already thinking about rebuilding the country. Ukraine has both modern technologies and highly professional specialists. Ukraine is innovation, with a powerful telecom and IT sector, and the first "country in smartphone" in the world. Many Ukrainian startups have become "unicorns" and are well known within the technology investor community. Being a technology company, the Company can see many opportunities for cooperation and business alliances with international businesses. And it is precisely in Ukraine that new, unexpected opportunities and solutions emerge in this hard time that is challenging for both Ukraine and the entire civilized world.

Cooperation with Starlink is just one example. However, there are dozens of them – in energy, construction, medicine, security, agricultural and banking industries, because telecom technologies, IT, data analysis, and artificial intelligence have already become the driver in any field. We are open to partnership and ready to open new prospects for business, new solutions, new products and new opportunities.

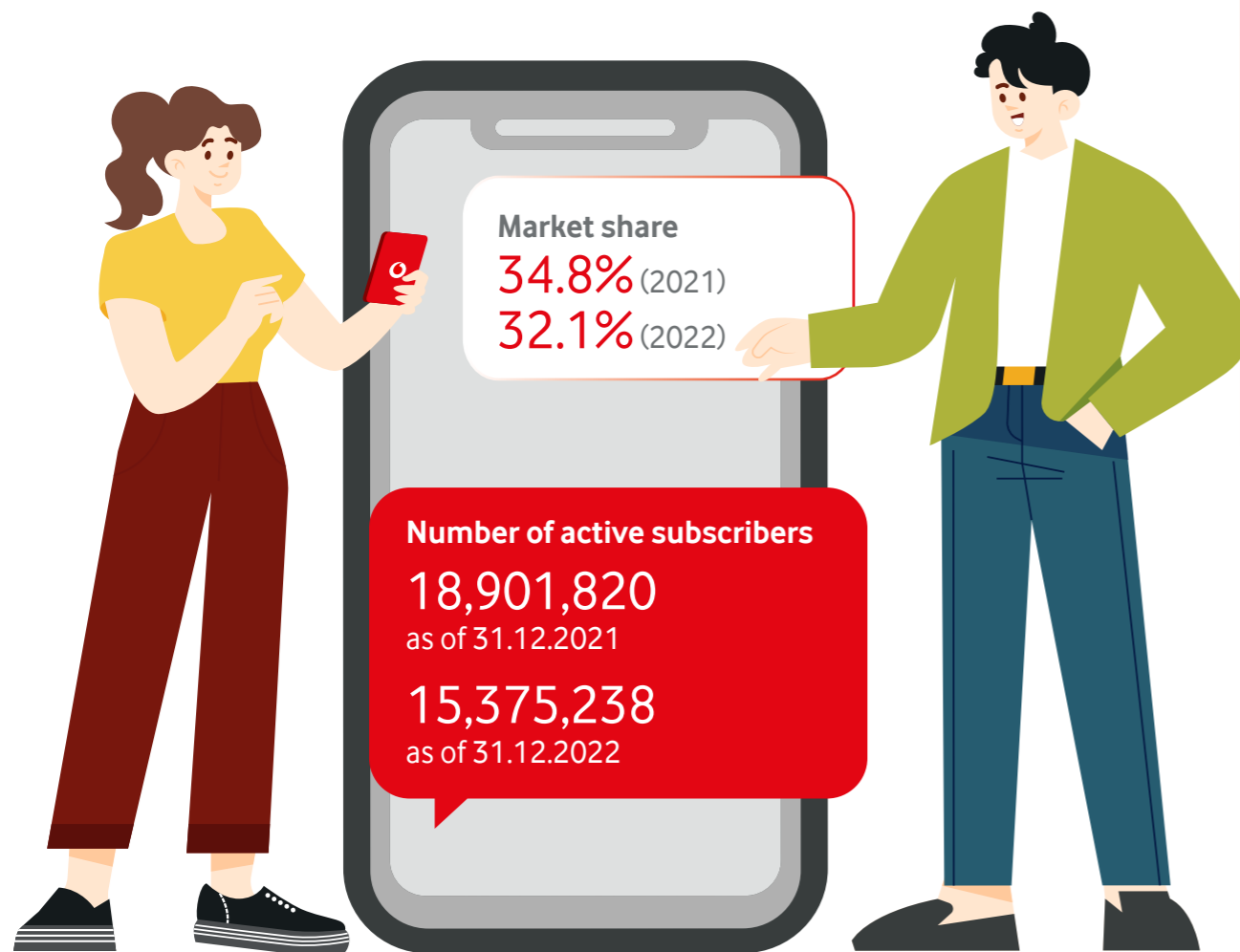
Olga Ustinova, Vodafone Ukraine CEO



Key performance indicators for 2021-2022¹

Customers and loyalty

- The number of active Internet subscribers using GPON technology
9,401 (2021)
22,861 (2022)
- Coverage of the Ukrainian population by 4G technology
81% (2020) 84% (2022)²
84% (2021)
- Voice minutes per subscriber
485 (2021)
416 (2022)
- Number of 4G customers, millions of persons
7.3 (2020) 8.6 (2022)
8.8 (2021)



¹ The data for 2021 includes only the results of Vodafone Ukraine excluding Vega Telecom, which was acquired by Vodafone Ukraine in 2021.

Capital raising and partnership

- \$400 million is our unpaid Eurobonds debt. The Group of companies fulfils all its credit obligations and continues servicing its debt in full. During 2021, before the start of the war in Ukraine, the Group of companies repaid its obligations ahead of schedule in the amount of up to \$100 million.
- In 2021, 99.99% of the shares of Farlep-Invest PrJSC operating under the Vega brand, and 95% of the authorized capital of Cable TV-Finance LLC (hereinafter collectively referred to as Vega Telecom) were acquired by Vodafone Ukraine for further business development in the field of telecommunications, in particular fixed line services.

Data traffic

- Data traffic growth per user YoY
11% (2021)
41% (2022)
- Data traffic per user, MB
5.910 (2021)
8.353 (2022)

Financial indicators

- OIBDA, UAH million
10,953 (2021)
11,277 (2022)
- Investments in the development of the Group's infrastructure and network, UAH billion
3.5 (2021)
3.6 (2022)

Employees

- Total number of Vodafone Ukraine full-time employees, persons
3,397 (2021)
3,775 (2022)
- Including female employees
45% (2021)
43% (2022)

Growth in the number of My Vodafone users

10% (2022) – when Russia's full-scale invasion of Ukraine began, our self-service mobile application played a critical role in ensuring communication of subscribers with the operator and their uninterrupted communication.

² Due to Russia's full-scale invasion of Ukraine, the general coverage of the population by the 4G network has changed, but the change cannot be estimated.








**ABOUT
VODAFONE
UKRAINE**



About the Group of companies

Vodafone Ukraine³ has been providing communication services to Ukrainian subscribers for over 30 years. We uphold European values, implement cutting-edge technologies, and create strong communication and business networks, which makes our Group of companies the #1 European telecom brand. The Group began operating in Ukraine under the “Ukrainian Mobile Communications” (UMC) brand, and since 2015 it has been a partner of Vodafone Global, one of the world’s leading telecommunications companies. The strategic partnership provides access to international expertise in areas such as IT transformation, the Internet of Things (IoT) and 5G-based services.

For over 30 years since the Group entered the Ukrainian market, it has grown from a local mobile operator to:

-  — a provider of stable mobile communication and 4G LTE Internet, as well as a provider of fixed line communication services GPON, FTTX (Internet and television)
-  — a Big Data analysis service provider and IaaS owner with advanced cloud services for business;
-  — a developer of IoT technologies and SmartCity solutions.

Russia’s full-scale invasion of Ukraine in February 2022 had a significant impact on the activities of Vodafone Ukraine and further emphasized the importance of our services in providing uninterrupted, stable mobile communications and Internet for the entire country. Therefore, in 2022 the Group of companies focused on:

- increasing the resilience and reliability and ensuring uninterrupted, stable

performance of the network in extreme conditions, maintaining connectivity even during prolonged power outages

- occupational safety. All Vodafone Ukraine employees work in safe places, remote work format is maintained, and office premises are equipped with reliable bomb shelters, uninterrupted electricity and Internet connection
- repair of damaged or destroyed communication facilities and restoration of the network in the liberated territories. Technical specialists work only in the safe areas of the de-occupied territories, where there are no risks of mines or other hazards
- expansion of network capacity in the regions experiencing an abnormally high increase in subscribers due to the evacuations
- development of a fixed-line internet network using the best available technology – GPON, which offers high quality uninterrupted connection and ensures connectivity even during prolonged power outages
- data protection and information hygiene during the war, taking care of the safety of our customers and their relatives through the launch of the “Geosearch” service.

By the end of 2021, Vodafone Ukraine had achieved 84% of 4G coverage of the country’s population, compared to 81% in 2020. The company also improved its main financial indicator in 2021 due to increased demand for voice&data services (mobile voice communication and Internet), and to the recovery of demand for roaming services compared to the previous year. In 2021, the Company launched a new business line of building private closed networks (Private Networks) for corporate clients and successfully launched several projects using this solution. Additionally, the 5G Lab was launched, which is the first technology platform in Ukraine to demonstrate how 5G works on Vodafone’s network.

However, the Russian aggression and martial law in 2022 fundamentally changed the business environment and priorities of Vodafone Ukraine. The costs related to the war had a significant impact on the dynamics of the key financial indicators, but the Group of companies managed to maintain revenues almost at the level of 2021 and improve the OBIDA. However, from the first days of the war, Vodafone Ukraine operated as a single and coordinated mechanism and provided uninterrupted communication for subscribers on the ground, during evacuation, as well as affordable roaming abroad. Despite an extraordinary year of losses and destruction, the Group managed to maintain its operations without losing a single business process and continues its investment in building the fundamental

technological infrastructure to achieve digital transformation and ensure a stable future for the country.

Even in challenging times for the business, Vodafone Ukraine has not reduced its investments and continues to help the country. Throughout 2022, we have been supporting local communities, implementing national and European roaming, and providing humanitarian and direct financial assistance to the population in the de-occupied territories. Thus, in 2022, the total amount of social investments exceeded UAH 1.4 billion. In addition, due to the reconstruction of 581 base stations that were destroyed or damaged because of hostilities, we restored communication in 759 settlements during the year of war.



³ For the purposes of this report, Vodafone Ukraine (or the Company) includes the activities of VF Ukraine PrJSC, as well as its subsidiaries: VF Retail LLC (with VF Ukraine PrJSC as the only participant) and ITSF LLC (99% of its authorized capital is owned by VF Ukraine PrJSC and 1% by VF Retail LLC), as well as Farlep-Invest PrJSC (with 99.9929% of its shares owned by VF Ukraine PrJSC). In addition, Vodafone Ukraine includes the following subsidiaries of VF Ukraine PrJSC, which do not have a separate staff and do not conduct active operational activities but perform special auxiliary functions: Cable TV-Finance LLC (a provider of fixed Internet access services; 95% of its authorized capital is owned by VF Ukraine PrJSC and 5% by Farlep-Invest PrJSC) and VFU Funding PLC (a special purpose enterprise established in England and Wales for the purpose of issuing bonds; 100% of its authorized capital is owned by VF Ukraine PrJSC).

The organizational structure

The subsidiaries of Vodafone Ukraine provide a wide range of services in the telecommunications sector for both private and business customers. The shared technological advances allow the Group of companies to offer consumers the latest digital solutions.

Vodafone Ukraine Vega Telecom

Vega Telecom Integration⁴

In 2021, Ukraine acquired 99.99% of the shares of Farlep-Invest PrJSC, which operates under the Vega brand, and 95% of the authorized capital of Cable TV-Finance LLC (hereinafter collectively – Vega Telecom). The purpose of this acquisition by Vodafone Ukraine is to further develop its telecommunications business, in particular in the area of fixed line communication services. The deal was concluded in September 2021. We plan to maximize synergies in order to improve our business performance by providing subscribers with a full range of services.

VF Ukraine is a leading Ukrainian mobile operator that provides a wide range of services: data transmission using 3G and 4G technologies, mobile voice communication, messaging, fixed line Internet and mobile television.

• **VF Retail** is a retail chain of stores specializing in the sale of smartphones, mobile phones, accessories and various gadgets and providing Vodafone customer service.

• **ITSF** is an IT product company with key specialization in the development of software and solutions for the telecommunications sector.

• **Farlep-Invest** – specializes in providing fixed line telephone communications, broadband access to the Internet and data transmission.

Moreover, the integration of the Vega Telecom and Vodafone Ukraine networks and the transition to converged billing is expected to optimize the operational processes and infrastructure management. This, in turn, can lead to a reduction in the energy consumption and the overall environmental footprint of the entire Group of companies.

One of the key areas of the Company integration is the integration of the Company's networks and systems to provide a wide range of converged services. As of the end of 2022, most of Vodafone Ukraine's standards, policies

⁴Vega Telecom includes Farlep-Invest PrJSC and Cable TV-Finance LLC, which in 2021 became subsidiaries of VF Ukraine PrJSC.

⁵ According to the terminology of the GRI Standard, VF Ukraine PrJSC, VF Retail LLC, ITSF LLC, Farlep-Invest PJSC are considered to be the significant areas of activity of Vodafone Ukraine in 2022, and VF Ukraine PrJSC in 2020-2021, VF Retail LLC, ITSF LLC, unless otherwise specified in the disclosure of the indicator.

and management approaches have been implemented in finance, corporate governance, human capital management, and other functions of Vega Telecom. The strategic goals of Vega Telecom are fully synchronized with the goals of Vodafone Ukraine and are an integral part of the Group's fixed-line business strategy. The integration processes are expected to be fully completed by the end of 2025.

The Integration Office manages and coordinates the integration process, and the relevant decisions are made by the Integration Steering Committee and the Company's Supervisory Board. In order to ensure the transparency of the integration process, the Company communicates all changes through the media, on internal corporate portals and in direct communication with employees

during work meetings. As the policies and approaches are integrated and implemented, the employees become familiarized with them and learn how to conduct operations in accordance with the goals of Vodafone Ukraine through peer mentoring.

In this Annual Sustainability Report, the quantitative social and environmental indicators for 2021 include only Vodafone Ukraine's performance, without taking into account Vega Telecom. However, the data for 2022 covers all the companies that are part of Vodafone Ukraine as of 2022, including Vega Telecom (unless otherwise specified in the sections of this report). Nonetheless, the financial statements of Vodafone Ukraine prepared according to IFRS standards for both 2021 and 2022 already include Vega Telecom⁵.



Regional structure

Vodafone Ukraine conducts its activities throughout the territory of Ukraine, and the regional structure of the Company includes three clusters: West, Center, and East.

West

Lviv city and region
Lutsk city and region
Uzhhorod city and region
Ivano-Frankivsk city and region
Chernivtsi city and region
Ternopil city and region
Rivne city and region
Khmelnytskyi city and region
Vinnytsia city and region
Khmelnytskyi city and region
Vinnytsia city and region
Zhytomyr city and region

East

Kharkiv city and region
Sumy city and region
Donetsk region
Luhansk region
Poltava city and region
Dnipro city and region
Zaporizhya city and region

Center

Kyiv city and region
Cherkasy city and region
Chernihiv city and region
Kropyvnytskyi city and region
Odesa city and region
Mykolaiv city and region
Kherson city and region



Functional structure

The successful operation of the Group of companies is ensured by the coordinated work of its directorates and departments, which are divided into the following functional areas:



Participation in associations and external initiatives

The Company promotes the development of the digital economy and the introduction of modern technologies in Ukraine by being an active member of a number of non-governmental organizations and associations:

- **Telas Ukrainian Communications Operators Association**

Vodafone Ukraine is a founder and key member of the Association since 1996. The activities of the Association are aimed at protecting the rights and legitimate interests of telecommunications operators in Ukraine, developing a favorable environment for their development, as well as promoting the reform of the telecommunications industry and the development of the telecommunications market.



- **European Business Association (EBA)**



We have also joined global initiatives on sustainable and ethical business practices:

Since March 2007, Vodafone Ukraine has been a participant in the UN Global Compact initiative, which seeks to mobilize the global movement of companies towards sustainable development. The Company adheres to its commitments under the 10

- **American Chamber of Commerce in Ukraine**



- **Ukrainian Internet Association**



- **Ukrainian Chamber of Commerce and Industry**



principles of the UN Global Compact in the areas of human rights protection, labor relations management, environmental protection and anti-corruption efforts.

In 2022, Vodafone Ukraine signed the Memorandum on Joint Anti-Corruption Actions in Ukraine with the UN Global Compact.

Recognition and achievements

Thanks to the involvement of our employees, Vodafone Ukraine is reaching new heights in various areas of activity. We are pleased that the Group's achievements are recognized by experts, as the Company gets awards and leading positions in business ratings.

The achievements of Vodafone Ukraine and its employees were also recognized in the following rankings:

- **TOP-50** best employers in Ukraine – ranked fifth in 2022 and sixth in 2021 according to the Forbes ranking in partnership with work.ua
- Nadiya Sirenko, HR director of Vodafone Ukraine was ranked among the **TOP-100** of the best HRD in 2021, according to delo.ua
- **TOP-25** best employers open to talent under 25 in 2021 according to the annual award by STUD-POINT
- Vodafone Ukraine's CEO, Olga Ustinova, was ranked among the **TOP-100** most successful women in Ukraine in the corporate sector category in 2021, according to the NV magazine
- **TOP-10** in the PMO UA AWARDS 2020 ranking of project offices by PMI Ukraine Chapter
- **TOP-20** best employers 2020-2021 by grc.ua



- Vodafone Ukraine's HR department was awarded with the prestigious **HR Pro Awards 2021**: 4 projects became super finalists, and 2 projects became winners. The "Recruitment EcoSystem" project was recognized as the best in the Recruiting category, and the "League of Superheroes" project was the winner in the Reward and Recognition category. As part of the HR Pro Conference event, Nadiya Sirenko, HR director of Vodafone Ukraine, moderated the "CEO of the Year" panel discussion.



- At **Dzwinner**, the annual contest of the best contact centers, Vodafone Ukraine won in the categories Best Recruiting Team and Best Service Team, and took second place in the categories Consultant of the Year and Trainer of the Year.
- The Find&Follow. Village Routes tourism project was the finalist in the "Partnership for Sustainable Development 2021" competition by the **UN Global Compact Network** in Ukraine.



- In the digital projects competition by **Marketing Media Review**, Vodafone Ukraine's corporate podcast "KEEP IN TOUCH" was awarded in the Internal Digital Project category.
- Vodafone Ukraine topped the rating of the most transparent companies in Ukraine according to the **ESG Transparency Index of Ukrainian companies**, conducted by the Corporate Governance Professional Association (CGPA) and the Center for CSR Development Ukraine with the support of the Center for International Private Enterprise (CIPE).



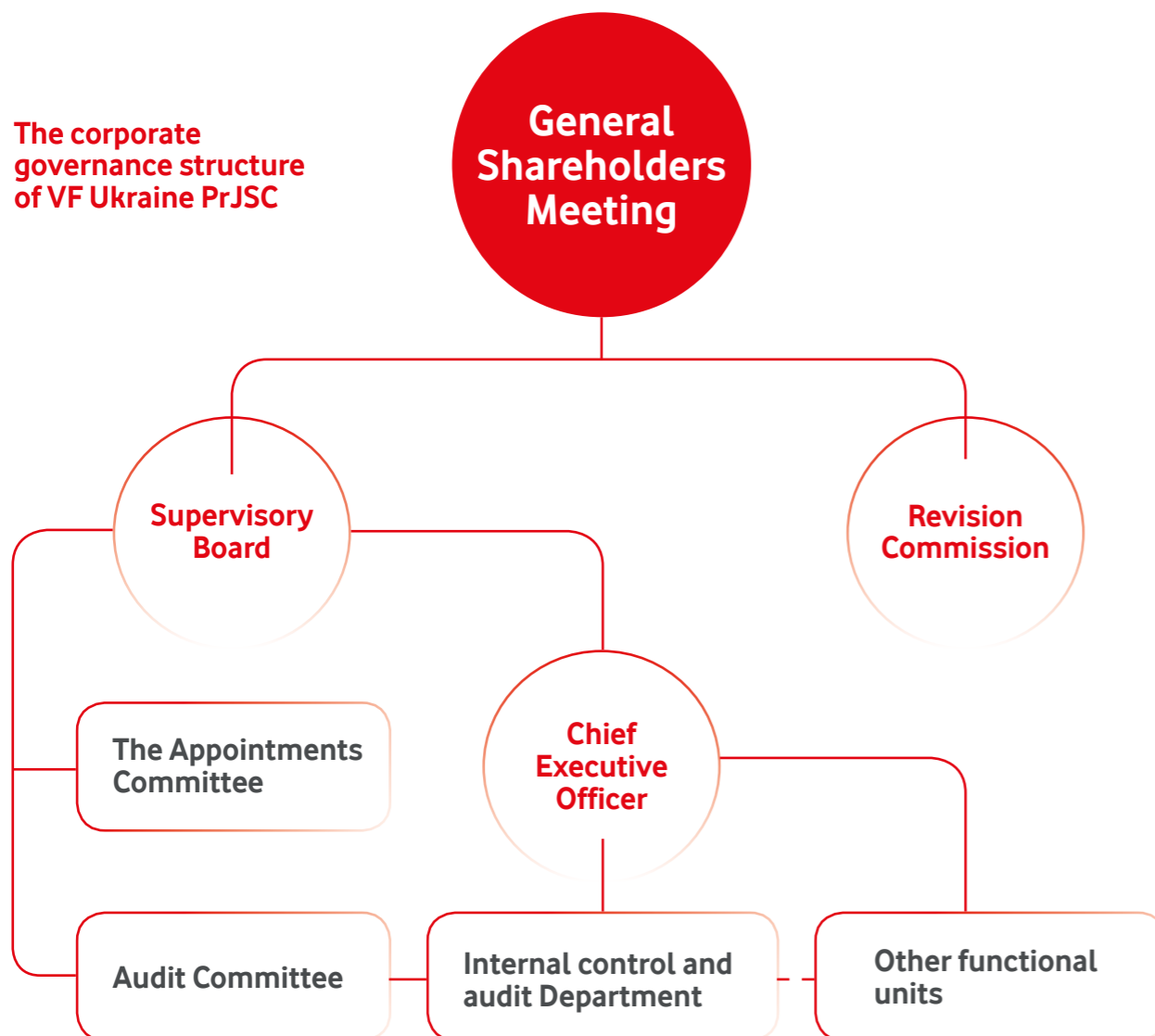
Corporate governance structure

Vodafone Ukraine PrJSC⁶ complies with the requirements of Ukrainian legislation on joint-stock companies and is guided by the corporate governance principles approved by the National Securities and Stock Market Commission. The operation of the Group

of companies' management and control bodies is regulated by the Law of Ukraine On Joint Stock Companies and VF Ukraine PrJSC Articles of Association and Regulations.

Vodafone Ukraine is part of the NEQSOL Holding whose the ultimate beneficial owner is Nasib Hasanov.

The corporate governance structure of VF Ukraine PrJSC



⁶ During the reporting period, the shareholders of VF Ukraine PrJSC were Telco Solutions and Investments (Ukraine) LLC – 99% of shares, and PTT Telecom Kyiv, a company with 100% foreign investment – 1% of shares. From December 2022, the General Meeting of VF Ukraine PrJSC Shareholders adopted a decision to join Telco Solutions and Investments LLC to VF Ukraine PrJSC, which would result in a change in the majority shareholder planned for the end of 2023. The Information regarding the reorganization will be made public within the timeframe and in the manner prescribed by the law of Ukraine, as well as brought to the attention of all stakeholders.

According to the corporate governance structure:

(1) Management bodies:

- The General Meeting of Shareholders is the highest body in Vodafone Ukraine's corporate governance.
- The Supervisory Board – a body that represents the shareholders' interest in the period between General Shareholders Meetings, protects shareholders' rights and monitors the activities of the Group of companies as well as controls the executive body of the Group (CEO).
- The CEO – a sole executive body, managing the ongoing business operations of the Group of companies. The CEO is accountable to the General Shareholders Meeting and the Supervisory Board of VF Ukraine PrJSC.

(2) Control bodies:

- The Revision Commission - which controls financial and business activities of the Group.
- The Audit Committee – an advisory body that informs the management and control bodies about the results of the statutory audit of financial statements and assesses the effectiveness of internal control systems. The Audit Committee was accountable only to the General Shareholders Meeting. From 17 October 2019, the Committee was established in accordance with the requirements of the Law of Ukraine on audit of financial statements and auditing, but was liquidated by the General Shareholders Meeting at the beginning of 2022.

(3) Committees under the Supervisory Board:

- The Appointments Committee under the Supervisory Board – reviews, analyzes and prepares recommendations for the Supervisory Board on personnel appointments, the motivational system

in management and control bodies, as well as senior executives who are directly subordinated to the CEO.

- The Audit Committee under the Supervisory Board monitors the completeness and accuracy of the Group's financial statements, the effectiveness of the internal control and risk management system, compliance with legal requirements, as well as the selection of an independent external auditor and the evaluation of its work.

(4) Group of companies' committees:

The CEO has a consultative collegial body – the Management Committee, which prepares draft decisions on management issues of VF Ukraine PrJSC.

Moreover, there are other committees in the Group of companies:

- The Business and IT Committee – a collegial body that determines the Group of companies' development through the implementation of the Group's products/projects that require the involvement of external and internal IT resources of VF Ukraine PrJSC within its authority.
- The Investment Committee – a collegial body whose main tasks are to coordinate, approve and control the implementation of projects at the level of VF Ukraine PrJSC.
- The Discipline Committee – a permanent advisory collegial body established by the decision of the CEO of VF Ukraine PrJSC to improve the level of labor and executive discipline among employees of VF Ukraine PrJSC and to ensure the legality of disciplinary sanctions and other measures provided for by the current Ukrainian legislation.
- The Products, Tariffs and Services Committee – a collegial body that makes decisions on launching or changing products, tariffs and services of VF Ukraine PrJSC.

- The Risk Committee – a collegial body accountable to the CEO for coordination, collective decision-making and control of risk management at VF Ukraine PJSC.
- The Sponsorship Committee – a permanent advisory collegial body established by the Chief Marketing Officer and accountable to him to ensure support of sponsorship activities following the strategy developed for the medium and long-term development priorities of VF Ukraine PJSC.
- The Charity Management Committee – a permanent advisory collegial body in the field of charity of VF Ukraine PrJSC.

The Group of companies has established top-down and down-top communications to inform the employees, top management and the management and control bodies about the existing problems:

- **Top-down** – quarterly review by the Supervisory Board of the report on the state of risks, their assessment and safeguards.
- **Down-top** – presentation by the top management of the Group of companies' impacts issues at the Supervisory Board meeting.

For example, due to the introduction of martial law in 2022, the top management prepared and submitted an emergency action plan for review by the Supervisory Board (down-top). Subsequently, the implementation of the plan was monitored on a regular basis (top-down).

Changes in the management structure

In accordance with the Law of Ukraine On Joint-Stock Companies, General Shareholders Meeting has the exclusive competence to make decisions on changes to the management structure.

During the reporting period, the Audit Committee of VF Ukraine PJSC was liquidated by the General Shareholders Meeting, and the Supervisory Board established the Audit committee under itself in accordance with the Law of Ukraine On Joint Stock Companies.

The General Shareholders Meeting also has exclusive competence over the selection of members of the Supervisory Board, adoption of a decision to terminate the powers of members of the Supervisory Board, and the approval of the terms of civil law contracts and employment contracts that are concluded with the members of the Supervisory Board.

The Group of companies' management bodies include qualified members who collectively bring a variety of experience, skills and competencies.

As of the end of 2022, the Supervisory Board consists of 6 members. In 2020 the chairman of the Supervisory Board was Yusif Jabbarov. In December 2021, Vasyl Latsanych was elected as the chairman of the Supervisory Board, who also holds the post of Deputy CEO for telecommunications at NEQSOL Holding Azerbaijan LLC.

The exclusive competence of the Supervisory Board includes:

- selection and termination of the powers of the CEO, approval of the terms of the contract concluded with the CEO, determining the amount and procedure for the payment of the remuneration;

- approving the principles of performance evaluation and the remuneration system, as well as monitoring the activities of the CEO and of the senior managers who are directly subordinated to the CEO;
- review and approve candidates to be nominated to the management and control bodies of the subsidiaries.

The Appointments Committee under the Supervisory Board assesses the competence of candidates for both top management and executive positions.

Prevention of conflicts of interest

Vodafone Ukraine adheres to the Conflict of Interest Management Policy. We conduct our activities in a transparent manner, provide information upon request from banks and counterparties, and conduct surveys of our officials twice a year. Based on the results of the survey and the available data, a list of related parties (affiliated persons) of Vodafone Ukraine is updated and posted on the internal information resource.

Process to determine remuneration

Vodafone Ukraine has a clear approach to determining the remuneration of the Supervisory Board's members and senior executives, which is based on the Regulations of the Supervisory Board and the relevant internal regulations. The Supervisory Board approves the terms of the employment contract with the CEO, including remuneration and compensation. Additional payments to the CEO are determined by regulations approved by the Supervisory Board. The amount of the severance package for the CEO is determined by the decision of the Supervisory Board. At the end of 2022, there were no cases of refunded payments or instances of providing retirement benefits. The Appointments Committee under the Supervisory Board of VF Ukraine PJSC prepares recommendations on the incentive system for the management and control bodies. Remuneration data is confidential.



Corporate ethics

Ethical business conduct is the key to leadership for Vodafone Ukraine. Integrity, respect for representatives of all stakeholder groups and strict compliance with the law are the values we share in our daily work. **Our Do the Right Thing Code of Conduct** is our key standard for ethical and responsible business. The provisions of the Code are based on global standards of ethical business conduct, including the United Nations Universal Declaration of Human Rights and the World Trade Organization Agreement on Trade-Related Aspects of Intellectual Property Rights.

Vodafone Ukraine's norms, values and principles of ethical behavior are set out in the Supplier's Code of Conduct and the Code of Business Conduct, which are freely available at <https://www.vodafone.ua/compliance>. The provisions and guidelines of the Codes of Conduct are communicated to employees and business partners alike during mandatory training sessions every two years. We also refer to these documents in relevant contracts. In case of violations of the requirements of the Codes of Conduct, official investigations are conducted and appropriate disciplinary measures are taken.

Anti-corruption practices

Zero tolerance for bribery, fraud and corruption is one of our key principles. That is why Vodafone Ukraine has its own Anti-corruption Compliance Policy in place. It establishes measures to improve the Groups of companies' corporate culture, sets out principles to prevent any manifestation of corruption, and is based on the respect for the rule of law, transparency and social responsibility. Also, our Code of Conduct contains separate anti-corruption commitments. The provisions of these documents apply to all our employees and are compulsory.

Our anti-corruption activities include annual risk assessment, communication with all stakeholder groups, identification of business processes with high corruption risks and development of measures to manage the identified risks with the involvement of senior management. One of the principles of the 'Tone from above' corporate culture determines the impeccable reputation of the top management in preventing any manifestations of corruption.

Based on the results of the corruption risk assessment in 2022, the following were determined as relevant to Vodafone Ukraine:

- improper or illegal influence on public and private officials,
- providing unjustified advantages to other companies under the guise of special commercial offers,
- potentially low efficiency of the Compliance department,
- potential fraud when selecting an external consultant.

The Group of companies has developed and implemented an anti-corruption safeguard and control system. Vodafone Ukraine conducts periodic anti-corruption training for employees, and the system itself is regularly monitored and checked. The Compliance department is responsible for the functioning of the system and prepares quarterly anti-corruption monitoring reports.

Every employee, supplier or customer who becomes aware of evidence or signs of violation of the Anti-corruption Policy can report it directly to the Compliance Manager or through the Group's Hotline at hotline@vodafone.ua.

All employees of the Group of companies undergo mandatory e-courses on the Group's Code of Conduct and Anti-Corruption Policy, and our business partners provide written certificates confirming their employees are familiar with the Supplier's Code of Conduct. The Company's top management (12 individuals) adopts the anti-corruption policies and procedures.

460 employees, which is 12.2% of the total number of employees, underwent training on the Company's anti-corruption policies and procedures in 2022. Also, as a part of a strategic partnership with Vodafone Global, we share our Compliance managers' experience and participate in the Vodafone Group anti-corruption standards trainings.



In December 2022, Vodafone Ukraine signed the UN Global Compact Memorandum on Joint Actions to Combat Corruption.

In 2022, one case of corruption was identified and confirmed during the Group's procurement activities. An official investigation was conducted on the identified case, which resulted in disciplinary punishment and any contracts with the partner were terminated. No corruption-related court cases against the Company or its employees were initiated during the reporting period.

Vodafone Ukraine has set a goal to undergo an independent audit in order to obtain a certificate of compliance with the international standards ISO 37001:2016 "Anti-bribery management systems" and ISO 19600:2014 "Compliance management systems". However, due to additional requirements regarding the selection of a single supplier and the full-scale invasion of Ukraine, its implementation was postponed to 2023.

Countering anti-competitive behavior

We strictly comply with all the requirements of the Law of Ukraine on the protection of economic competition and protection against unfair competition. Vodafone Ukraine's Antimonopoly Policy establishes mandatory rules of conduct for all employees to prevent violations of the economic competition law.

The Group of companies makes sure all its employees are familiar with the requirements of its Antimonopoly Policy and promptly notifies them about any changes in the Ukrainian antimonopoly legislation. Authorized employees approve all advertising and informational materials before publication and interact with the Antimonopoly Committee of Ukraine (AMCU). Vodafone Ukraine fulfils all AMCU requirements within the shortest possible timeframes and in full compliance with the law. We require our counterparties to refrain from any activity that impedes fair and free competition.

In the event of any violations of the Company's Antimonopoly Policy or Ukrainian law, our employees and partners may contact the Corporate Governance and Control Directorate. The appeals may be submitted in writing, through the Group's Hotline or e-mail: hotline@vodafone.ua.

In 2022, no complaints about anti-competitive behavior were received. However, in 2021, the Group acted as the initiator of an initiative in the telecommunications market which was treated as unfair competition and was fined UAH 1,760,749 by the Antimonopoly Committee of Ukraine. Vodafone Ukraine does not agree with the decision and is taking steps to appeal it.

Taxation management

Vodafone Ukraine is a bona fide taxpayer and takes tax management seriously. Our Tax Policy, which requires timely fulfillment of our tax obligations to the state, and describes the processes of preparing, checking and certifying tax declarations, is reviewed on an annual basis. The tax administration group revises and updates the Policy, coordinates tax accounting and reporting to tax authorities. In case of significant issues, the Tax Administration Group informs the Financial Director and Corporate Governance Director of Vodafone Ukraine.

We regularly assess the effectiveness of our taxation management, and prepare monitoring reports on legislative and judicial changes twice a month. We also prepare our quarterly tax risk and asset management reports. Tax risks are part of the Group's overall risks and are additionally reviewed by the Risk Committee. In addition to internal controls, we cooperate with

independent consultants and tax auditors in managing taxation matters.

Based on the results of our work in 2021 and 2022, the State Tax Service of Ukraine included Vodafone Ukraine in the registry of large taxpayers for the following year.

The Group of companies is an active member of the national and international non-government organizations, such as the European Business Association, the American Chamber of Commerce and the Association of Taxpayers, where we can voice our suggestions and comments. We discuss tax issues with representatives of other Ukrainian telecommunications companies in order to elaborate a common tax position. In case of conflicts with the tax authorities, the Group may apply to the Council of the Business Ombudsman.



Involvement of Stakeholders

We believe that active collaboration with stakeholders is one of the key ways to achieve our business goals and commitments in the field of sustainable development. Therefore, the Company places significant emphasis on building trust with stakeholders and respond to their requests and comments in order to improve our management processes. Communicating with stakeholders also helps identify the topics that are most important to them and to publicly disclosed it in our sustainability reports.

Vodafone Ukraine's key stakeholder groups include the media community, the Group's employees and their families, customers, shareholders and investors, partners and state authorities. The individual departments that directly interact with certain groups of stakeholders in the course of their operations are responsible for stakeholder engagement planning. The managers of such departments annually develop plans or strategies for their areas of work, identify the respective stakeholder groups and methods for engaging with them.

On the official website of Vodafone Ukraine, we have placed the contacts and an online feedback form for our stakeholders to contact us with questions or suggestions: <https://www.vodafone.ua/support/call>.

List of stakeholder groups and methods for engagement:

| Stakeholder Group | Method of engagement |
|--|--|
| Customers (subscribers) | Corporate site, social networks, presentations, negotiations, service center, official correspondence |
| Group's employees and their families | Corporate events, internal corporate portal, trainings, questionnaires, official correspondence |
| Shareholders and investors | Annual and quarterly reports, annual and extraordinary meetings of shareholders, presentations, meetings, corporate website, official correspondence |
| Partners (suppliers) | Tenders, negotiations, presentations, corporate website, official correspondence |
| Media community (journalists, bloggers, opinion leaders) | Comments, interviews, press releases, press conferences, meetings |
| Public authorities | Round tables, conferences, charitable and social projects, meetings, official correspondence |

| Frequency of engagement | Key topics | Engagement in 2022 |
|---|---|--------------------------|
| Daily | <ul style="list-style-type: none"> Maintaining and restoring communication during the war, providing free services (in Ukraine and abroad) Informing about emergencies Services, tariffs, Group's news | Were engaged in all ways |
| Daily | <ul style="list-style-type: none"> Supporting employees and their families in times of war. Group's news, information on psychological recovery programs for employees, information about charitable projects by/for the company's employees and their families, video conferences with senior management | Were engaged in all ways |
| On a regular basis, quarterly reporting | <ul style="list-style-type: none"> Company's operation under martial law in Ukraine Financial and other Group performance indicators | Were engaged in all ways |
| When necessary | <ul style="list-style-type: none"> Terms of cooperation | Were engaged in all ways |
| Daily | <ul style="list-style-type: none"> News, comments, interviews | Were engaged in all ways |
| As needed | <ul style="list-style-type: none"> Regulatory requirements, social and charitable programs | Were engaged in all ways |



STRATEGY AND GOALS

Vodafone Ukraine's development strategy —

We believe that our mission is to provide Ukrainians with access to high-quality and modern communication. By introducing advanced technologies, Vodafone Ukraine strives to ensure digital equality for all Ukrainians. The Group of companies invests in the development of fundamental technological infrastructure to achieve the digital transformation in Ukraine.

In order to constantly improve and maintain leadership positions in the market, Vodafone Ukraine carries out continuous strategic planning. In 2021, the Group's development strategy was adopted, which determines the key areas and goals for the future periods. Our strategy is based on the following strategic priorities:

Best operator for the customer:

- ensuring the stability and reliability of the network for Digital customers;
- leveraging the advantages and strengths of the Vodafone brand;
- digital transformation of customer service channels.

Digital:

- digital products for the customers' convenience and leisure: My Vodafone, Vodafone TV, FinTech services and mobile commerce;
- to be the best partner for business thanks to the development of Big data and solutions for analytics and the use of Big data for IoT, SmartCity, cloud services.



The sustainable development strategy —

The core principles of our sustainable development strategy are reflected in Vodafone Ukraine's Corporate Social Responsibility Policy, which was adopted in

2009 and is reviewed regularly. This Policy is integrated into our business strategy and helps us to achieve Vodafone Ukraine's strategic goals, taking into account our stakeholders' interests, as well as to constantly improve the efficiency of the management and reporting system in the field of corporate social responsibility and sustainable development.

In 2021, Vodafone Ukraine developed and approved the Group's sustainable development strategy for the period up to 2024. It is built around six interrelated priority goals, with specific steps for each of them.

Vodafone Ukraine's sustainable development strategic priorities for 2022-2024

| Priority | Objectives | Timeline for achieving the key objectives |
|---|---|--|
| Digital equality  | <ul style="list-style-type: none"> provide access to high-speed Internet for Ukrainians (building a 4G network in the 900 MHz range in rural areas) contribute to the development of the digital society and create equal opportunities for all provide opportunities for young people to acquire digital education, skills and employment implement social and charitable projects | On a regular basis (fulfilment of license conditions for further expansion of the 4G network to provide coverage to the population of Ukraine, international and national roads) |
| Development of corporate culture and human capital management  | <ul style="list-style-type: none"> create equal opportunities for employees in career development, training and personal growth implement the principles of diversity and inclusion in the work environment ensure compliance with human rights, as well as occupational health and safety regulations | On a regular basis |

Our overall development strategy is closely related to our sustainable development priorities. In particular, during the network development and procurement processes, we adhere to the principle of respect for nature. Creating favorable working conditions and opportunities for our employees is one of the key success factors of our activity. At the same time, achieving digital equality for Ukrainian society is impossible without our technological progress and the development of digital services.

Responsible supply chain



- implement a centralized procurement structure (with integrated transactional activities), strategic and operational management for procurement and supply chain
- ensure that each supplier complies with the provisions of the Vodafone Ukraine Compliance Certificate in business ethics and compliance with anti-corruption legislation

By the end of 2023

Environmental impact



- upgrade the energy supply systems
- implement commercial smart metering systems (Smart Metering System)
- contribute to increasing energy efficiency, activate energy saving functions, control and optimization of energy consumption

By the end of 2023

Tax and economic contribution and transparency



- ensure transparency of direct and indirect taxation
- make a regional and infrastructural contribution to the development of the country's economy and well-being
- adhere to the principles of transparency and regularly disclose information about financial contributions through public reporting

On a regular basis

Strong compliance system



- obtain certificates of compliance with international ISO standards, Anti-Bribery Management System and Compliance Management System

On a regular basis (revision of the terms for obtaining certificates will be in 2023)

ECONOMIC VALUE CREATION



Infrastructure and network

The year 2022 showed how important it is for people to stay connected. Since the onset of Russia's full-scale invasion of Ukraine, Vodafone Ukraine has made significant efforts to keep its network up and running so that millions of Ukrainians can stay in touch with their loved ones and have access to vital information during these hard times.

Despite all the challenges, the Group of companies keeps on investing in the development of fundamental technological infrastructure, driving the digital transformation of Ukrainian business, the social sphere, public services, and the overall economy.

Approach to managing network and infrastructure development

In terms of network development and operation, the Group fully complies with the requirements of Ukrainian law, including the regulations set by the National Commission for the State Regulation of Electronic Communications, Radio Frequency Spectrum and the Provision of Postal Services. We use the world's leading technologies to develop our network and infrastructure and consult with Vodafone Partner Market for guidance. Moreover, the Group of companies has developed and implemented its internal regulatory documents and standards that regulate the construction of network facilities, equipment testing, design of radio access networks, establishing requirements for network equipment and determining the areas of responsibility of the Group's departments in this area.

Our new base stations are constructed in compliance with modern sanitary standards, including the permissible level of electromagnetic radiation. In Ukraine, the maximum permissible level of electromagnetic radiation by radio engineering objects operating in the ranges of very high, ultra-high, super-high and extremely high frequencies is set at the level of $100 \mu\text{W}/\text{cm}^2$ ⁷. We choose the locations of our base stations in a way that would ensure uniform and high-quality coverage within their range and direct antenna radiation away from residential buildings, public areas and other structures.

We are sensitive to customer and community concerns that arise during the development and operation of our network. In response to any questions or concerns raised, our Company representatives participate in public meetings and engage in informative outreach efforts.

All Vodafone Ukraine employees involved in the development and construction of the network and infrastructure undergo regular training in order to enhance their professional skills. Such training includes both professional development and workplace safety courses.

⁷ Order of the Ministry of Health of Ukraine "On Approval of State Sanitary Rules and Regulations", <https://zakon.rada.gov.ua/laws/show/z0488-96#Text>

Our network and infrastructure development goals

Vodafone Ukraine's main goals for network and infrastructure development in 2021 were to:

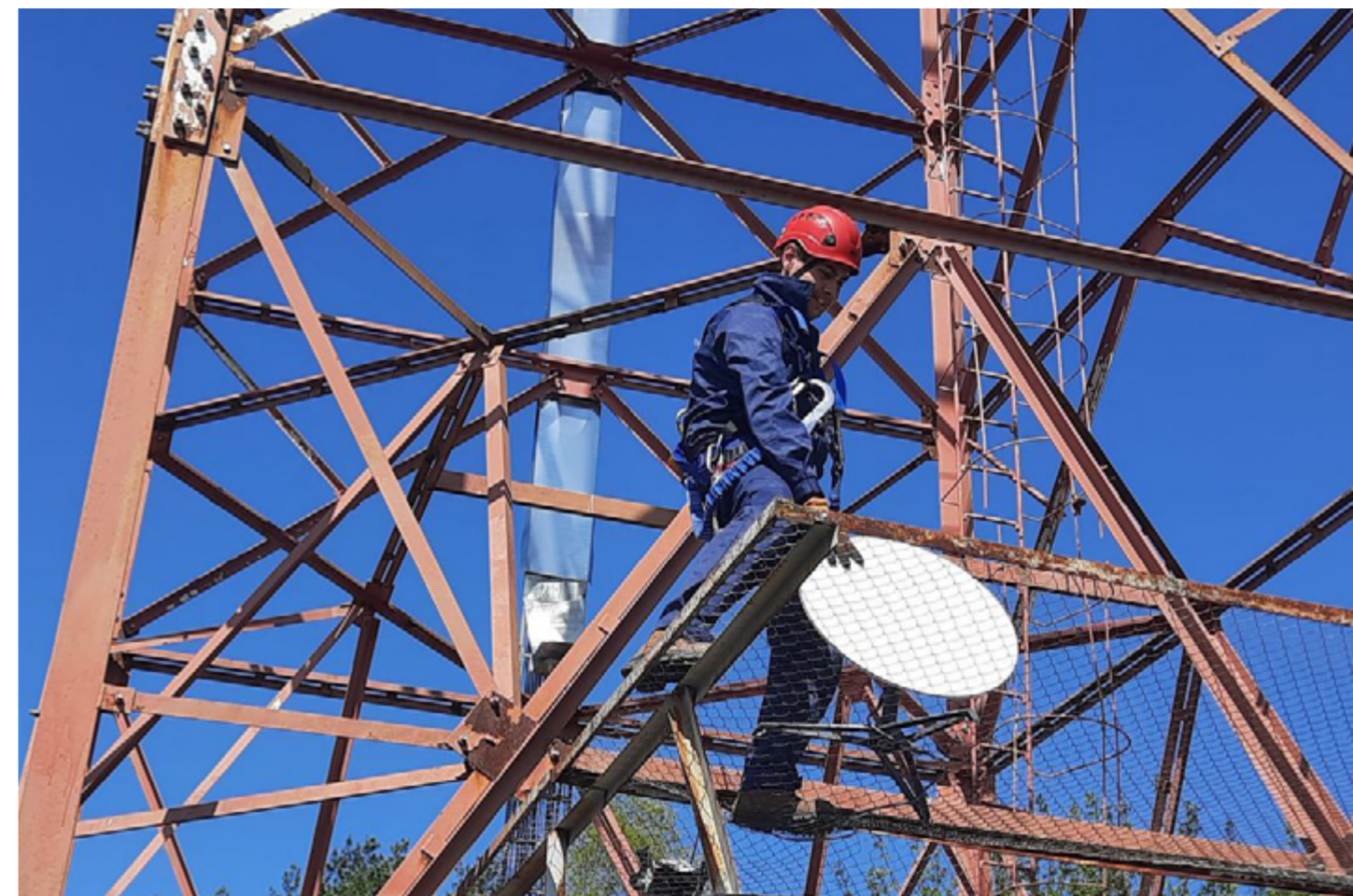
- expand the 4G network to ensure LTE coverage of a larger share of the Ukrainian population, international and national roads
- develop and expand the network bandwidth capacity in order to provide quality services to the customers
- construct the fixed GPON network in cities across Ukraine

The advantage of GPON technology is its relative energy independence directly at the connection point, i.e. the possibility of

accessing high-speed Internet even during power outages.

In 2022, in response to the new challenges, the Group of companies changed its goals and priorities. We focused our efforts and resources on socially important projects:

- restoring damaged or destroyed infrastructure as a result of military hostilities
- ensuring the uninterrupted operation of the network and the availability of communication during periods of regular and prolonged power outages throughout the country
- expanding coverage and increasing network capacity in those regions of Ukraine where internally displaced persons were heading



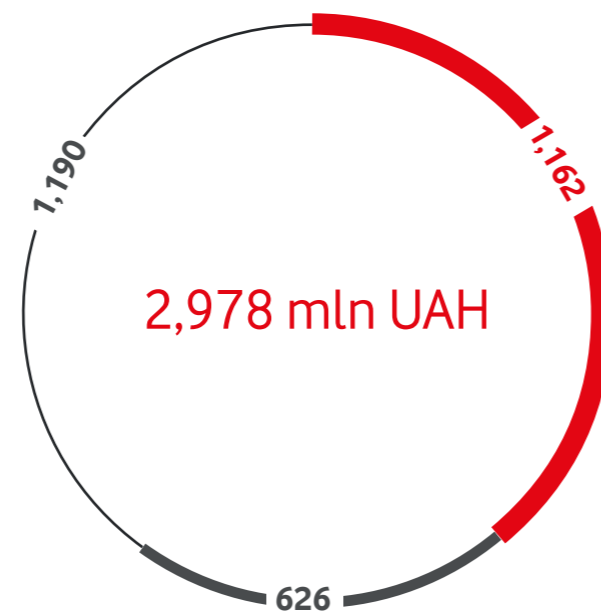


Investments in network and infrastructure development

During the extremely difficult year of 2022, Vodafone Ukraine did not reduce its investments but continued to actively build and restore its infrastructure. The main areas of investment in 2022 included maintenance of the network in extreme conditions, restoration of damaged and destroyed communication facilities, reconstruction of the network in recaptured territories, expanded capacity in the regions that have seen the largest increase in new subscribers, and ensuring the stability of the service during prolonged power outages.

The total amount of Vodafone Ukraine's investments in infrastructure in 2022 amounted to UAH 2,978 million.

The investments in reconstruction and development of infrastructure in 2022:



- Infrastructure restoration and construction
- Infrastructure development and construction
- Infrastructure maintenance

Key indicators and achievements in network and infrastructure development

The Group of companies is doing its best to meet the requirements and expectations of the customers, and therefore, continuous development and modernization of the network is our priority. By the end of 2022, the number of base stations using GSM, DCS, UMTS and LTE technologies has increased to more than 40,000.

The majority of the Group's projects are aimed at expanding the coverage network in accordance with the state's licensing requirements. Provision of services in major cities, the most remote towns and villages, road coverage and uninterrupted service are the basis of the Group's social impact.

In 2021, we achieved 4G network coverage for 84% of the Ukrainian population, and IMT (3G+4G) network coverage for 89%. Also, 79% of the total length of international roads and 73.5% of national roads are covered by the 4G network.

In 2022, Vodafone Ukraine continued to expand the geography of 4G coverage, didn't reduce the level of coverage in all regions of Ukraine and increased the number of 4G base stations by 29% compared to 2021. However, due to the full-scale Russian invasion of Ukraine, the overall coverage of the population by the 4G network has changed, and it is currently impossible to accurately assess coverage.

A significant increase in the number of customers in certain regions could have caused network overload. To prevent such a situation and ensure uninterrupted service, the decision was made to expand the network capacity.

In parallel to the development of the mobile network, the development of a fixed-line network has become strategically important. As of the end of 2022, more than 3 thousand residential buildings were constructed using GPON technology, and the number of households covered by this technology was over 400 thousand.

Restoration of network operation and infrastructure during martial law

Due to Russia's military aggression and active hostilities on the territory of Ukraine, we lost part of our equipment and infrastructure. Therefore, in addition to the planned projects for network and infrastructure development, in 2022 the Group of companies also focused its efforts on the restoration of its damaged or destroyed infrastructure, as well as ensuring the uninterrupted operation of the network and availability of communication during the periods of massive power outages which had a direct impact on providing customers with critical communications.

During the year of war, Vodafone Ukraine communication engineers restored 581 base stations and 2.9 thousand km of fibre-optic cable, which enabled the availability of communication services in 759 settlements across the country. The Groups of companies' engineers responded to about 360,000 emergency incidents and made about 3,000 repair trips during the year.

The Group's engineers are working to restore communications facilities in the newly de-occupied territories. The restoration is being carried out in areas with safe access to infrastructure facilities and where demining has been fully completed. The goal is to ensure sufficient network capacity and improve the quality of services in the liberated settlements of Kharkiv and Kherson oblasts. In Kyiv, Chernihiv, and Sumy oblasts, the restoration is almost complete. As of the end of 2022:

- In Kharkiv region, the restored network covers more than 100 settlements, and 90% of base stations are in operation across the region.
- The network is available in 70% of the de-occupied territories of Kherson region, and communication has been restored in 45 de-occupied towns and villages.
- More than 98% of Vodafone's network is available in Kyiv and Chernihiv regions.
- The network in Kyiv, where the infrastructure was damaged by shelling, has been restored to 100%.

All customers in the liberated territories with active Vodafone SIM cards are provided with 10 GB of mobile Internet and 1,000 minutes of calls to all operators. Vodafone team is also working to unlock SIM cards and restore their operation. Those who lost their numbers received new free SIM cards from the Group.

The massive displacement of people caused by the hostilities also required expanded capacity and coverage in regions that have become a new home for hundreds of thousands of Ukrainians. Thus, during 2022, our specialists built 695 new base stations and modernized 4,000 4G base stations and 1,400 3G base stations.

Since the safety of our citizens is a priority for us, the Group's specialists have provided access to the network and the Internet in shelters and bomb shelters in different cities of Ukraine.

Another challenge was maintaining the network in blackout conditions. Keeping customers able to make calls was the main goal. That's why since October 2022 until the end of the year, the Group of companies spent significant resources to ensure the availability of communication services during prolonged and regular power outages. By the end of 2022, the Company had about 670 base stations with backup power supply. In

order to maintain the operation of the base stations, we additionally purchased high-capacity batteries and mobile generators. Access to mobile internet has played an important role in the functioning of the Ukrainian economy as a whole. People were able to work remotely and fulfill their work responsibilities without a fixed internet connection, which could be absent during a power outage.

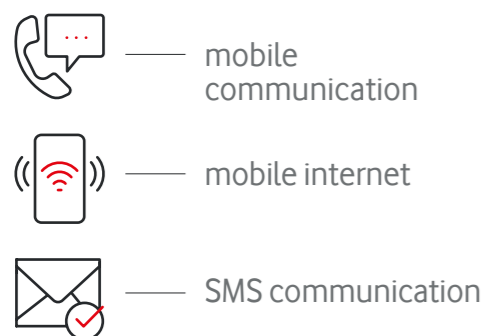


Our services and working with customers

Providing our subscribers with the best telecommunication and mobile Internet services and modern technical solutions is VodafoneUkraine's key priority. We are actively expanding, developing and improving our services. We help our customers to always stay in touch with family and friends, as well as provide quick and convenient access to our services.

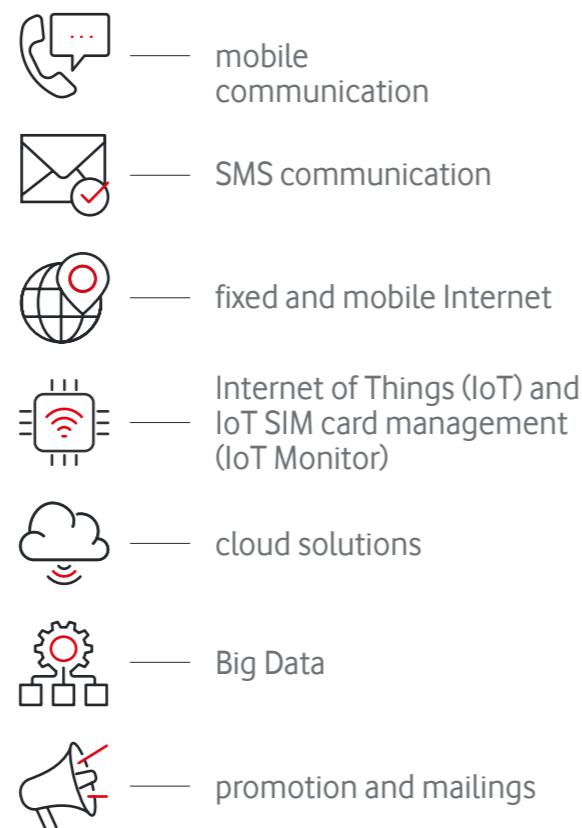
Services for customers

Vodafone Ukraine's key services for private customers include:



Vodafone Ukraine also offers security services (Geosearch, Vodafone Guardian), extended Internet services (PASS services, Internet for a 2nd device, 5G-based services, fixed Internet based on GPON technology from Vega Telecom), international and national roaming, information services, etc. We also provide related and specialized services, which can be found in more detail in the sections **Digital projects and innovations** and **Infrastructure and network**.

The list of our main services for business customers is as follows:



Feedback

Vodafone Ukraine values direct feedback and communication with its customers, as it helps to set more ambitious goals and form advanced plans. We therefore have created a number of available channels for our customers to communicate with us, namely by:

- mailing a letter
- calling the Subscribers Remote Service Center
- through social networks
- via online chat on the official website www.vodafone.ua
- through the My Vodafone Application for both business and private customers.

Seamless communication with customers is supported by the voice assistant, which is already being tested. The voice assistant can

already be heard by the customers when they contact the Vodafone call center. Given the voice assistant's ability to recognize and synthesize speech, it can serve 400 times more customers compared to the work of a "live" operator.

My Vodafone

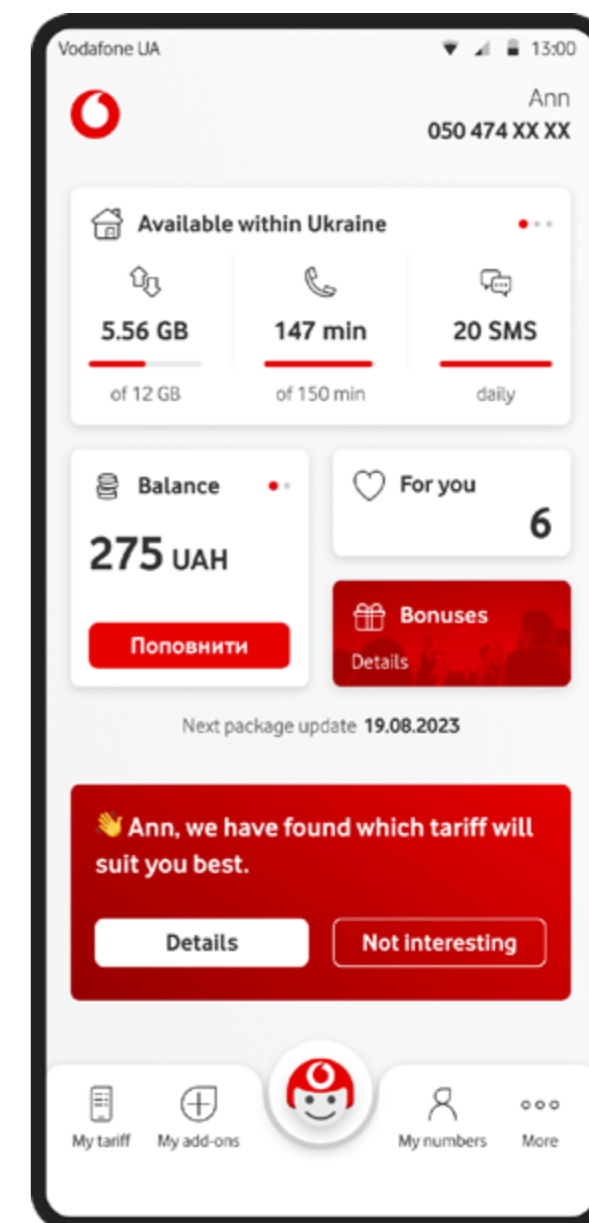
The My Vodafone application has an intuitive and easy to use interface that includes functions like self-topping up the account, changing tariff plans, connecting and disconnecting services, tracking the balance of package services and balance status, etc.

Over the past years, the Group of companies has modernized and expanded the capabilities of the application by adding new innovative tools. In 2022, our team performed a large-scale update of the application. We have completely redesigned the interface, the new version is three times faster and 41% simpler than the previous one. Now My Vodafone has got new options, such as activating the Internet for the 2nd device service and replacing a SIM card remotely. Users can also use the TOBI interactive assistant. The update for the application also took into account possible power outages and Internet limitations.

After the start of Russia's full-scale invasion of Ukraine, the use of the application surged. A new option was added to My Vodafone that allows transferring customer bonuses to the Come Back Alive fund, which resulted in almost a seventeen fold

increased in the number of transactions. Also, in order to counter disinformation, we communicated about the activities of the Group of companies during in the conditions of martial law, and shared emergency contacts.

In 2022, the My Vodafone application was rated 4.6 in Google Play and 4.4 in the App Store.



My Vodafone – is a special mobile application that works both on Android and iOS, as well as in a web interface, and allows customers to independently manage their subscriber profile.

Wartime support

Russia's full-scale invasion of Ukraine significantly affected the Group's activities and plans. We focused on keeping the network up and running, employee safety, and helping the country. These three principles have ensured manageability, transparency and sustainable business development in critical wartime conditions.

Losses incurred and assistance provided

According to the Group of companies, its losses because of the war are estimated at more than UAH 2 billion, but the exchange rate fluctuations are the main factor behind the decrease in profitability. We have provided discounts and free services to our customers. Overall, more than

14 million residents of Ukraine received our help.



As of the end of 2022, there were 495 monobrand Vodafone stores, including 406 that continue to operate as usual, 68 stores that suspended their operations and 21 that are in a "non-existent" status. In particular, 2 stores in the town of Bucha, a store in the city of Chernihiv, and a store in the town of Irpin were restored after complete destruction following the de-occupation and are now in a "suspended" status.

In 2022, the coverage of the territory of Ukraine with 4G technology remained at the level of 2021, i.e. 84%. The coverage did not decrease, as the Group compensated for the loss of coverage in the temporarily occupied territories by developing the network and base stations in other regions of the country.

Roaming

In 2022, Vodafone Ukraine together with other Ukrainian operators introduced a new national roaming service for Ukrainians. It was implemented in an extremely short period of time - in less than 2 weeks. National roaming enables switching to another mobile operator in the absence of the main operator's network without changes in the service tariffs. From now on, national roaming can be used not only for voice communication and SMS, but also for access to mobile 2G/3G Internet with speeds of up to 512 Kbit/s.

Thanks to the agreement between Vodafone Ukraine and European operators, in March 2022, 1.5 million subscribers were able to use roaming abroad for free, subject to payment for a package of services valid in Ukraine. As of the end of 2022, the Group of companies had connected free services in 32 countries. In the future, there are plans for close cooperation with European operators and possible joining the Euro roaming zone, which is a precedent for both Ukraine and the EU¹.



Vodafone Ukraine's cooperation with European operators has become the first step towards Euro-roaming.

GPON technology (Vega Telecom)

The Vega Telecom company has been actively developing the innovative GPON technology, which allows providing high-speed Internet via fiber optic channels without the need for electricity. This type of Internet has become popular in Ukraine due to the destruction of the energy infrastructure by the enemy and the resulting prolonged power outages (please read more in the **Infrastructure and Network** section).

Starlink

Vodafone Ukraine has developed an innovative solution based on satellite communication technologies for emergency network restoration. Mobile switching facilities with Starlink equipment can be quickly transported and used as a temporary solution to route traffic over satellite data links while repairs are in progress. The solution was applied to restore communication in the towns of Irpin, Bucha and other de-occupied settlements. Subsequently, other operators began to use this same technique.

Digital projects and innovations

We create high-quality, functional and accessible digital products that form the basis for further structural change in our free and restored country. All our external and internal transformation projects are in line with three fundamental values: people, processes, and technologies. In 2022, we focused on the introduction of energy-independent technologies such as GPON, Smart-Energy metering, alternative energy and heat sources that meet today's demands and contribute to the achievement of climate goals.

Vodafone Ukraine is implementing innovations in the following areas:

4G network

In 2021, the geographical expansion of 4G coverage in the 900 MHz band (LTE 900) was a record and provided access to the digital space for the entire population of Ukraine. By the end of 2021, the network included almost 800 stations covering 4,700 settlements with a total population of more than 3.7 million people. As a result, more and more people in remote rural areas gained access to the advantages of the modern digital world, such as electronic government services, Diya or online education.

IoT technologies and Big Data

In view of ensuring equal access to digital infrastructure, Vodafone has been actively expanding its network and building its IoT ecosystem. With the modern NB IoT network, we have implemented a number of Smart Metering solutions that help our customers optimize business processes, reduce operational costs due to remote monitoring, and promote the rational use of natural resources. During 2020-2021, the IoT connection base grew by 79% and Vodafone's IoT customer base increased by 73%.

A significant part of the solutions that are in demand among business clients are aimed at tracking vehicles and equipment for the purpose of controlling their operation, monitoring their route or their location in case of theft. In 2021, the Vodafone Guardian service was launched. It is a satellite security system for vehicles with 24/7 customer support. The service helps to call a police patrol within 5 minutes of an attempted theft and provides the ability to remotely control and block the movement of the vehicle even from abroad.

On August 14, 2021, at the Gelon-Fest festival, Vodafone Ukraine conducted a pilot project with the support of the Poltava Regional State Administration to study and predict tourist flows using Big Data technology. The analysis determined the percentage of tourists by region and gender. The results of the analysis will help predict passenger flows, build a tourism strategy, and provide high-quality passenger transportation in a timely manner.

Digital services

- Customers who have the Diya application installed on their smartphones can use their ID card displayed in the application to sign contracts in all Vodafone Ukraine stores.
- Vodafone Ukraine specialists participated in the development of the Cyfrogram chatbot, which allows users to check and improve their level of digital literacy.

Optimization of the internal processes of the Group of Companies

In addition to the innovative products and technologies, we are developing new approaches to business process management. Every year, the Company investments in such projects amount to about UAH 7 million.

- **SAP and ECM Opentext platform Integration** – since 2020, we have been implemented the SAP and ECM Opentext based business processes and digital document flow digitalization program.
- **Chatbots for our employees** – the “Recruiter” chatbot facilitates the search for candidates for vacant positions; another chatbot helps new employees to adapt at the job; and another chatbot helps to find a fellow colleague as a travel companion on the way to work. Currently, there are more than 300 users of these chatbots.
- **The Recruitment EcoSystem Project** – Vodafone Ukraine used its mathematical models and the event-triggered communication mechanisms based on Real Time Marketing and Big Data to create a unique project that increased the recruitment efficiency from 89% in 2019 to 94% in 2021.

- **“In touch!” Vodafone podcast** – a monthly 60-minute corporate audio podcast created by our employees from different cities and business areas. In 2021, according to the online and expert surveys conducted by MMR, the podcast was recognized as the best internal Digital project of the year.



Innovative achievements 2021

Private Networks – a new business line

In 2021, the innovative “Smart Quarry” project was launched by Vodafone Ukraine and the Ferrexpo Group. The eLTE Private Network built under the project enables the implementation of production automation solutions that reduce operational costs with unmanned operations in hazardous working conditions.

Vodafone’s Private Networks e-LTE is the first 5.7 GHz frequency network in Europe with 19 base stations. It also covered the Ferrexpo Group’s quarries with unmanned drilling rigs in Poltava and Yerystivka. The operation of the rigs is controlled remotely from the control center.

Smart 5G Factory

Vodafone Ukraine, together with DTEK and Ericsson, launched the Smart Factory 5G initiative – a project designed to build a 5G Private Network, which integrates mobile devices, production equipment, various control devices and remote and automated control systems.

With Private 5G Network, an electric vehicle was successfully tested at the Corum Svitlo Shakhtarya machine-building plant in Kharkiv. The video cameras provide the remote control center operator with the full HD picture of what is going on, and the 5G modem built into the electric car ensures high speed data exchange. Thanks to the remote control, the operator of the electric vehicle is able to perform high-risk tasks without taking any risk to his life.

5G Lab

5G Lab is the first technological platform in Ukraine which is covered with a fragment of the 5G network and designed for testing innovative developments, solutions, services and devices. Visitors can learn about the characteristics, advantages, and areas of application of the 5G network, as well as view a map of global technology evolution, at the laboratory.



Innovative services for business customers

- **Vodafone Analytics** – is used to build a target audience profile, organize targeted advertising and get a look-alike model and accurate geo-analytics.
- **Big Data Scoring** – is a solution that allows fraud detection and prevention, and determines the customers’ propensity to purchase products that includes demand forecasting, customer churn simulation, etc.
- **Business newsletters** – is a service that allows companies to inform their customers about news, promotions, services, payments, transactions and status updates.
- **Vodafone IoT Monitor** – is an IoT Monitor service, which has been successfully implemented with more than 150 business customers since 2020. The service enables remote M2M (machine to machine) communication between the SIM cards in a personal e-cabinet.



Responsible marketing

Approach to marketing management

The overall goal of our marketing strategy is to provide our customers with the best quality and up-to-date services. At the same time, we provide our customers with reliable and complete information about Vodafone Ukraine's services and tariff policy in the most transparent and understandable way.

Vodafone Ukraine carries out its marketing and customer communication activities in full compliance with Ukrainian legislation and the internal **Regulations on the development, review and approval of advertising and marketing materials**. These regulations were updated in 2021

and contain provisions on the procedure for initiation, development, review, approval and production of advertising and marketing materials. In the process of approving all advertising communications, we cooperate with our global partner – Vodafone Global. When designing the visual aspects of our marketing materials, we follow the Vodafone Global brand book.

We provide an opportunity for our customers to contact us with suggestions, requests or complaints. They can do this through standard public communication channels: in customer service centres, at sales points, by phone or using the feedback form on the Group's official website (<https://www.vodafone.ua/support/call>).



In April 2021, Vodafone repositioned its brand and introduced the global slogan "Together we can", in which Vodafone sought to reflect the focus on the importance of the role of people in the process of technological progress and positive changes in the world.

In September 2022, the new slogan "Together we can" was translated into Ukrainian – "Razom my zmozhemo" (literally, "Together we will succeed"). With this, Vodafone Ukraine sought to emphasize the brand's patriotism and unity with Ukraine.

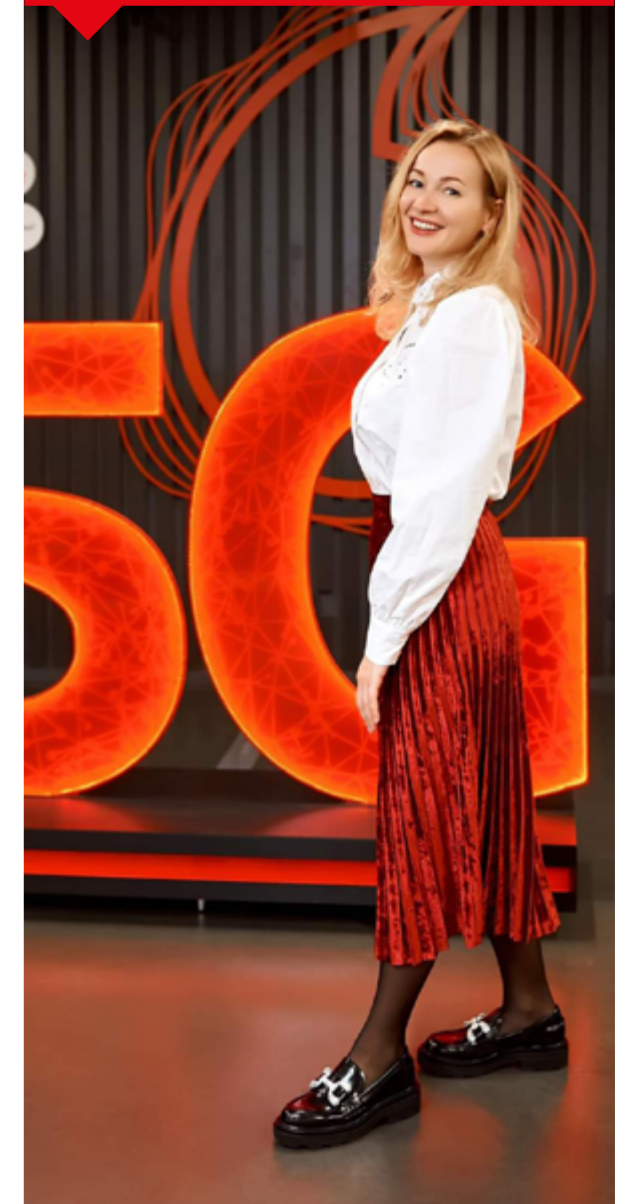
Assessment of the effectiveness of the management approach

In order to assess the effectiveness of the Group of companies' approaches to its marketing activities, the Brand Health and Advertising Track study is conducted on a regular basis. The study evaluates more than 50 quantitative and qualitative indicators, including brand recognition and identification, comprehensibility and relevance of advertising messages, and others. The results of the study help us to understand how we can change and improve the customer experience, our approach to communication and the development of creative materials.

Due to Russia's full-scale invasion of Ukraine, marketing activity testing using the Brand Health and Advertising Track study was suspended in February 2022. However, since October 2022, we have resumed evaluating the effectiveness of our advertising campaigns by conducting separate quantitative and qualitative marketing studies within each marketing and communication project.

Despite the difficult situation in the country, Vodafone Ukraine aims to continue providing customers with high-quality services, developing offers for them that are relevant in the current situation, and maintaining stable and effective communication with subscribers.

According to the results of the Brand Health and Advertising Track study conducted in Q4 2021, the level of customer satisfaction with the mobile Internet (Net Promoter score for m-data) reached 42% (in Q4 2020, the figure was 33%). At the same time, the Net Promoter score for mobile communication increased to 34% compared to 23% in the previous year.



Product labeling

Vodafone Ukraine consistently complies with all the requirements of Ukrainian legislation regarding the labeling of the Group's materials and products in order to properly and fully inform its customers. Whenever the Group of companies releases new products into the market, it follows it up with a communication campaign aimed at informing customers about the main features of the released product, such as the name of the tariff, services or promotions, their term and territory, etc.

Vodafone Ukraine ensures that its products and materials comply with these requirements and are properly labeled. These include starter packages, informational and

advertising materials at the points of sale, advertising on TV, Internet and radio, as well as outdoor advertising. In 2021-2022, all such materials and the Group's products fully complied with the law and the Group's labeling requirements.

In 2022, no cases of non-compliance with the requirements regarding marketing communications, or with the requirements regarding the information about services and product labeling were recorded.

Marketing activities in 2020-2022

In order to create a strong brand, Vodafone Ukraine has launched advertising campaigns in collaboration with well-known Ukrainian musicians, TV presenters and Internet bloggers, and participates in various sponsorship projects. Throughout 2020-2022, we conducted promotional campaigns involving Ukrainian rock band The HARDKISS, Kalush band, blogger Anton Ptushkin, Vremya i Steklo band, and singer Alyona Alyona.

After the 2022 full-scale war in Ukraine began, our communication and brand promotion activities changed in response to the new reality. Thus, in 2022, we started to actively sponsor charitable concerts, shows and programs on national TV channels, namely:

- Sponsorship of the TV shows "How are you?", "Incredible truth about Ukrainians" (STB channel) and "Subject" (Novyi channel)
- Sponsorship of the Embrace Ukraine charity concert by the 1+1 channel
- Sponsorship of a patriotic video for Independence Day
- Sponsorship of the Christmas concert by the 1+1 channel



As part of the above charitable marketing events, a fund-raising was launched to help the military and victims of the war, resulting in over UAH 4.8 million being collected.

In 2022, the focus of our communications shifted towards providing moral support to the Ukrainian population, motivating them to be strong, cohesive and united. For example, in September 2022, we

launched the advertising campaign "The special connection between us cannot be destroyed" in collaboration with the winner of Eurovision 2022 – the Kalush band. The project was designed to highlight the importance of mobile communication and support for Ukraine and Ukrainians in these difficult times and to put faith on the idea that together we can do anything.



Data confidentiality and information security

Being part of the critical telecommunication infrastructure, Vodafone Ukraine is dedicated to ensuring stable network operations and data protection, while respecting the rights of our customers to the privacy and confidentiality of their data. We recognize that safeguarding our subscribers' personal data is part

Policies and approaches to data privacy and information security

The Group's approach is aimed at ensuring uninterrupted business operations, confidentiality, integrity and availability of the Group's information, as well as mitigating potential information security risks. To fulfill its obligations, Vodafone Ukraine strictly adheres to all current Ukrainian legislation, international standards and requirements governing the telecommunications industry.

The Group's fundamental information security principles are enshrined in our internal policies and apply to all Vodafone Ukraine processes related to working with data, and are mandatory when interacting with suppliers, customers or other third parties.

- **Information security policy of the Vodafone Group** – defines the main goals, principles and methods for ensuring information security, as well as establishes the distribution of responsibilities and powers of the Group's management with regard to these issues.
- **Information security policy when using corporate information resources** – establishes clear requirements for the use of software tools for conducting online meetings, which are held in a secure environment and controlled by responsible employees. The document establishes responsibility for compliance

of maintaining the overall information security in our country. That's why we pay so much attention to confidentiality and data protection, to utilizing privacy-enhancing technologies, adherence to international standards and continuous employee training and development in these matters. Moreover, we regularly contribute towards raising public awareness of information security issues.

with the confidentiality requirements during virtual meetings.

In 2021, the Group's requirements for conducting online meetings were significantly reviewed and, as a result, the policy was updated.

- **Information security policy** – establishes the rules for interaction with information and the principles and procedures for handling confidential information.
- **Information security risk management policy** – determines the information security risk management process, the requirements for maintaining the transparency of such risks and the related actions and procedures.
- **Personal data processing policy** – establishes clear requirements for the procedure and rules for processing personal data by both the Group's employees and its service providers.

We regularly monitor the relevance of our internal policies and the effectiveness of our information security processes. For example, in 2022, a thorough review of a number of internal information security and confidentiality regulations and procedures was launched. Also, in 2022, separate methodological recommendations for the handling and protection of information owned by Vodafone Ukraine were developed for suppliers.

Every year, Vodafone Ukraine personnel undergo mandatory information security training; the employees are regularly updated about new fraud schemes and rules for handling information securely. In 2021, the **Security Awareness training** was updated, and is now delivered using modern technologies with mandatory testing of the knowledge acquired by employees.

Vodafone Ukraine guarantees the protection of the subscribers' personal data in accordance with Ukrainian law, and of the subscribers who are residents of EU member states – in accordance with the provisions of the General Data Protection Regulation.



Communication with stakeholders on information security issues

Interaction with stakeholders helps the Group of companies improve its approaches to information security management.

Government authorities. We maintain constant communication with state authorities in order to ensure proper protection of telecommunication systems and to counter cybercrime. Thus, Vodafone Ukraine cooperates with the Computer Emergency Response Team of Ukraine (CERT-UA) by exchanging data on detecting and monitoring cyber threats.

In 2021, Vodafone Ukraine joined the Digital Literacy Week initiative, which was launched by the Ministry of Digital Transformation of Ukraine and is aimed at improving the digital literacy of Ukrainian citizens. As part of the initiative, the Group of companies has developed tips for customers on dealing with suspicious or unwanted SMS messages.

Customers. Vodafone Ukraine regularly informs its customers about how to handle sensitive and confidential information. In the context of the martial law due to Russia's invasion of Ukraine, round-the-clock security of our citizens has become our top priority. In 2022, we introduced a new service aimed at informing subscribers about the safety rules during emergencies, as well as about cyber hygiene and possible

cases of fraud in the framework of Russian aggression.

Feedback channels. Stakeholders can contact Vodafone Ukraine through various communication channels in case of questions, complaints or suggestions regarding information security or data privacy:

- Subscribers can reach the Company by writing to the Group's official email address (vodafone@vodafone.ua) or postal address (15 Leiptsyzka St., Kyiv, Ukraine, 01601), by calling one of the customer service centers or contact centers (tel.: 111 or 0 800 400 111), or by using the online chat on the official website (<https://www.vodafone.ua/>) or in the MyVodafone mobile application.
- Vodafone Ukraine employees can contact the Group's management directly or via the Information Security Department's corporate email address.

Results for 2020-2022. In 2020-2022, the Group of companies received no complaints regarding customer privacy breaches. There were also no cases of data leakage, theft or loss of customer data. Similarly, no official findings regarding cases of non-compliance of the Group's products and services with the regulations or their adverse impact on the health and safety of customers were recorded.

Supply chain and procurement

Our approach to procurement management

We take a responsible approach to working with our suppliers, paying special attention to their compliance with social and environmental regulations, as well as safety standards at all stages of value creation.

In the field of procurement, we are guided by the Procurement Policy and the **Regulation on the selection of suppliers of goods, works and services**. These documents define the procedure for conducting procurement activities and the criteria for selecting suppliers, the timeframes of the relevant procedures, and the responsible persons. With the onset of Russia's full-scale invasion of Ukraine, the Group of companies developed an internal guidance on "Procurement during martial law".

Vega Telecom has its own **Procurement and Supplier Relations Management Policy**. As of 2022, the integration of Vega Telecom's procurement processes and policies into the overall procurement management system of Vodafone Ukraine had not yet been completed.

We regularly revise and update our procurement policies. In order to optimize and speed up the procurement processes, we improve our internal regulations and conduct surveys among the Group's departments on the efficiency and satisfaction of their interaction with the procurement function.

In order to further optimize our procurement processes, we continue implementing a systematic approach to category management – grouping of procurement items based on their technical characteristics, scope of application, and the markets to which suppliers belong. For each procurement category, a separate category strategy is developed and ways to improve the efficiency of managing each procurement category are determined.

Based on the results of our regular analysis of the Group's internal procurement structure, and the market trends, we identify the key areas for creating additional value when conducting procurement. We constantly monitor the efficiency of procurement processes by assessing the target performance indicators of the Procurement and Logistics Directorate: indicators of cost savings and timeliness of our procurement procedures. Despite the difficult year 2022, we managed to achieve improvements in these target indicators of cost savings and timeliness in our procurement activities.

We maintain a dialogue with our suppliers through various communication channels: e-mail, phone, online and offline meetings. All participants in procurement procedures have the opportunity to submit their complaints and suggestions for improving the procurement process. For this purpose, we indicate a special hotline number and e-mail address hotline@vodafone.ua in the procurement documentation, which can be used by all participants in the procurement procedures to provide us with their feedback.

The Group's supply chain

In 2022, Vodafone Ukraine cooperated with more than 540 suppliers of equipment and services through tenders, including both residents and non-residents of Ukraine. 94%⁸ of all tendered suppliers were Ukrainian residents, the remaining 6% were companies from the UK, Ireland and the USA. In response to Russia's full-scale invasion of Ukraine, cooperation with Russian and Belarusian companies has been suspended since 2022. The monetary share of procurement through tender from local suppliers⁹ in 2022 was 66%¹⁰.

To determine the share of costs for local suppliers, a sample of data on tender purchases is conducted under the management of the Directorate for Procurement and Logistics at Vodafone Ukraine and the Procurement Department of Farlep-Invest. Purchases are regulated by the procurement policies of the Group of companies and cover the scope of tender purchases in compliance with the principles and approaches of working with suppliers of Vodafone Ukraine. The indicator excludes purchases that are exceptions to the Group's purchasing policies. Such are one-time, generally accepted or atypical for the telecommunications industry purchases of services, the list of which is regulated by procurement policies.

We purchased transport and radio network equipment and services, GPON network deployment equipment, switching and other auxiliary equipment, network maintenance services and equipment from local suppliers. Local companies also provide us with IT, consulting and other professional services.

94% of all Vodafone Ukraine suppliers through tender are local suppliers

66% of the total spent by Vodafone Ukraine through tenders was on goods, works or services provided by local suppliers

Evaluation of suppliers and requirements for them

We strive to purchase high-quality goods, works and services from the best qualified suppliers, which is why we collaborate with companies that are leaders in their markets. We regularly evaluate suppliers for their compliance with our principles and values, and as a result, we classify suppliers and assign them an appropriate rating. Both new and current suppliers should meet a certain list of criteria in the field of business ethics, prevention of corruption, compliance with occupational health and safety principles and requirements, and environmental protection. All of our suppliers should also comply with the requirements set out in the **Vodafone Ukraine Code of Conduct**¹¹ and the **Vodafone Ukraine Supplier Code of Business Conduct**¹². Our suppliers confirm their compliance with all the listed requirements by signing a special document – the Certificate of Compliance with Vodafone Ukraine's Requirements in the Field of Business Ethics and Legal Compliance.

⁸ In 2021, the share of local suppliers in the total number of Vodafone Ukraine suppliers (excluding Vega Telecom) was 91%, and in 2020 it was 92%.

⁹ Within the scope of this report, the term "local suppliers" covers Vodafone Ukraine suppliers who are residents of Ukraine.

¹⁰ In 2021, Vodafone Ukraine (excluding Vega Telecom) spent 61% of its total procurement budget on goods, works or services from local suppliers, compared to 69% in 2020.

Inconsistencies identified during the evaluation of a supplier may be grounds for lowering its rating, declining to conclude a contract, or even for considering the termination of contractual relationships with an existing supplier.

Preventing negative impacts on the environment in its supply chain, in particular when disposing of the Company's decommissioned equipment, is one of the Group's key priorities. To this end, in the process of selecting suppliers of such disposal services, we ensure their compliance with all the requirements of Ukrainian legislation. In particular, such suppliers should comply with the provisions of the Law of Ukraine "On Scrap Metal", have a license to carry out operations in the field of hazardous waste management, confirm the existence of this type of activity in their charter, and also they should have the equipment necessary to carry out operations with scrap metal.

100%
of the suppliers Vodafone Ukraine cooperated with in 2022 underwent a documented evaluation and complied with the norms of the Group's Procurement Policy.



¹¹ https://www.vodafone.ua/images/files/VF_UKR_Code.of.Conduct.pdf

¹² <https://www.vodafone.ua/storage/editor/files/vf-ukr-suppliercode.pdf>

SOCIAL IMPACT



Personnel management, employee motivation and engagement

Approach to personnel management

The Group's relations with its employees are based on the principles of transparency, fairness and compliance with all applicable laws and the Group's internal regulations. We consider current market trends and conditions to ensure that we offer our employees fair remuneration, additional benefits and opportunities for professional and personal development.

The Group of companies has a number of internal policies and regulations in place that establish the internal labor procedures, hiring, firing and transfer of employees, provision of medical insurance, organization of remote work and other personnel management processes. Employment contracts are concluded with all employees, defining the rights, duties and responsibilities of employees and the employer, working hours and rest time, incentive measures and other issues.

Our approach to personnel management evolves alongside the conditions in which Vodafone Ukraine operates. We attach increasing importance to improving hybrid work styles which combine working in the office and remote work. At the same time, we continuously work on developing our internal communication environment for all Vodafone Ukraine employees, including improving the corporate intranet PROSTOR.

During 2022, Vega Telecom was carrying out the integration of its personnel management into Vodafone Ukraine's structure and adopted part of the VF provisions and processes in this field. In particular, strategic sessions and training events were held for the staff in order to adopt the values of Vodafone Ukraine. The Vega Telecom page was included into the PROSTOR corporate

portal, and all employees were given access to internal communication. Also, all positions at Vega Telecom were graded and a new staff adaptation system was developed.

During the next year, Vodafone Ukraine aims to contribute towards maintaining a high level of employee trust, continue the development of its internal communications, and maintain a high level of staff engagement. In 2023, we plan to complete the integration of the Vega Telecom personnel management processes into the Vodafone Ukraine system in full.

Approach to personnel recruitment and selection

Being one of the leaders in the telecommunications sector in Ukraine, Vodafone Ukraine strives to create job opportunities with attractive conditions and ample possibilities for professional growth. We are confidently building a strong technological, international brand with common values.

In 2021 and 2022, Vodafone Ukraine was rated among the **TOP-50 best employers of Ukraine** according to the Forbes rating in partnership with work.ua: the top sixth in 2021 and the top fifth in 2022.

Transparency of the candidate selection process and corporate values are important components of a trustworthy interaction with employees. We use a values and competencies model to select new talent, and therefore apply the Competence Based Interview methodology for this purpose. Vodafone is particularly diligent in the selection of candidates for its management positions, resorting to panel interviews with the candidates, analysis of psychometric tools in the SHL test format, and the comprehensive evaluation method of Assessment centers (a methodology for assessing the candidate's competencies by observing their real behavior in business games). The finalist approval process is multi-faceted, as we ensure that our leaders are role models for the employees and embody the Group's values.

We are constantly improving and optimizing our interaction with the candidates for positions in the Group of companies. In 2020, we technically improved the Group's career site and updated its content. Our vacancies are published first internally in the automated personnel management system and on the Vodafone career website, and then on the leading external national job sites and platforms. The Group's career website serves as a source of information for candidates about values, corporate culture and various aspects of training and development within the Group of companies. For example, through the career website, we communicate about our Wellbeing philosophy and about the culture of conscious responsibility for one's own health, emotional state, well-being and relationships with colleagues.

To attract the candidates, we create attractive working conditions and offer a large number of development and training programs, participation in corporate activities and events. We educate young people in the spirit of our values and provide them with

the opportunity for further development in a promising Ukrainian company. Our current employees get an additional bonus for recommending candidates for vacancies at Vodafone Ukraine.

Vodafone Ukraine contributes to the development of our country in the future, helping graduates of higher educational institutions of the country to start their career path. The Vodafone Career Way internship program is aimed at participants gaining practical experience in the field of the latest technologies. That is why so many graduates of the program continue to build a career with Vodafone Ukraine:

- 46% of graduates of the 2016 program,
- 41% of graduates of the 2019 program,
- 56% of graduates of the 2022 program.

Together with our leaders and mentors, we are making progress by creating cutting-edge technologies with next-generation talent, and the success of previous programs inspires us to move forward.

Approach to employee motivation and rewards

Vodafone Ukraine strives to make the Company a place of opportunities. We motivate our employees to develop and work efficiently by offering them a competitive salary, additional bonuses and benefits, as well as providing them with additional social benefits. An important part of the motivation system at Vodafone Ukraine is a variety of corporate activities and events, projects recognizing the achievements of employees and involve them in dialogue.

Our employees regardless of their type of employment and type of contract enjoy the following benefits of working for the Group of companies:

- Competitive salary level
- Various learning and career development opportunities
- Flexible work schedule
- Days off on all of the public holidays according to Ukrainian law and additional vacation days
- Paid sick leave
- Medical insurance, including coverage of diagnostic and treatment costs for COVID-19
- Accident insurance
- Financial assistance in case of various life situations
- Discounts on mobile communication services, including for relatives and loved ones
- Payment of expenses for the use of sports and health facilities
- Corporate activities to support physical and mental health

Our remuneration system is transparent, in line with the principles of internal fairness and with the labor market. With this

approach, we ensure a high level of trust among employees, as well as interest and engagement in internal communications. Each employee can review the levels of our financial motivation system, which was designed to encourage employees to manage their own efficiency. For additional clarifications and consultations on salary issues, employees may use a special internal email address.

The base salary depends on the grade and career level of the position. The bonus part depends on the completion of individual tasks and the achievement of key performance indicators (KPI) by the employees.

In 2022, the ratio of standard starting salary¹³ of VF Ukraine PJSC employees to the national minimum wage was 184% for both men and women. In 2021, the ratio was 190%¹⁴.

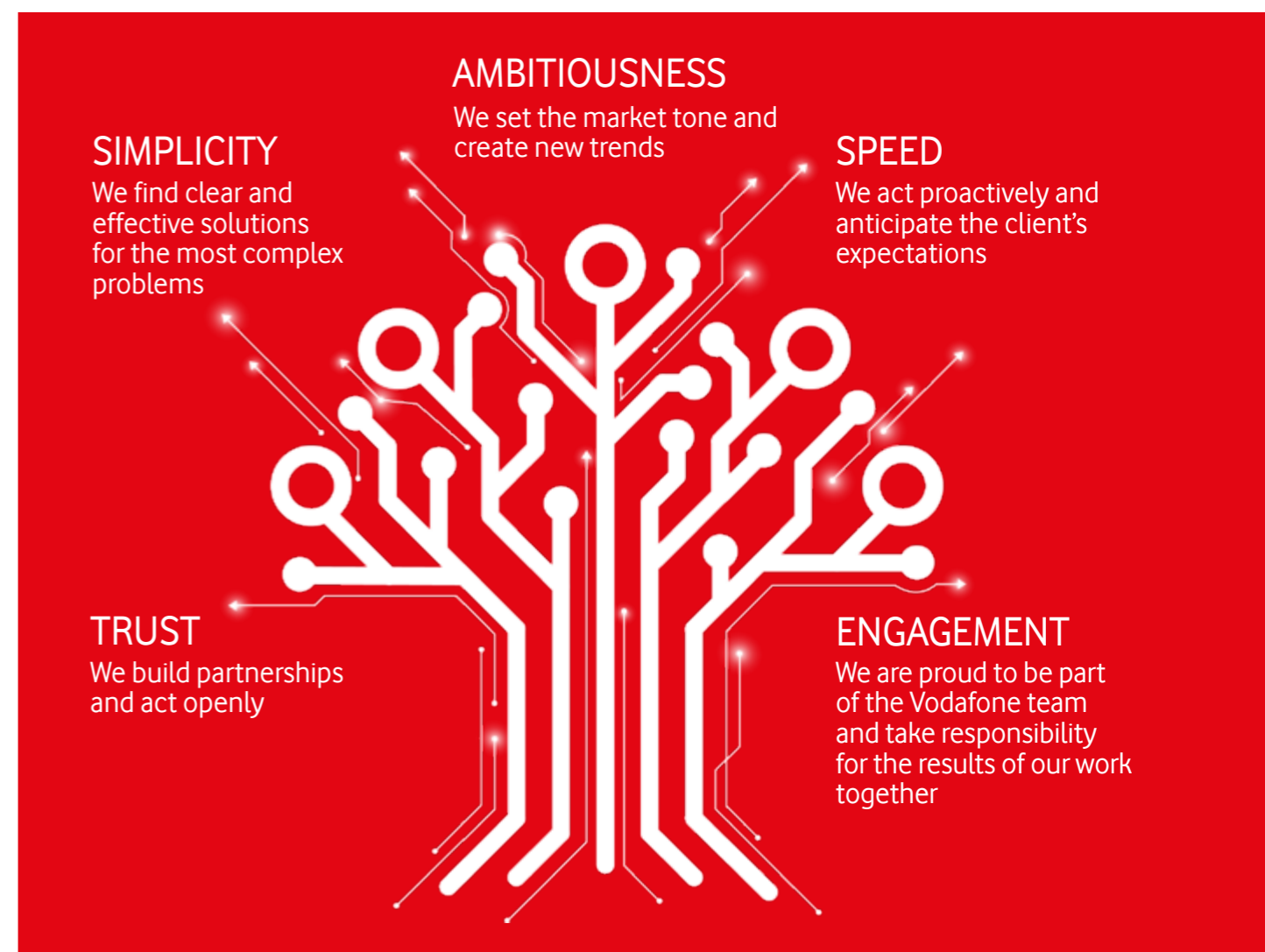
In addition to cash bonuses, we have the incentive benefits system. Conscientious and proactive performance of duties is rewarded with gadgets, concert tickets, sales and customer service trainings and other benefits.

We create an atmosphere of professional recognition within the Group of companies. The best employees are recognized through a ranking system and have special badges in their personal profiles on the PROSTOR intranet platform. Each badge represents an employee's active participation or achievement in a development program or business ranking. The Group of companies runs the **Vodafone Business Champions** recognition program, where employees receive awards for personal business achievements and team results. We also support the participation of our employees in professional competitions at the national level.

Along with professional growth, we also encourage value growth, which is why we created an opportunity for each employee to recognize his/her colleague for the manifestation of one of the 5 corporate values. Every month, the employees can give 10 virtual **OVATIONS** to other colleagues to

express their gratitude. Top managers can give Golden Ovations to their subordinates for exceptional professional achievements. Those leading with the most Ovations are regularly published on the corporate website.

Vodafone Ukraine values and culture:



¹³ The standard starting salary refers to the salary of the lowest-ranking full-time employees in the Group of companies, excluding the salary of interns (according to the recommendations of the GRI Standards).

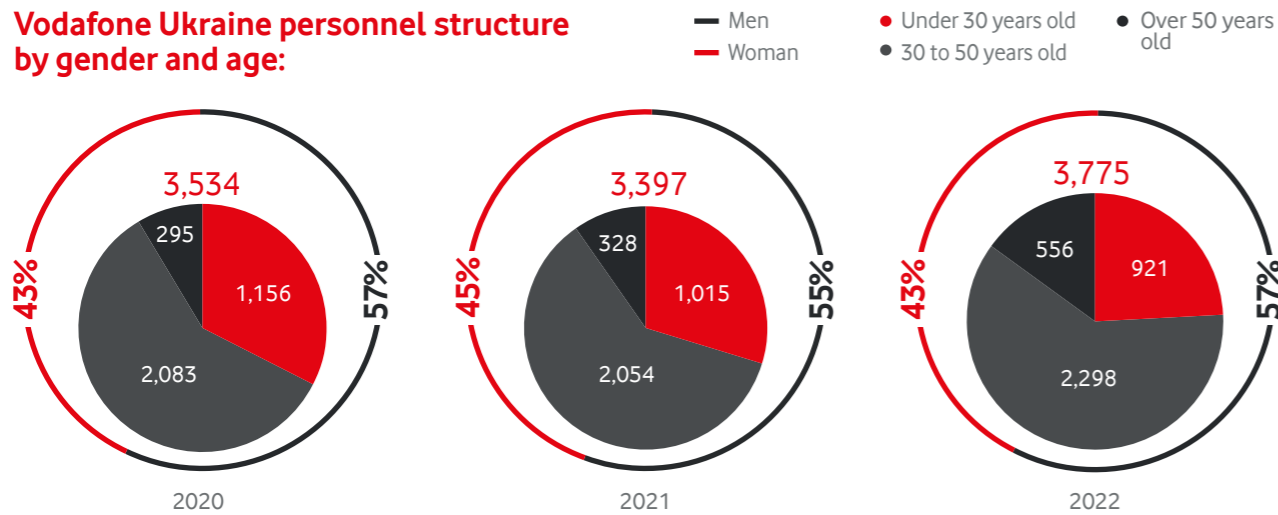
¹⁴ The ratio of the standard starting salary to the minimum salary established by Ukrainian law for the rest of the companies that are part of VF Ukraine PJSC is as follows: VF Retail LLC – 200% for both women and men in 2021 and 2022; ITSF PJSC – 570% in 2021, 641% in 2022; Farlap-Invest PJSC – 110% for both women and men in 2022. Additional information is indicated in Table 12 of Appendix 1.

Staff structure and staff turnover rate

The number of Vodafone Ukraine employees increased in 2022 by 11% compared to 2021, which was mainly due to the integration of Vega Telecom. As of the end of 2022, the total number of Vodafone Ukraine's employees was 3,775¹⁵.

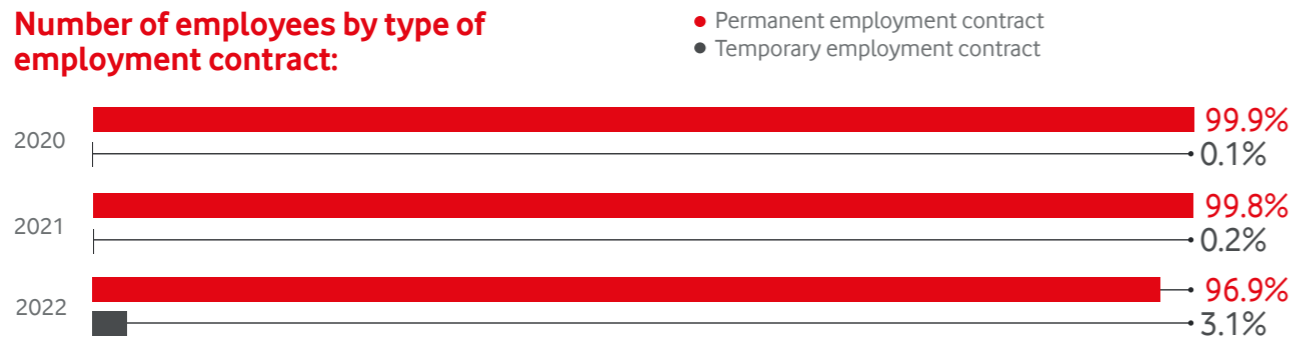
Vodafone Ukraine strives to involve equally both men and women (for more details, please see the Diversity and human rights section). In 2022, the share of women was 43% of all employees¹⁶.

Vodafone Ukraine personnel structure by gender and age:



Most of our staff is employed under a permanent employment contract (97%) and work full-time (98%).

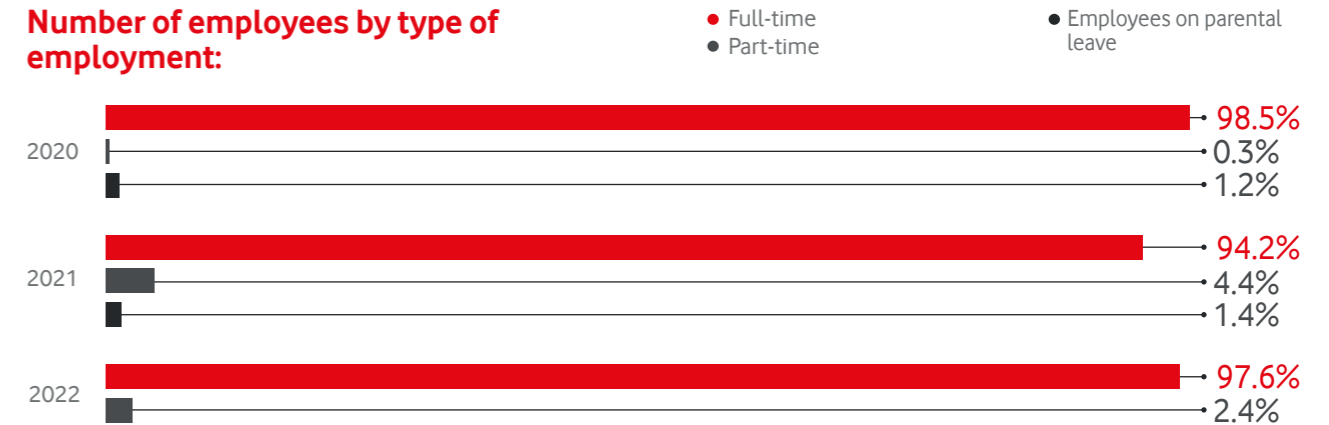
Number of employees by type of employment contract:



¹⁵The number of employees is reported here in terms of full-time equivalent (FTE) actual headcount as of the end of the calendar year. The indicator includes all actually employed workers, including those on maternity leave and mobilized persons. In case of replacement of jobs of persons on maternity leave by other employees, double calculation was not carried out.

¹⁶ For more quantitative details on the personnel, please see the Annex 1 to this Report.

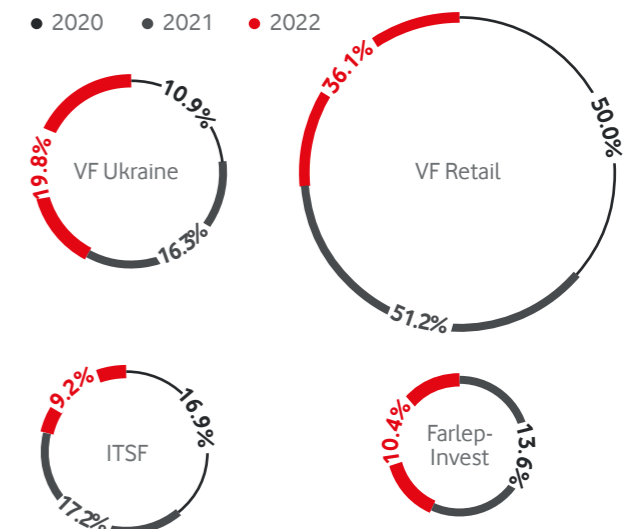
Number of employees by type of employment:



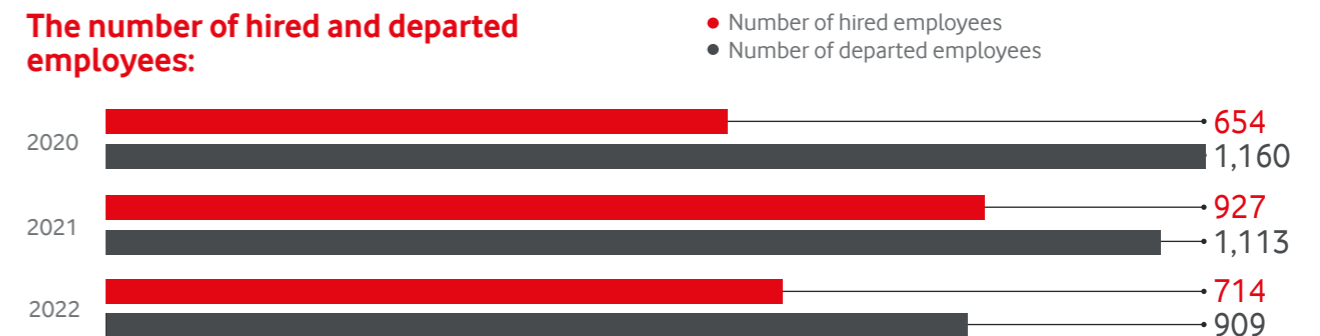
We support young parents by providing them with the right to parental leave in accordance with Ukrainian law. In 2022, 94 female employees at Vodafone Ukraine took maternity leave, and 36 female employees returned to work during the year following their maternity leave.

During 2022, we hired 714 new employees (50% of them women), and 909 persons left the Group of companies during the year (58% of them women). VF Ukraine PJSC staff turnover rate was 19.8%¹⁷. The staff turnover rate is analyzed separately for each company that is part of Vodafone Ukraine, due to the different specifics of their activities.

Staff turnover rate:



The number of hired and departed employees:



¹⁷ The Group of companies staff turnover rate is calculated as the ratio of the number of employees who left the job on their own will to the average number of staff for the reporting period. The indicator includes all actually employed workers, including those on maternity leave and mobilised persons. If the jobs of persons on maternity leave are replaced by other employees, no double counting is made.

Employee feedback

Communication with employees.

To build trusting relationships with employees, we are constantly improving our internal communication system. The Group of companies operates its internal platform called PROSTOR, which is a site for information exchange, communication between the employees and with the Group's top management.

Various online chats have been created on PROSTOR, where employees can ask any pressing questions or concerns and receive immediate open responses. A total of about 3,000 participants have joined these chats.

We use our PROSTOR platform to regularly organize online meetings with the top management team such as the CEO, directors of functions and business units, and heads of departments, who report on the Group's performance, key projects, programs, interaction with the stakeholders, etc. During the meetings, any of the employees can ask questions to the speakers. It was particularly important for us to maintain a close dialogue with our employees during the difficult year of 2022. In 2022, we held 11 online streams with management, with 47 speakers taking the floor.

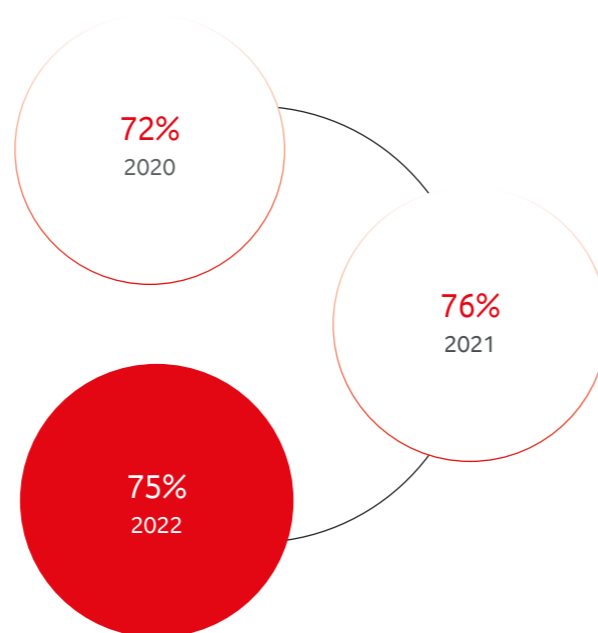
Employees also have the opportunity to communicate with top management through the ZvyazOK digital tool, integrated in the PROSTOR internal corporate network. This tool is designed to develop and promote a culture of requesting and providing feedback. Each employee can request a ZvyazOK (communication) from

any colleague, regardless of position or geography.

In addition, each employee can submit his/her complaints and suggestions to a separate department dealing with compliance issues within the Group of companies.

Employee survey. The main tool for receiving feedback from the Group's employees is the annual anonymous eNPS (Employee Net Promoter Score) survey. The main questions in the eNPS questionnaire are about whether the person would recommend the Company as an employer, and some additional questions for a more detailed analysis of the employees' opinions.

Willingness to recommend the Company as a place of work index (eNPS index)¹⁸



¹⁸ The data for 2022 also include the results of the employee survey at Vega Telecom.

Supporting employees during the war

Psychological support. In these difficult times, we actively help our employees, and also teach our managers how to provide moral support to their teams. In 2022, we implemented a comprehensive New Leadership program for Vodafone managers, where managers were trained in leadership under new conditions of extreme workload.

Since the beginning of the full-scale invasion, there has been a need to respond promptly to employee inquiries, so we have launched a dedicated Hotline. The colleagues serving in the Armed Forces and their families actively use this Hotline.

We systematically support our employees in taking care of their mental health. Every year we adapt the programs according to the external challenges and staff needs. After the start of the full-scale war between Russia and Ukraine, the Group of companies implemented a number of comprehensive programs with a focus on adaptation, return

to life and work in conditions of uncertainty and constant anxiety, as well as how to cope with accumulated stress, fears, fatigue and burnout. In 2022, we launched and are actively promoting an online psychological counseling service for employees and their families.

Since 2020, the Vodafone Ukraine has been running the Useful Digital project, which gives employees access to master classes on physical and mental health support. In 2022, a new project was launched – the Useful Digital Digest, which publishes the articles on various useful topics.

The events of February 2022 made PROSTOR a key platform to communicate various educational content related to physical and psychological safety, family safety, information and cyber security. The publications on these topics are combined into a separate ProBezpeku module on the PROSTOR platform.



Through the PROSTOR intranet, our employees have access to materials aimed at supporting well-being and healthy team communication, in particular under the Psychological Club and Wellbeing projects. The Psychological Club`s videos offer open discussions between the colleagues and a psychologist about work situations and team communication difficulties. The Wellbeing program launched in 2020 had 4 focuses: physical health, mental health, social as well as financial well-being. Since February 24, 2022, the topic of mental health and working with trauma has become a priority. Therefore, the Mental Health & Mindfulness module, which focuses on topics such as stress management, team communication in times of uncertainty, and adaptation to the new reality, has come to the forefront.

Vodafone Ukraine is already preparing for post-war recovery in order to be able to integrate veterans and create a supportive environment in the team.

Employee training. In 2022, we launched in-person first aid training for employees whose work involves business trips and moving around the country. Instructors of the State Emergency Service of Ukraine were involved in conducting such training. In 2022, 563 employees of the Group acquired valuable skills in providing first aid.

Material support for employees. In unpredictable life conditions, our employees can rely on the support from the Group of companies. Vodafone Ukraine helps its employees in case of loss of housing, loss of relatives, serious illness or loss of ability to work. In 2022, we also provided financial support to our employees who were mobilized to the Ukrainian Armed Forces.



In 2022, the “Warmth for Our People” charity project was launched, with fundraising for the purchase of necessary and useful items for the colleagues currently serving in the Ukrainian Armed Forces. Each parcel was accompanied by letters, children’s drawings and handmade amulets to morally support those who defend our country.

Relocation supported by Global Vodafone. In 2022, the possibility of centralized evacuation to European countries was offered to our employees and their families. Thanks to the relocation, 113 employees and their family members found temporary shelter and were able to work remotely from safety.

Corporate projects to attract employees

Despite the war, we continued to develop the culture of helping and volunteering among employees. In 2021 and 2022, we achieved new accomplishments in the programs that had been launched earlier. In particular, **Vodafone Blogger HUB** currently includes more than 100 posts, videos, and audio materials on PROSTOR, authored by corporate bloggers. In 2022, we expanded the interview series called **The time of the Strong**. This year the articles covered volunteer activities during the war. Interviews with hero workers who find the strength to

not only perform their professional duties, but also to help the country, inspire other colleagues with new purpose.

Since 2021, a team of in-house corporate authors has been creating the **audio podcast In Touch** – a monthly 60-minute audio magazine with news, quizzes, educational columns, greetings from colleagues and musical gifts. To motivate the colleagues, we filmed a series of interviews with our employees called **Ya-Sport** about determination and personal impressive physical achievements.

In 2022, we reformatted the **Vodafone Ukraine Team** – our corporate running community, which organized a series of sports, thematic fundraising events, online training using the Microsoft Teams platform and the PROSTOR intranet. In 2022, 43 team training sessions were held by the community mentors and UAH 424,691 was raised for various charity events.

In the difficult times, we did not stop supporting the families of our employees: we congratulated their children on September 1 and on Saint Nicholas Day. We also continued providing social support for underprivileged children through the **charitable events** Generous Tuesday, Help like Nicholas, Gift Shop for Health, Coins for Children and other initiatives.

The **Vodafone Charity Fest** in 2022 was reformatted into the Charity community in PROSTOR. There, we connect people and charity projects, create a series of useful interviews with well-known benefactors about the activities of their foundations and organizations, and provide an opportunity for all Group employees to get involved.

In 2022, Vodafone Ukraine continued the **#BloodGoodDay initiative**. Blood

collection on corporate Donor Days is carried out by a professional medical team under the supervision of specialized volunteer organizations.

In terms of caring for the environment, we have a **Go-Green** community in PROSTOR, which provides information on sorting schemes, online maps of recycling points, eco-apps and more. The community has 25 thematic videos, and new useful



and informative articles are published every 2 weeks. Our employees continue environmental awareness activities with children and teenagers within the **Eco Dvizh** project. In 2021, the **Vodafone Family Eco Weekend** family-oriented of eco-events was launched for the Group's employees and their children with a focus on conscious consumption and sustainability.

Cultural education and knowledge of Ukrainian culture became especially valuable and interesting for the employees in 2022. Launched in June 2022, the **DNA of the Ukrainian Nation** project includes more than 50 informational events and activities in the areas of Ukrainian literature, cinema, history, music, art, fashion, culture and tradition.

To improve employees' proficiency in the Ukrainian language, Vodafone Ukraine has

launched a language blog called VyMova, on the PROSTOR corporate network, where an educational issue corresponding to a letter of the alphabet is published every week. High-quality publication content, thematic articles with training exercises for vocabulary, spelling and pronunciation allow employees to improve their language skills in an engaging and interactive way.

In order to counteract emotional overload, we organize **art therapy workshops** on intuitive drawing. Such classes help to alleviate stress, promote creative thinking and foster an emotionally positive team dynamic. For the sake of emotional stability and support of team spirit, in 2021, 336 of our employees joined the corporate league for the **Vodafone IQ battle** intellectual game, which combines online and offline formats of competitions. 42 teams from 10 Ukrainian cities took part in the intellectual games.



In the summer of 2021, we produced the **We Vodafone corporate series**. The initial idea was to provide an introduction to the Group of companies for newcomers, but we dug deeper and created 5 episodes about the Group's values, our business activities, products, team and customers. 117 employees joined the film shooting in 13 cities to show the work of stores, offices, and technical centers from the inside. We have collected hundreds of stories of colleagues, which we now shared among all employees of the Group of companies.



In view of the rapid digitalization, we have developed a variety of IT training courses. In particular, the **IT MeetUp** training program was designed to enable sharing useful knowledge in the field of IT with the involvement of external speakers. Vodafone Ukraine developed in-house an 88-hour **SAS course training** (software for working with business analytics reports), which contributed to increasing the level of professional expertise of employees and helped in hiring IT personnel. In 2021, the **Vodafone Facilitation** program was launched to create and develop internal expertise in modern group work methods for solving business problems, as well as improving business processes and communication in teams.

We have also created specialized programs for the employees of the ITSF subsidiary, including **ReUser**, to increase the speed of software development and save time on writing code. ReUser, due to the ability of reusing knowledge, enables employees to optimize their workflow and avoid duplicating the solutions for typical problems. The **Development under the Hood** open webinars disseminate expert knowledge in organization of the IT product development process. We have also launched the **Security Champions** program to develop our employees' competences in information security. The program is focused on increasing the level of security in all research projects and developing general cyber security culture in the Company. We foster the exchange of experience between specialists in the same roles in different teams with the help of the **Chapters** program.

Diversity and human rights

Our approach to managing diversity issues and respect for human rights

At Vodafone Ukraine, we strive to create a safe and professional work environment that helps remove barriers, that promotes inclusion, and does not tolerate inappropriate treatment, humiliation or insults. We do not accept any behavior that is indecent, or that is humiliating, threatening, hostile, or that interferes with the work of other colleagues. We respect basic human rights and do not allow the decision-making in the Group of companies to be influenced by race, religion, gender, age of employees, their national origin, sexual orientation, self-identity, or marital status.

As part of our due diligence to uphold human rights, we continue implementing the initiatives to reduce the risks of violating diversity principles. We regularly conduct training to raise awareness on inclusion and diversity, organize surveys to assess the employee loyalty index and identify further areas for improvement.

The philosophy of Vodafone Ukraine is to promote acceptance and respect for different experiences and worldviews in the team. We provide our employees with opportunities to support their mental health and receive psychological counseling. The Group of companies keeps the jobs of the mobilized employees with the aim of providing them with work after returning from military service. All our policies regarding remuneration, appraisal, recruitment and adaptation, to name a few, are built on principles of fairness, equality and take into account the rights and interests of employees with different abilities.

Our principles in the field of diversity and respect for human rights are stipulated in a number of internal documents. The

key document in this area is the **Code of Conduct**, which is mandatory for all employees and declares the following principles:

- Adherence to the **principles of equal opportunities for all employees**
- Creating an **inclusive environment** where each of our employees, customers and business partners would feel respected and valued
- Identifying and celebrating the importance of **diversity** among employees
- **Inadmissibility of any forms of discrimination**
- Building relationships with employees and among them based on the principles of **mutual respect and respect for human rights**
- **Challenging any behavior that hints at discrimination**
- Motivating everyone to feel empowered **to draw attention** to such issues

Receiving feedback on diversity and human rights issues

The communication with our employees and partners is built on mutual trust and respect. We have in place a clear and transparent mechanism for feedback and dialogue with management through surveys, general team meetings and encouraging open communication through internal communication channels. All our employees can submit their suggestions or complaints regarding cases of human rights violations or discrimination through the hotline@vodafone.ua or the general e-mail vodafone@vodafone.ua, or by addressing their immediate supervisor or the Group of companies compliance department.

In 2021-2022, no human rights violations or discrimination were reported.

In the second half of 2021, we launched a program to study and promote diversity and inclusion (Diversity&Inclusion), which was continued in 2022 with an emphasis on the experience of war. It is designed to develop a conscious perception towards a diverse and inclusive environment. While developing the program in 2021-2022, we held more than a dozen meetings with diversity and

inclusiveness experts, with more than 20 posts published on the PROSTOR corporate website. In addition, a global survey was conducted on the level of awareness of the Group's employees in diversity and inclusion. In the future, we plan to conduct such surveys and educational events on a regular basis.

Equality, diversity and human rights training

We believe that diversity and inclusiveness are important components of Vodafone Ukraine's sustainable development. We have developed a training plan for employees at all levels, which requires all employees to undergo special training that covers the principles of the Code of Conduct, including diversity and self-actualization every two years. The training is also mandatory for all new employees.

100%¹⁹ of the Group's employees responsible for security and safety have completed such training.

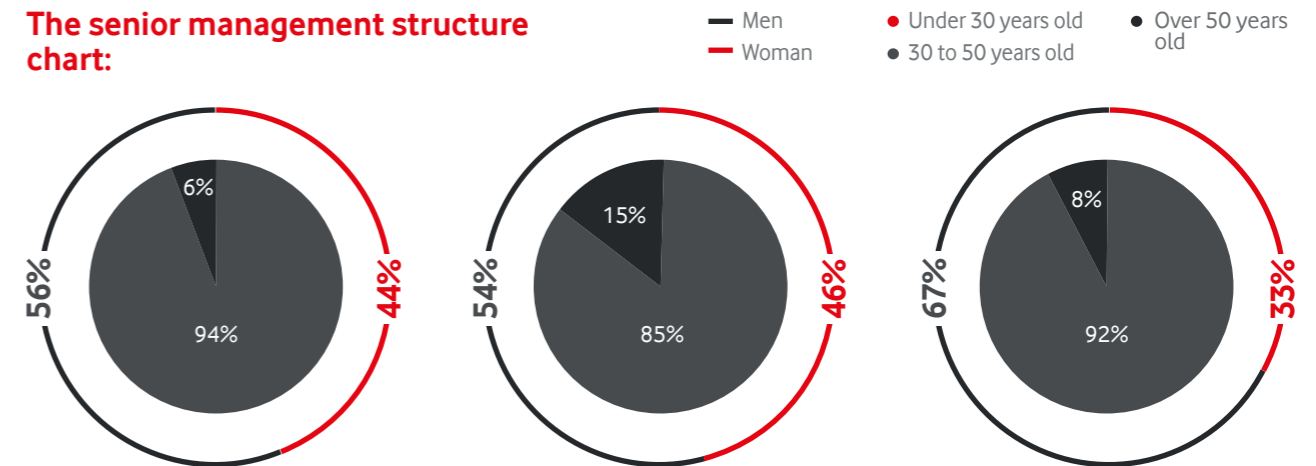
The diversity of our staff

In 2022, the Group's top management consisted of 12 people, while the rest of the employees numbered 3,763²⁰ people. The share of women in senior management was 33%, and 43% among all other personnel. Both among the Group's top management and among the rest of the personnel, employees aged 30-50 years were in the majority.

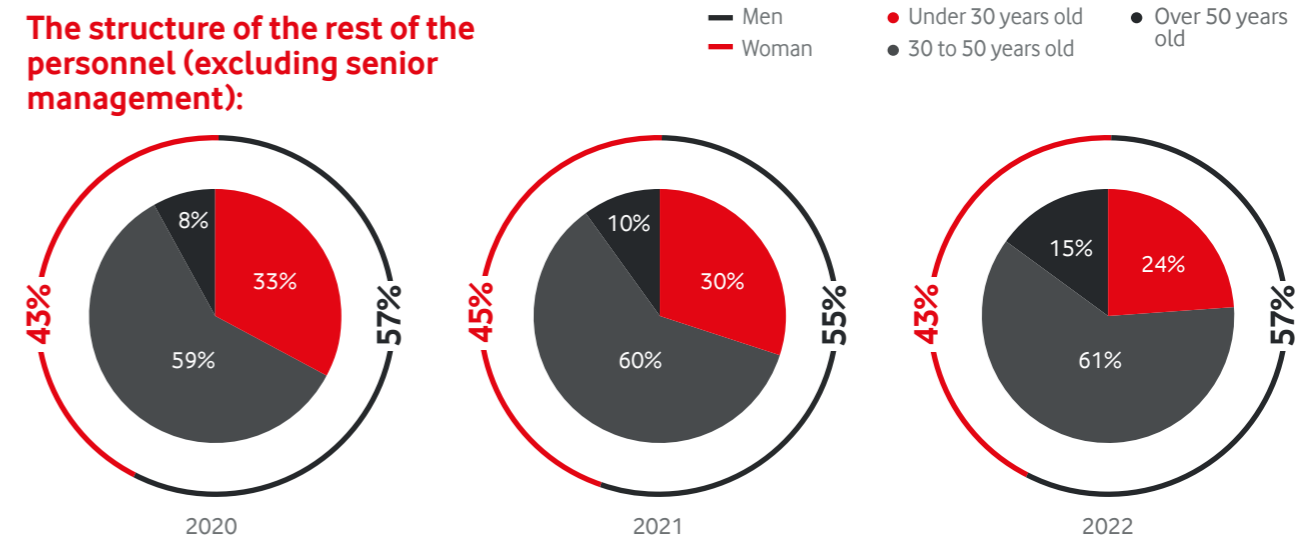
¹⁹ This indicator covers Vega Telecom only.

²⁰ The number of employees presented here is the actual number of people as of the end of the calendar year.

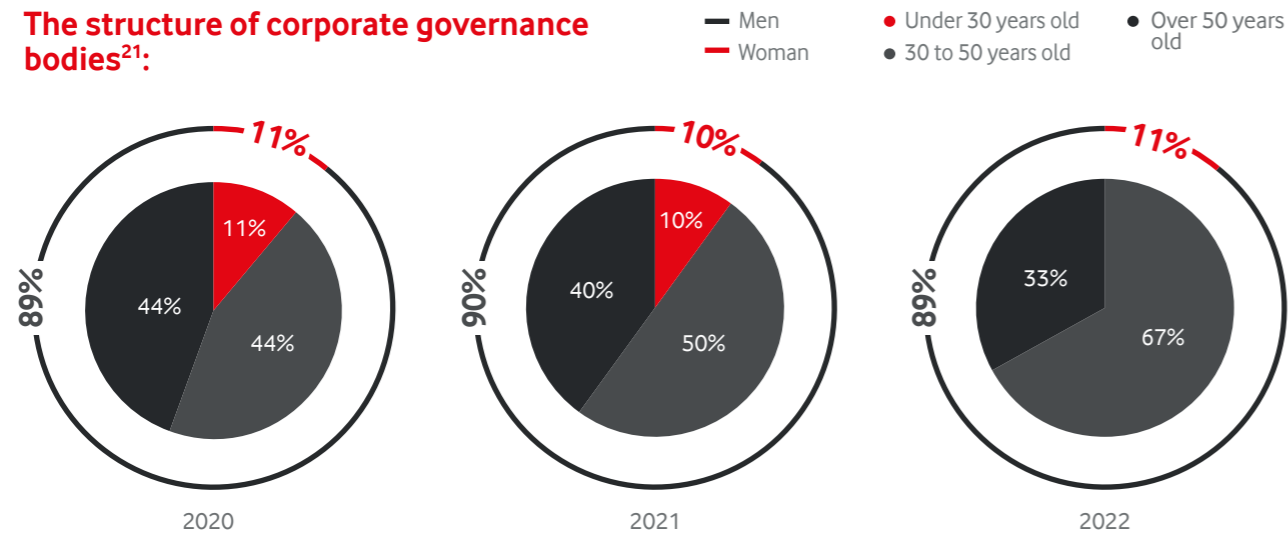
The senior management structure chart:



The structure of the rest of the personnel (excluding senior management):



The structure of corporate governance bodies²¹:



Gender pay gap

In 2022, the ratio of the average total remuneration (the sum of the basic salary and additional remuneration) of women to the total remuneration of men in Vodafone

Ukraine was 91.2%, and in 2021 the indicator was 94.0%²². In 2022 for VF Retail LLC, this indicator was 92.9%, ITSF LLC was 88.7%, PJSC Farlep-Invest was 82.2%.



²¹ The data presented in the diagram covers only the Vodafone Ukraine Supervisory Board and Audit Commission members.

²² The data on this indicator is provided in Annex 1 to this Report

Employees training and development

Approach to employee training

The professional and personal development of Vodafone Ukraine employees contributes to the growth of the Group of companies as a whole, therefore we are committed to ensure the appropriate level of access of our employees to the training programs and encourage them to engage in continuous career development.

The Vodafone Ukraine staff training principles:

- business focus and practical orientation
- systematization and consistency
- focus on efficiency and maximizing return on investment in personnel training
- joint participation of both the employee and manager in the training process

Personnel training is governed by the **Corporate Personnel Training Policy**. The system of corporate training activities is aimed at the development of employees' competencies, the effective use of their

intellectual potential, and the promotion of a learning culture. In 2022, we integrated Vega Telecom into the overall Vodafone Ukraine training process.

The main challenge we faced in the current situation was the need to create a large volume of training materials in electronic format. In 2021-2022, most trainings were conducted remotely as online webinars, video lectures, and courses on educational platforms.

We regularly improve the Group's training programs in accordance with the Group's current business needs. Every employee of Vodafone Ukraine can address a complaint or suggestion (including regarding future training topics) to the corporate e-mail, to the head of the Personnel Training Department, or express their views and ideas on the internal PROSTOR platform. Additionally, after completing the training, employees fill out feedback questionnaires. The Group of companies also regularly communicates with other interested parties (industry experts, training suppliers and customers, etc.)



Training programs for employees

Our approach to training ensures that every employee has access to useful and interesting information. The goals of our existing training programs include:

- primary professional training
- professional development
- development of management competencies
- development of teamwork skills
- increased involvement of employees in the Company's culture and business of the company.

Moreover, the Group's employees have the opportunity to take additional courses according to their interests. Employee training is carried out using internal and external resources. New employees and employees who change their specialization within the Group of companies are initially accompanied by an experienced mentor.

Vodafone Ukraine's educational and training programs are aimed at deepening specific knowledge, mastering new technologies, adapting to changes, etc. The main areas of employee training are:

- **Training for employees directly involved in the service and sales process** – includes training for employees of the remote service center, distance sales center, retail stores. Employees are offered to undergo training on products and services of the Group of companies,

customer service processes, and work in productive systems. Such programs as Matrix of compulsory training, Sales are delicious!, Vodafone Beginners, Professional onboarding of B2B experts, as well as numerous specialized training and online courses are aimed at providing a high level of knowledge and skills of staff, which directly interact with customers.

- **Professional skills training** – covers training on the development of knowledge and skills for the effective implementation of business tasks in such areas as technic, personal, IT, marketing, procurement, finance, etc.
- **Management and leadership training** – covers training on values for managers, key team management skills, goal setting and feedback.
- **Personal skills training** – covers topics such as communication, stress management, critical thinking, time management, etc.

In 2023, we plan to switch to a new distance learning system, develop a culture of sharing experience and providing feedback, and implement new training programs.

The average duration of employee training

In 2022, each Vodafone Ukraine employee received 15.9 hours of training on average, which is 14% more than in 2021.

The average number of training hours per Vodafone Ukraine employee in 2020-2022²³:

| Category of employees | Average number of training hours per employee ²⁴ | | |
|------------------------------------|---|-------------|--------------------------|
| | 2020 | 2021 | 2022 |
| All employees, including: | 3.4 | 13.6 | 15.9²⁵ |
| Men | 2.3 | 12.5 | 12.7 |
| Women | 4.9 | 14.9 | 20.5 |
| Top management, including: | 13.1 | 10.3 | 2.5 |
| Men | 10.7 | 7.9 | 3.8 |
| Women | 16.3 | 14.0 | 0.0 |
| Other employees, including: | 3.3 | 13.6 | 16.0 |
| Men | 2.2 | 12.5 | 12.8 |
| Women | 4.8 | 14.9 | 20.6 |

²³ The data on this indicator is provided in Annex 1 to this Report, acquired by Vodafone Ukraine in 2021. The data for 2020-2021 does not include Vega Telecom as it was not part of the Group of companies throughout those full calendar years.

²⁴ The calculation of the average number of training hours per employee includes mandatory training, advanced training and skills training.

²⁵ The indicator for 2022 does not include the training of VF Retail LLC employees, as the data was lost during a hacker attack.




























Career growth and assessment of the quality of staff work

The Group of companies has introduced an employee performance evaluation system, which is regulated by the internal **Policy on performance evaluation and rewarding employees based on their performance results**. The performance evaluation of employees is assessed twice a year. Such evaluation includes the analysis of corporate key performance indicators (KPIs), the results of individual tasks and also feedback-based assessments.

The Group of companies also has a separate **Standard for rewarding employees engaged in sales and customer service** in place. For such employees, performance efficiency indicators are established, and their professional knowledge shall be tested on a monthly basis.

The share of employees whose quality of work is evaluated on a regular basis and whose career development is reviewed is growing every year. In 2022, the number of employees who received such an assessment was 82.7% (including all senior managers).

The share of employees who received a regular assessment of the quality of their work in 2020-2022:

| Category of employees | The percentage of employees whose quality of work is regularly assessed and whose career development is reviewed | | |
|-----------------------------|--|---|---|
| | 2020 | 2021 | 2022 ²⁶ |
| All employees, including: | 55.3%  | 60.5%  | 82.9%  |
| Men | 62.5%  | 70.2%  | 83.2%  |
| Women | 45.8%  | 48.8%  | 82.5%  |
| Top management, including: | 100%  | 72.2%  | 100%  |
| Men | 100%  | 63.6%  | 100%  |
| Women | 100%  | 85.7%  | 100%  |
| Other employees, including: | 55.1%  | 60.4%  | 82.7%  |
| Men | 62.5%  | 70.3%  | 83.1%  |
| Women | 45.5%  | 48.6%  | 82.4%  |

Occupational health and safety

Our approach and management of occupational health and safety

We care about the health and safety of our employees, therefore we strive to create conditions in which we could achieve no injuries or cases of occupational diseases. For this purpose, Vodafone Ukraine has implemented an **Occupational Health and**

Safety Management System (hereinafter referred to as the OHSMS), which meets all the requirements of Ukrainian law and is certified in accordance with DSTU ISO 45001:2019²⁷. The OHSMS defines the responsibility of the management and other officials for organizing safe working conditions at each workplace, ensuring the preservation of life, health and working capacity of all employees, both its own and those of third-party organizations that perform work at the Group's facilities.



²⁶ The data for 2022 does not include Vega Telecom, as the data for this company has not been collected. In 2023, the company will start collecting the data to assess the quality of work of Vega Telecom employees.
²⁷ Of all legal entities that are part of Vodafone Ukraine, VF Ukraine PrJSC, VF Retail LLC and Farlep-Invest PrJSC have their own health and safety management system. Other subsidiaries do not have such a management system in place because they have a small number of staff and/or do not have their own offices.

The OHSMS requirements apply to all divisions of VF Ukraine PrJSC, VF Retail LLC and Farlep-Invest PrJSC and all employees of these companies, except for those working under civil law contracts²⁸.

At least once every six months, we assess the effectiveness of the OHSMS. The assessment includes the analysis of a number of quantitative indicators, such as the total number of accidents, the rate of lost worktime due to injury, the availability of overalls and PPE, etc.



The Group of companies also has its Occupational Safety Management System Policy, which endorses the key provisions of the **Occupational Health and Safety Management System**, the rights and responsibilities of workers, establishes hazard identification and risk assessment procedures, and describes the internal occupational safety audit procedures. The Policy also includes a mechanism that protects the employees who file complaints about unsafe situations and hazards related to work processes.

In addition, the Group has a number of other internal standards and provisions governing the organization of high-risk work, conducting special occupational safety training, arranging medical examinations for employees, providing employees with special clothing and personal protective equipment, etc.

The occupational health and fire safety ombudsman is elected by the employees of each Vodafone Ukraine division. The employees may contact them to deliver their complaints, ask questions or share ideas regarding the improvement of the occupational health and safety system. All new regulatory documents on occupational health and fire safety, and any changes to them shall be agreed upon with the ombudsman of the division.

Identification of hazards in the workplace

At Vodafone Ukraine, we continuously work to improve the occupational health and safety system by identifying and assessing risks and hazards associated with our work processes. The risk assessment takes into account not only adverse events and incidents that have occurred in the past, but also hazards that potentially may lead to injury. Timely detection of risks helps us to promptly eliminate them or mitigate to a safe level. Our workers report all identified hazards to senior management for discussion at operational meetings and adoption of appropriate measures.

In the event of a dangerous situation or a threat to health, according to Ukrainian law²⁹, any worker has the right to refuse to perform the work and leave the dangerous area, and shall report about the hazardous situation to his supervisor.

Also, there are several channels for our employees to submit their health and safety complaints or report on dangerous situations or hazards. For example, the Group's employees can e-mail any manager, the occupational health and fire safety service, or the Group of companies' occupational health and safety ombudsman.

In the event of an accident, we immediately initiate an investigation into the

circumstances and causes of the accident in strict accordance with the provisions of the Ukrainian law³⁰. To this end, we create a special commission. Based on the results of the investigation, the commission compiles a report, which indicates the causes of the accident and the measures to further prevent similar accidents.

Preventing occupational diseases and injuries

Vodafone Ukraine places a high priority on the health and safety of its employees. That is why we implement a number of safeguards and programs to prevent injuries, support the health of our employees and promote a healthy lifestyle.

The main sources of threats of occupational injuries at Vodafone Ukraine are the need to perform certain tasks at height or in confined spaces, operating electrical equipment, and loading and unloading operations. In order to minimize the risks of injuries in the workplace, we conduct regular mandatory training for managers and workers, and provide our workers with special clothing and shoes and other PPE. All personal protective equipment is checked on a regular basis, with the workers involved in testing the samples of overalls and special equipment. We provide special food to all workers who work in hazardous conditions.

²⁸ In 2022, the occupational health and safety management system covered 94% of VF Ukraine PrJSC employees (94% of employees for the system audited by the internal audit unit), 95% of VF Retail LLC employees, 100% of Farlep-Invest PrJSC employees (25.5% of employees for the system audited by the internal audit unit). In 2021, these indicators were as follow: 96% of employees of VF Ukraine PrJSC (88% of employees for the system audited by the internal audit unit), 92% of employees of VF Retail LLC, 100% of employees of Farlep-Invest PrJSC (62% of employees for the system audited by the internal audit unit).

²⁹ Law of Ukraine dated 14.10.1992 No 2694-XII "On Labor Protection"

³⁰ CMU Resolution dated 17.04.2019 No 337 "On Approval of the Procedure for Investigating and Recording Injuries, Occupational Diseases and Accidents at Work"

At Vodafone Ukraine, different types of medical examinations are periodically conducted for workers employed in difficult jobs or working in harmful or dangerous working conditions. They go through medical checkups both upon being hired and during their employment. Certain categories of workers undergo pre- and post-shift medical examinations.

All our employees have free access to the PROSTOR corporate website, where all current occupational health and safety guidelines and other documents are published.

All Vodafone Ukraine employees have medical insurance, which offers them the right to a certain list of medical services, including emergency and scheduled care and checkups, physical exercise courses, access to gyms, swimming pools, etc. In addition, all employees are insured against accidents.

We also care about the health of the employees of our subcontractors when they perform work for the Company. Before obtaining permission to perform work, all employees of our subcontractors are briefed on possible risks and hazards at the work site.

Occupational health and safety training

In order to increase the awareness of potential hazards and improve their health and safety skills, our employees regularly undergo occupational safety and health trainings. They are also briefed on how to perform high-risk work.

The regular as well as the special occupational safety and health training programmes are developed by external training institutions. The topics are chosen by the Group's occupational health and safety service, and at the request of the heads of the Group's divisions. After the trainings, we test the trainees to evaluate the quality and effectiveness of the training programmes, as well as the competence of the trainers.

Every year, all our full-time employees undergo a number of mandatory occupational health and safety briefings and trainings. The following mandatory trainings were held in 2021 and 2022:

- Occupational health and safety training – training on the general safety rules when performing work.
- Training on safe performance of work in electrical installations – mandatory training for all workers who perform work in electrical installations.
- Training on safe performance of work at height – mandatory training for the workers who perform work at height.
- Briefing on actions during emergencies – a course that teaches employees how to act during evacuation from the premises and in case of emergency situations, as well as how to use fire extinguishers.

Promoting a healthy lifestyle

Vodafone Ukraine in its role of an employer encourages its employees to stay healthy and motivated over the long term. The PROSTOR corporate website publishes articles by leading physicians with useful recommendations, stories and successes of our employees who maintain a healthy lifestyle. Also, we continue promoting among our employees abstinence from smoking and other harmful habits, and we organize training on physical and mental health, and first aid courses. The Group organizes participation in annual mass sports events, in particular, in nationwide running races for its employees.

In order to support the health of the employees, such as eyesight protection, we have implemented the practice of organizing additional breaks during the workday, and have created areas for resting and for psychological relaxation.

Each employee has the opportunity to participate in the selection of topics of voluntary programmes to support a healthy lifestyle by submitting their proposals through the appropriate section on the PROSTOR corporate portal.

Results of occupational health and safety activities

In 2021 and 2022, no cases of illnesses related to the performance of work duties were recorded among Vodafone Ukraine employees.

During 2021, there were no incidents of occupational injuries at Vodafone Ukraine. In 2022, there was one unfortunate accident involving an employee of VF Ukraine PrJSC, who suffered a serious injury (vertebral compression fracture). Thus, for VF Ukraine PrJSC, in 2022, the work-related occupational injuries rate (excluding fatal injuries) was 0.05³¹. The causes and circumstances of the accident were investigated, and extraordinary briefings were held for staff performing similar work. The circumstances and causes of the accident have been communicated to all employees.



³¹ The indicator is calculated separately for VF Ukraine PrJSC by dividing the number of cases with serious consequences of occupational injuries (excluding fatal cases) by the number of hours worked, per 200,000 hours. The total number of hours worked in VF Ukraine PrJSC in 2022 was 4,384,250 hours.

Interaction with communities, social and charity projects

We strive to create long-term value for society by providing high-quality and stable communication services. We also participate in the development and restoration of territories and the implementation of infrastructure projects.

By studying the best Ukrainian and global practices on social responsibility and technological innovation, we form a comprehensive approach to interaction with the local communities. The Vodafone

Ukraine Subscriber Service Regulations, the Corporate Social Responsibility Policy, the Charity Policy, and the Public Relations Policy are reviewed and updated on a regular basis.

Since the beginning of Russia's full-scale invasion of Ukraine in February 2022, Vodafone Ukraine has spent more than UAH 1.4 billion in social investments to help the country. This includes services to subscribers in Ukraine and abroad for a total of UAH 1.19 billion. As of the end of 2022, the amount of humanitarian and direct financial aid to the country amounted to UAH 141 million.



Feedback and response to requests

Vodafone Ukraine promptly responds to the appeals of the local communities according to the established procedure, which includes reception, registration, consideration, and providing a response within the set timeframe. The experts from our regional technical department participate in discussing the issues and developing proposed solutions at meetings with local communities. The inquiries regarding the current state of the network and its development plans are also subject to consideration by the Corporate Governance and Controls Directorate, the Licensing and Radio Frequency Division, and the Marketing Directorate.

The mechanism for receiving and responding to complaints and assessing the quality of how they are processed is described in a separate Company Regulation. We categorize complaints by issue type, register them in our internal systems, review them, resolve and provide official responses. At the final stage, we assess the quality of how we process complaints and improve the approach used by the Complaints Department. The Group of companies regularly receives appeals, complaints and proposals from the local communities, which mostly relate to the following topics:

- quality of communication in the settlements,
- elimination of digital inequality,
- design and construction of the "Safe City" system,
- smart city technologies,
- analysis of the epidemiological situation,
- public notification in case of emergency,
- environmental monitoring systems,
- special offers for communal enterprise employees,
- developing tourist projects.

Vodafone Ukraine employees are regularly engaged in analysis and design, prepare proposals for local communities, and create task groups to participate in regional projects. The communities express their interest in our activities and provide positive feedback, but also raise some of the issues they face. We do our best to solve them promptly. Interaction with local communities is mostly in the form of official meetings, telephone conversations and correspondence.

In 2022, the main areas of interaction with local communities included the provision and restoration of communication, the provision of humanitarian aid and support to the residents affected by the war (see below for examples of resolved requests).

Interaction of the Group of Companies with local communities and response to their requests in 2022

| Request | Response |
|--|---|
| Appeal from the mayor of Okhtyrka city for assistance with heating the city's infrastructural facilities | Provision of alternative heating to the city's maternity hospital as part of the Heat League Project |
| Request from the Government for help in informing the population | The Group of Companies organized free SMS-informing services |
| Request from the Ministry of Education and Science of Ukraine | Provision of free access to educational services using high-speed Internet to continue the educational process during hostilities |
| Request from the "Children of Heroes" Charity Fund | The Group of companies launched a short number 88004 to collect charitable contributions to help children who lost their parents as a result of the war |
| Request from the Ministry of Culture and Information Policy of Ukraine | Launch of the "Save Ukrainian culture" joint project (presented on the operator's website Find&Follow in the Cultural Patronage section). |

Therefore, 95% of the work of technical specialists of the Group consisted in network restoration and maintaining power in blackouts. To quickly restore communication, engineers used Starlink






equipment. Vodafone Ukraine will continue to cooperate with the country's regional administrations to solve urgent issues and challenges.

Social Projects 2022

| | |
|--|--|
| 3 GOOD HEALTH AND WELL-BEING | Provision of free services because of hostilities Since February 2022, we have been providing free services and discounts to subscribers in the war zone and nearby territories, internally displaced persons, rescue workers, medics, military personnel, and volunteers. In addition, the residents of about 8,000 de-occupied settlements of the Kharkiv and Kherson regions received free SIM cards. In 2022, the Group of Companies provided free services to 13.9 million unique subscribers |
| 3 GOOD HEALTH AND WELL-BEING | Vodafone Ukraine has become a partner of the regional communal non-profit enterprise Chernivtsi Regional Center of Emergency Medical Care and Disaster Medicine. The Group provided free access to communication and the Internet to 65 emergency medical teams. As part of the pilot project, the regional laboratory center received technical assistance and special software from the World Health Organization. |
| 4 QUALITY EDUCATION | Free access to services and applications for studying and working online Vodafone Ukraine supported the initiative of the Ministry of Education and Science of Ukraine by providing free access to educational services using high-speed Internet. Video conferencing and messaging services are provided free of charge to the users of Vodafone tariff packages based on the Online PASS service. In addition, since the first day of the war, the Vodafone TV online television service has been broadcasting school classes as part of the “Education without Borders” and “All-Ukrainian Online School” Projects. |
| 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE | In December 2021, Vodafone Ukraine and the Poltava Local History Museum named after Vasyl Krychevsky signed a memorandum of cooperation. The partnership is designed to use modern technologies to create the first smart museum in Ukraine. The first step in the cooperation was the creation of a tour based on augmented reality (AR) technology in the museum courtyard |
| 10 REDUCED INEQUALITIES | In 2021, the Group of Companies increased its national 4G coverage to 84%, which contributed to providing high-speed Internet to the rural population and overcoming the digital inequality. 98% of the four main international highways of the country, and 80% of all international highways now have 4G coverage. Throughout 2015-2021, Vodafone invested more than UAH 32.3 billion in the construction of high-speed Internet networks. |

| | |
|--|---|
| 11 SUSTAINABLE CITIES AND COMMUNITIES | In 2021, Vodafone Ukraine joined the New Village program initiated by the President of Ukraine. The Group of Companies introduced a number of solutions in the village of Shulgynka and surrounding villages of Luhansk region: <ul style="list-style-type: none"> • improved communication quality and expanded LTE900 coverage, • promotion of the community’s tourist potential as part of the Find&Follow project, A digital knowledge express test developed by Vodafone Ukraine together with the Ministry of Digital Transformation, the International Foundation for Electoral Systems (IFES) and the OSCE, is now accessible through a touchscreen at the Cultural Service Center. |
| 15 LIFE ON LAND | In 2021, we signed a memorandum of cooperation with the Aerorozvidka Non-Government Organization and the Chernobyl Radiation and Ecological Biosphere Reserve with the support of the State Exclusion Zone Management Agency. As a result, a nature conservation monitoring system was launched on the territory of the reserve. The monitoring system enables the competent services to quickly respond to events that occur on the territory of the reserve, and the scientists have gained new tools for studying the flora and fauna. |
| 16 PEACE, JUSTICE AND STRONG INSTITUTIONS | Find&Follow Cultural Patronage In 2022, we launched a joint project with the Ministry of Culture of Ukraine, which is designed to draw attention to the war crimes committed by Russia, the aggressor country, against Ukraine’s cultural heritage. In particular, two online platforms were created: <p>The first one (https://restore.mkip.gov.ua/w) aims to raise funds for the restoration of damaged cultural heritage. The website collects information about destroyed and damaged cultural monuments, indicates the scale of the destruction and the amount of funds needed for their restoration. Benefactors can choose a location and make a donation on the website.</p> <p>The second one (http://www.findandfollow.com.ua/) was created to draw public attention to Ukrainian cultural landmarks. The newly created Cultural Patronage section of the Find&Follow tourism project website launched in 2015 features 3D photos and descriptions of the destroyed or damaged cultural objects.</p> |
| 17 PARTNERSHIPS FOR THE GOALS | We expanded the Vodafone network coverage on the territory of the Khortytsia National Park as part of the project initiated by the President of Ukraine at the request of the Department of Industry and Infrastructure Development of the Zaporizhzhia region. The Group of Companies built one new and upgraded two existing base stations. |

Charitable initiatives

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|  | <p>In 2022, we launched a charity initiative in collaboration with VF partners – BGV and Believe in Yourself Charitable Fund – to provide humanitarian aid to the most vulnerable families and internally displaced people. About 39,000 food kits were handed over to Ukrainians in the Kharkiv, Zaporizhzhia and Mykolaiv regions of Ukraine.</p> |
|  | <p>Viterets quick response team As part of the project, a team of professional active medics conducts training in tactical medicine and medical evacuation in emergency situations with soldiers, medics and civilians in Eastern Ukraine. In 2021, UAH 360,000 was allocated for the implementation of the project, which resulted in 175 medics and 577 soldiers of mechanized, motorized infantry and mountain assault units being trained.</p> |
|  | <p>For over 12 years in a row, our Good Deed as a Gift charity program has been helping children who need congenital heart defect surgery. Vodafone customers can also support the program with their bonuses accumulated under the Vodafone Bonus loyalty program. In February 2022, the objective of the program was changed to help Ukrainians affected by hostilities. Every Vodafone customer can transfer their bonuses to support the Come Back Alive NGO. As a result, a total of UAH 3.2 million was collected and transferred to the NGO.</p> |
|  | <p>Vodafone Ukraine handed over 10 emergency medical service vehicles, medical equipment and operating tables worth UAH 22.73 million to the Ministry of Health. The Group also purchased 5 ventilators for Ukrainian hospitals in Kyiv, Lviv, Kharkiv, Zhytomyr, and Lutsk communities. The total cost of the provided medical equipment amounts to UAH 33 million.</p> |
|  | <p>In 2021, our software developers created an online fundraising platform for the Kind Race charity project. The platform processes donations and enables potential participants to register for the race.</p> |

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|  | <p>To support the continuous educational process at schools, Vodafone Ukraine allocated UAH 30 million for the arrangement of school shelters. As of the end of 2022, 9 school shelters in different regions of Ukraine were refurbished.</p> |
|  | <p>The Group of Companies provides free services to the employees of the State Emergency Service and public utilities companies, who restore damaged communications. We also provided the Kherson Water Supply Company, which suffered losses due to the Russian invasion, with computer equipment.</p> |
|  | <p>The Heat League In 2022, Vodafone Ukraine jointly with its partners will provide maternity hospitals with alternative sources of heating. Heat pumps are installed in the premises, which collect thermal energy from the air using heat exchangers and supply it to the maternity hospital.</p> |
|  | <p>Alternative heating has been provided to maternity hospitals in Okhtyrka, Sumy Region, and Boyarka, Kyiv Region. Vodafone Ukraine allocated UAH 751.89 thousand for the implementation of the Heat League project.</p> |
|  | <p>Digitalization is key to the country's successful post-war recovery. Therefore, in 2022, we have donated UAH 30 million to the UNITED24 platform to support the development of the digital state.</p> |

We recognize the pressing need for urgent action and joint efforts to address the issues of climate change and the anthropogenic impact on the environment. That is why increasing energy efficiency and minimizing Vodafone Ukraine's environmental footprint is one of our priorities.

ENVIRONMENTAL IMPACT



Energy consumption

Vodafone Ukraine implements its energy management strategy in accordance with the internal regulations and the requirements of the Ukrainian law. The Group of companies has its own Internal energy consumption reporting system. The effectiveness of the energy saving measures and the energy management system is assessed on a regular basis. The company has established an automated energy consumption accounting and reporting system using specialized software. In order to save energy, we regularly replace outdated equipment with modern energy-efficient upgrades.

Vodafone Ukraine continues to implement ASCOE – an Automated Commercial Electricity Accounting System. The development of the ASCOE system with separate distribution system operators was launched in 2021. In 2022, we continued the implementation of the system and expanded the ASCOE system to include the remaining distribution system operators.

We are directing our efforts towards energy efficiency and optimization of electricity consumption. In particular, we use the “Power saving” system for our base station equipment, as well as the “Freecooling” system and power supply mode controls. As a result to the energy efficiency control systems in place, we succeeded in avoiding a noticeable increase in energy consumption during the installation of our 4G network in 2021: while the number of energy-consuming elements increased by 27%, the average monthly electricity consumption per site increased by only 3%.

In 2021, Vodafone Ukraine’s electricity consumption remained almost unchanged compared to the previous year and increased by only 0.5%. However, in 2022, the total amount of electricity consumed significantly decreased by 6.9% compared to 2021 due primarily to the massive power outages in the country caused by Russia’s

military aggression against Ukraine and the occupation of some of the territories where the Group of companies operated.

Similarly, the volume of fuel consumed in 2021 was only 1.4% higher than in 2020. However, in 2022, the indicator increased significantly as the Group of companies consumed 24% more fuel than in 2021. In particular, the need for fuel for the operation of generators increased more than threefold, given to the need to ensure the Group work despite the war which considerably disrupted the operations of the Ukrainian energy system.



Vodafone Ukraine electricity consumption in 2020-2022³²

| Type of energy | 2020 | 2021 | 2022 |
|--|------------|------------|------------|
| Total Vodafone Ukraine electricity consumption (in GJ) ³³ | 982,886.53 | 987,824.07 | 919,406.97 |
| Total Vodafone Ukraine electricity consumption (in thousand kWh) | 273,024.04 | 274,395.58 | 255,390.82 |

Vodafone Ukraine fuel consumption in 2020-2022³⁴

| Type of fuel | 2020 ³⁵ | 2021 | 2022 ³⁶ |
|--|--------------------|-----------|--------------------|
| Total Vodafone Ukraine (GJ) ³⁷ , including: | 36,958.74 | 37,470.40 | 47,789.24 |
| Diesel fuel (thousand litres), including: | 858.11 | 861.26 | 1,146.19 |
| Diesel for generators | 112.50 | 147.30 | 514.69 |
| Diesel for automobiles | 745.61 | 713.96 | 631.50 |
| Gasoline (thousand litres), including: | 184.68 | 196.59 | 150.91 |
| Gasoline for generators | 3.61 | 3.92 | 19.89 |
| Gasoline for automobiles | 181.07 | 192.67 | 131.02 |
| Natural gas boilers (thousand m ³) | - | - | 47.28 |

³² The data for 2022 includes the total electricity consumed of the whole Vodafone Ukraine, including Vega Telecom, which was acquired by Vodafone Ukraine in 2021. The electricity consumption for 2021 excludes Vega Telecom, as it was not part of the Group of companies for the entire 2021 calendar year. For more information: Vega Telecom’s energy consumption in 2021 was 5,931.21 thousand kWh of electricity (21,352.37 GJ).

³³ 1 kWh = 0.0036 GJ

³⁴ The data for 2022 includes the total volume of fuel consumed by the whole Vodafone Ukraine company, including Vega Telecom, which was acquired by Vodafone Ukraine in 2021. The fuel consumption for 2021 does not include Vega Telecom, as it was not part of the Group for the entire 2021 calendar year. For more information: Vega Telecom’s fuel consumption in 2021 was 129.57 thousand litres (4,606.43 GJ).

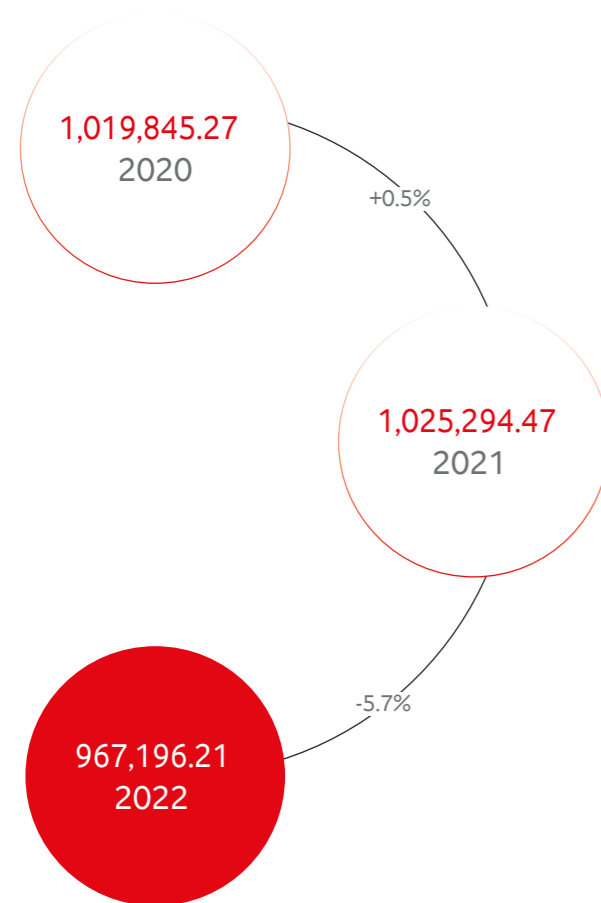
³⁵ The fuel consumption indicator for 2020 is adjusted compared to the 2020 Annual Sustainability Report. The need to clarify the indicators is due to the volume of fuel consumption by the administrative function of the subsidiary VF Retail LLC (the difference was about 40 thousand liters). The reasons for data discrepancies in the Reports are taken into account. Internal control has been introduced at the level of responsible persons for providing information for the preparation of a sustainable development report in future periods.

³⁶ The figures for fuel consumed in 2022 reflect the volumes of fuel burned by the Group of companies.

³⁷ To convert fuel units from litres to joules, standard IPCC (Intergovernmental Panel on Climate Change) coefficients were used: density of diesel fuel – 834 kg/thousand litres, gasoline – 756 kg/thousand litres; coefficient of lower calorific value of diesel fuel – 43 MJ/kg, that of gasoline – 44.3 MJ/kg. The coefficients from the National Inventory Report in Ukraine (2022) were used: the density of natural gas is 0.719 kg/m³; the coefficient of lower calorific value of natural gas is 47.96 MJ/kg. Fuel for automobiles and for generators are assumed to be identical in their characteristics.

As a result, the total Vodafone Ukraine energy consumption (both electricity and fuel) in 2022 amounted to 967,196.21 GJ, which is 5.7% less than in 2021

The total volume of energy consumed by the Group of companies, GJ



Emissions of greenhouse gases and pollutants

The activities of Vodafone Ukraine do not cause significant emissions of greenhouse gases and pollutants into the atmosphere. The total volume of greenhouse gas emissions, direct greenhouse gas emissions (Scope 1) amounted to 3.62 thousand tons of CO₂ equivalent, which is noticeably higher than in 2021 (3.06 thousand tons of CO₂-equivalent). This increase in (stationary sources of) greenhouse gas emissions is attributed to the sudden heavier reliance on generators which consume more fossil fuels.

The Group of companies has a clear mechanism and procedures for fuel consumption accounting and its purchase with cross-control of the Technical and Financial Directorates. According to these indicators, reports are carried out to state statistical bodies to pay environmental tax. The methodology of fuel accounting for generators as stationary sources of emissions is formed based on the state methodological documents for official reporting of calculating and paying environmental tax.

The calculation of Scope 1 and Scope 2 greenhouse gas emissions was carried out in accordance with the information consolidated using the majority ownership approach. The calculation included the Group companies directly controlled by the parent company VF Ukraine PrJSC.

Scope 2 greenhouse gas emissions were calculated in accordance with the GHG Protocol methodology using a location-based approach³⁸. To calculate the greenhouse gas emission factor per 1 kWh of electricity, publicly available data at the time of calculation was used for:

- Energy consumption for electricity generation by type of energy resource (coal, including different coal grades, natural gas, fuel oil);
- Energy consumption by type of generation (TPPs and CHPPs);
- Electricity production, exports and imports (NPPs, TPPs, CHPPs, HPPs, PSHs, alternative sources);
- Emission factors and characteristics of certain types of energy resources in accordance with the IPCC recommendations on national greenhouse gas emission inventories, data from the National inventory of anthropogenic emissions by sources and absorption by greenhouse gas removers in Ukraine, as well as DSTU 3472:2015 "Brown coals, hard coals and anthracite. Classification".

Indirect emissions of greenhouse gases (Scope 2) in 2022 amounted to 81.80³⁹ thousand tons of CO₂ equivalent. These greenhouse gas emissions were generated as a result of electricity consumption that Vodafone Ukraine purchased from suppliers. Through of lower overall electricity consumption in 2022, the volume of indirect greenhouse gas emissions decreased by 6.9% compared to 2021.

As a result, in 2022, the total volume of greenhouse gas emissions amounted to 85.41 thousand tons of CO₂ equivalent, which is 6% less than in 2021.

³⁸ The location-based approach is based on data on the intensity of greenhouse gas emissions for the integrated energy system of Ukraine in general.

³⁹ To calculate the indirect greenhouse gas emissions (Scope 2) for 2021 and 2022, we used an approach based on the data on electricity consumption in the integrated power system (IPS) of Ukraine and the estimated emission factor per unit of electricity for the IPS of Ukraine in 2021. The coefficient depends on the structure of electricity generation in the entire energy system of Ukraine. It was agreed that the generation of electricity by nuclear plants and from renewable energy sources does not result in the emission of greenhouse gases.

Greenhouse gas emissions in 2020-2022

| Scope of emissions | 2020 | 2021 | 2022 |
|---|-----------|-----------|-----------|
| Total (tons of CO ₂ eq.), including: | 98,218.85 | 90,942.63 | 85,414.57 |
| Direct greenhouse emissions (Scope 1), including: | | | |
| stationary emission sources ⁴⁰ | 408.53 | 508.15 | 1,454.38 |
| mobile emission sources ⁴¹ | 2,614.31 | 2,548.82 | 2,161.53 |
| Indirect greenhouse emissions (Scope 2) ⁴² | 95,196.01 | 87,885.66 | 81,798.66 |



In addition, 26.38 tons of pollutants were emitted into the atmosphere in 2022 as a result of Vodafone Ukraine’s activities.

Emissions of pollutants into the atmosphere in 2020-2022

| The name of the pollutant | 2020 | 2021 | 2022 |
|--|------|------|-------|
| Total (tons), including | 8.38 | 9.21 | 26.38 |
| Carbon monoxide | 3.82 | 4.45 | 13.26 |
| Nitrogen dioxide | 2.69 | 3.47 | 9.31 |
| Non-methane volatile organic compounds | 0.83 | 0.87 | 2.60 |
| Sulfur dioxide | 0.39 | 0.42 | 1.21 |
| Suspended solid particles | 0.65 | 0.00 | 0.00 |

⁴⁰ Greenhouse emissions from stationary sources, including:(1) Vodafone Ukraine’s emissions (excluding Vega Telecom), which include only carbon dioxide (CO₂) emissions and were calculated based on data of the Group of companies official statistical reporting to the State Statistics Service of Ukraine in the form 2-TP (air); (2) Vega Telecom’s emissions, which include carbon dioxide (CO₂), methane (CH₄), nitrogen oxide (N₂O) emissions that were calculated according to the State Statistics Service’s methodology. To convert emissions into CO₂-eq. global warming coefficients from the 5th IRCC Report were used: for methane - 28, for nitrous oxide - 265.

⁴¹ To calculate the direct greenhouse gas emissions from mobile emission sources, data on fuel consumption for vehicles and standard IPCC (Intergovernmental Panel on Climate Change) coefficients were used: the density of diesel is 834 kg/thousand litres, gasoline - 756 kg/thousand litres; coefficient of lower calorific value of diesel - 43 MJ/kg, gasoline - 44.3 MJ/kg; CO₂ emission factor for gasoline – 69300 kg/TJ, that for diesel– 74100 kg/TJ; CH₄ emission factor for gasoline – 3.9 kg/TJ, that for diesel– 4.15 kg/TJ; the N₂O emission factor for gasoline – 3.9 kg/TJ, that for diesel– 28.6 kg/TJ. To convert emissions into CO₂-eq., global warming coefficients from the 5th IRCC Report were used: for methane - 28, for nitrous oxide - 265.

⁴² In 2022, indirect greenhouse gas emissions (Scope 2) were calculated based on the emission factors per unit of electricity for the Ukrainian energy system as a whole for 2021. This was due to the unavailability of more reliable data due to the closure of official information and databases on the operation of the Ukrainian energy system facilities that were previously freely available, as such data is of strategic importance and is not disclosed during the war. In addition, the Group’s management analysed possible alternatives, including publications of international institutions, and was unable to find more relevant information on the emission factor per unit of electricity for the IPS of Ukraine in general.

Water use

Vodafone Ukraine's operations do not require significant water consumption, thus the Group of companies has no significant impact on water resources. The Group's main use of water is for domestic purposes, in its office premises. Water is taken from the central water supply systems and discharged in into municipal wastewater networks.

In 2021⁴³, Vodafone Ukraine reduced its water usage by 44.7% compared to the previous year, to 12,000 cubic meters. This was mainly due to the relocation of a large office to another building and the closing down of some stores. In 2022, the decrease in water usage further dropped by 14.6%, as a result of the remote working regime of Vodafone Ukraine employees due to martial law

Volume of water use in 2020-2022

| Regional cluster | 2020 ⁴⁴ | 2021 | 2022 |
|---|--------------------|--------------|--------------|
| Total (thousand cubic meters), including: | 21.70 | 12.00 | 10.25 |
| Kyiv (offices) | 5.29 | 2.66 | 1.27 |
| Cluster Center | 2.51 | 2.22 | 2.59 |
| Cluster West | 9.04 | 2.92 | 3.06 |
| Cluster East | 4.86 | 4.20 | 3.33 |

Reduction of plastic waste due to half-sized SIM cards:

In 2022, Vodafone Ukraine announced the transition to new, smaller SIM cards. This global "half-sized SIM" initiative reduces the size of the card holder by half compared to a standard bank card. The project contributes to reducing the amount of plastic used for card holders, as well as their packaging materials. In addition, Vodafone Ukraine is promoting the use of fully electronic SIM cards (eSIM) that require no plastic at all.



Waste management

Vodafone Ukraine takes a responsible approach to waste management and makes efforts to minimize it. The Company adheres to applicable legislation and internal rules regarding waste management and the selection of waste disposal service providers. We cooperate with a reliable contractor that deals with the disposal of all classes of hazardous waste and transfers used disposable batteries to a recycling plant. In order to save natural resources, the Company has implemented an electronic document management system.

Vodafone Ukraine promotes environmentally friendly habits among its employees and supports "green" initiatives in its offices, such as collecting batteries, and minimizing the amount of plastic and paper used in the offices. During 2021, we organized educational lectures and webinars to raise awareness among our employees about waste management and how to properly sort waste.

In 2021, Vodafone Ukraine⁴⁵ handed over about 4 tons⁴⁶ of waste to the contractor for disposal, including

- 0.628 tons of 1st class hazardous waste⁴⁷ a category which includes halogen lamps and medicines (first aid kits) that have expired
- 1.670 tons of 2nd class hazardous waste, a category which includes acid rechargeable batteries with electrolytes and power cells (batteries)
- 0.003 tons of 3rd class hazardous waste, a category which includes used filters
- 1.746 tons of 4th class hazardous waste, a category which includes plastic, polyethylene, polymer waste, tires, household appliances, glass, wood, and construction waste.

In 2022, no waste was transferred by Vodafone Ukraine for disposal; instead, the waste has been accumulated and will be collected by the contractors in the next calendar year. Throughout 2022, the Company accumulated about 180 tires, 20 lamps for interior lighting, and 80 kg of disposable batteries. Nonetheless, in 2022, Vega Telecom collected and transferred to the contractor for further disposal 60.8 m³ of solid household waste and 76.85 tons of other waste, of which 71.7% were cables and wires (copper) and cable scrap.

⁴³ The data for 2022 contain the volume of water use in the entire Vodafone Ukraine company, including Vega Telecom, which Vodafone Ukraine acquired in 2021. Water usage data for 2021 does not include Vega Telecom as it was not part of the Group of Companies for the entire 2021 calendar year.

⁴⁴ The volume of water usage in 2020 has been clarified and recalculated compared to the volume of water usage that was reported in the previous Vodafone Annual Sustainability Report 2020

⁴⁵ Waste data for 2021 does not include Vega Telecom, as it was not part of Vodafone Ukraine for the entire 2021 calendar year. For additional information: in 2021, the volume of waste generated by Vega Telecom amounted to 383.51 tons, with cable and conductor waste and telephone cable scrap being the largest share (73.2 %). All waste was transferred for disposal.

⁴⁶ The weight of some types of waste was calculated based on the average weight per unit of the respective waste, in particular: halogen lamps (0.2 kg), tires (7.9 kg) and medicine/first aid kits (0.9 kg).

⁴⁷ Waste hazard classes: 1st - extremely dangerous, 2nd - highly dangerous, 3rd - moderately dangerous, 4th - slightly dangerous.

A close-up photograph of two hands fitting white puzzle pieces together. Overlaid on the image is a large, stylized red Vodafone logo, which consists of a speech mark shape formed by concentric, slightly offset lines. The background is a warm, out-of-focus orange and yellow light.

ABOUT THE REPORT AND ADDITIONAL INFORMATION



About the Report

This Vodafone Ukraine Sustainable Development Annual Report (hereinafter – the Report) is the second report of the Company prepared in accordance with the Global Reporting Initiative (GRI) Standards. It covers the activities of Vodafone Ukraine⁴⁸ during the 2022 calendar year (from 01.01.2022 to 31.12.2022).

Transparent communication with stakeholders is one of the key goals of the Report. The Report contains detailed information about the Company's approaches to managing the social, environmental and economic aspects of its activities, its practices, as well as the results achieved in these areas during the reporting period.

During the preparation of the Report, all eight principles of the GRI Standards for information disclosure were taken into account. Thus, the Report discloses accurate, clear, reliable, and complete information covering various aspects of sustainable development. The Report allows readers to form a balanced opinion about both the positive and potential negative impacts of the Company's activities and enables readers to track the Company's performance over time, as well as in comparison with other companies.

To ensure the reliability and transparency of the Sustainability Report, the Group engaged an independent third party, LLC AF PricewaterhouseCoopers (Audit), to provide limited assurance on selected information. Appendix 2 to this Report contains the Limited Assurance Report issued by PricewaterhouseCoopers (Audit) LLC on the review of certain non-financial indicators and their compliance with the GRI Standards. The limited assurance report contains the conclusion of an independent third party, a list of indicators that have been independently verified and a description of any limitations that arose during the assurance of the indicators. During cooperation, Vodafone Ukraine provided PricewaterhouseCoopers (Audit) with access to internal data necessary for the assurance of the selected information of the Vodafone Ukraine Sustainability Report.

The assurance process was designed and conducted in accordance with the requirements of the International Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements other than Audits or Reviews of Historical Financial Information" and International Standard on Assurance Engagements 3410 "Assurance Engagements on Greenhouse Gas Statements", both issued by the International Auditing and Assurance Standards Board, as relevant to the underlying selected information.

⁴⁸ For the purposes of this report, Vodafone Ukraine (or the Group of companies) includes the activities of VF Ukraine PrJSC, as well as its subsidiaries: VF Retail LLC (with VF Ukraine PrJSC as the only participant) and ITSF LLC (99% of its authorized capital is owned by VF Ukraine PrJSC and 1% - by VF Retail LLC), as well as Farlep-Invest PrJSC (with 99.9929% of its shares owned by VF Ukraine PrJSC). In addition, Vodafone Ukraine includes the following subsidiaries of VF Ukraine PrJSC, which have no separate staff and are not engaged in active operational activities but perform special auxiliary functions: Cable TV-Finance LLC (a provider of fixed Internet access services; 95% of its authorized capital is owned by VF Ukraine PrJSC and 5% - by Farlep-Invest PrJSC) and VFU Funding PLC (is a special purpose enterprise established in England and Wales for the purpose of issuing bonds; 100% of its authorized capital is owned by VF Ukraine PrJSC).

Vodafone Ukraine's management is responsible for the completeness and accuracy of the information in the Report and for communication and exchange of information with the independent third party. The Supervisory Board is responsible for overseeing the process of preparing and approving the Vodafone Ukraine Annual Sustainability Report.

Engaging an independent third party to assure the information in this Report is important for Vodafone Ukraine as it confirms to employees, customers and other stakeholders that the information in the Report is reliable and in line with best reporting practices.



Materiality matrix

Every year, we determine the social, environmental and economic topics that are significant in view of Vodafone Ukraine's activities and should be disclosed in the Sustainable Development Annual Report. For this end, we analyse international initiatives and standards as well as best industry practices in the field of non-financial reporting. We also regularly engage with our stakeholders, both internal and external, to understand their views on how the Group of companies impacts various aspects of sustainability.

According to the updated GRI Standards of 2021, the GRI Industry Standards should be used while determining the list of material topics. Since a separate GRI Industry Standard applicable to the telecommunications sector had not yet been published at the time of preparation of the Report, a comprehensive analysis of the Group of companies' impact on sustainable development was carried out. In order to assess which social, environmental and economic topics are most significant in terms of positive or negative, actual or potential impacts of the Vodafone Ukraine's activities, the following steps were taken:

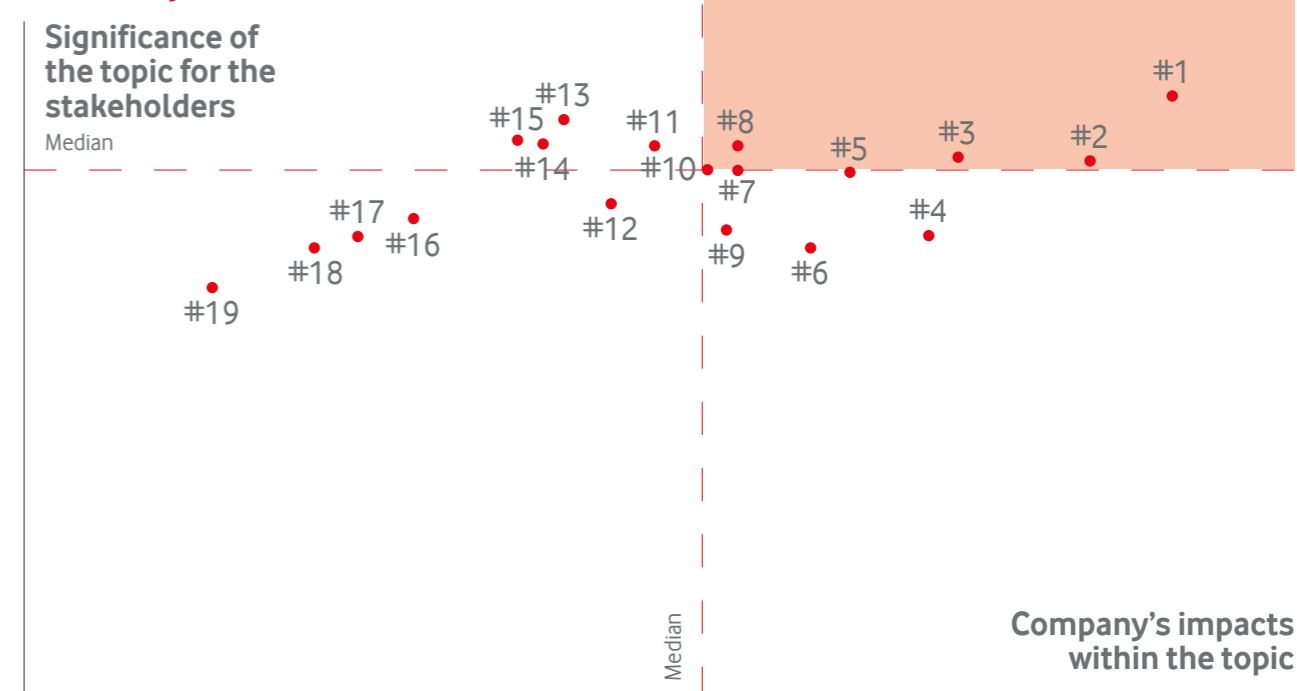
- Analysis of industry trends, international initiatives and standards related to

disclosure of information in the field of sustainable development;

- Analysis of the practices of sustainable development information disclosure by leading telecom companies in the domestic and global markets;
- Analysis of media communications about the activities of Vodafone Ukraine in order to identify the most relevant impacts of the Group of companies in the social, environmental, and economic spheres;
- Analysis of internal management approaches and policies followed by the Group in its activities;
- Conducting a survey of internal and external stakeholder groups. The purpose of the survey was to assess two factors: (1) which topics in the context of Vodafone Ukraine's activities are the most interesting and important for the stakeholders; (2) in which social, environmental, and economic spheres the Group of Companies' impacts are most significant in their opinion.

Based on the results of the analysis, the priority of each topic was determined. The topics that relate to significant impacts of the Group in the area of sustainable development and that are of greatest importance to the stakeholders were identified as material.

Results of assessment of topic materiality:






- Topic 1. Customer privacy and consumer security
- Topic 2. Anti-discrimination and equal opportunities
- Topic 3. Employment and opportunities for workers
- Topic 4. Procurement and assessment of suppliers
- Topic 5. Economic results
- Topic 6. Emissions into the atmosphere
- Topic 7. Indirect economic impact
- Topic 8. Training and education of employees
- Topic 9. Anti-competitive behavior
- Topic 10. Anti-corruption

- Topic 11. Occupational health and safety of employees
- Topic 12. Local communities
- Topic 13. Impact on the observance of human rights
- Topic 14. Taxes
- Topic 15. Marketing and labeling
- Topic 16. Energy consumption
- Topic 17. Waste
- Topic 18. Materials
- Topic 19. Water resources

The following list includes the topics that were determined as material:

| | |
|---|--|
| Customer privacy and consumer security  | <p>With the development of new technologies and unlimited access to the network, topics related to personal data protection, prevention of cybercrimes and leaks of confidential information are becoming increasingly important. At Vodafone Ukraine, we strive to ensure the integrity and availability of our information systems, while protecting the personal information of our customers, as well as informing them about information hygiene and possible cases of fraud. We value and respect the right to privacy, and therefore we apply principles and approaches aimed at preventing potential adverse information security impacts.</p> |
| Anti-discrimination and equal opportunities  | <p>Respecting human rights and ensuring diversity is one of our key principles. For us, diversity means providing our employees with a range of opportunities for professional growth and personal development – regardless of their age, gender, ethnicity, gender identity, religion, worldview, etc. We strive to transmit these values to society as well. In addition, through the development of our network and the enhancement of several of our digital services, we contribute towards the achievement of digital equality and the availability of information for every citizen.</p> |
| Employment and opportunities for workers  | <p>The success of the company directly depends on the well-being of its employees. In the current conditions of war, taking care of the physical and mental health of employees and helping them to recover quickly is especially important. That is why Vodafone Ukraine creates appropriate opportunities and cultivates a culture of conscious responsibility for one's own health, emotional state, well-being and relationships with colleagues.</p> <p>We continuously improve our approach to business process management, promote an ethical corporate culture, and offer decent wages. We encourage our employees to actively participate in the Group of companies' life, and also open up opportunities for our professionals to develop and be engaged in ambitious innovative projects.</p> |
| Economic results  | <p>By investing in the continuous enhancement of our network and infrastructure development, and creating innovative digital services for our customers, we strive to generate economic value and achieve our business goals. In 2021, the Group of companies demonstrated significant growth in key financial and operational indicators. In 2022, despite significant expenses related to the consequences of Russia's war against Ukraine, Vodafone Ukraine's revenue was almost on par with that of 2021. In order to further improve business efficiency, we plan to continue developing 5G and IoT (Internet of Things) digital services and products.</p> |

| | |
|---|---|
| Indirect economic impact  | <p>Vodafone Ukraine invests in the development of the fundamental telecommunications infrastructure required for the digital transformation of Ukrainian business, the social sphere, public services and the overall Ukrainian economy. Our achievements in promoting information technologies contribute to the improvement of the quality of life and work of Ukrainians, as well as education, culture, health care and contribute to the availability of digital services for the rural population.</p> <p>As a result of Russia's full-scale invasion of Ukraine, we were forced to direct significant resources towards carrying out emergency repairs and restore the network, as well as to assist the society, our customers and our employees. Despite this, we continued to actively invest in telecommunications infrastructure and the quality of our communication services. Throughout the extreme situations of 2022, the importance of our communication services and access to the Internet for the Ukrainian society increased significantly. Therefore, we launched the Geosearch service, ensured network operation during prolonged and regular power outages, and provided free roaming and other services to support Ukrainians.</p> |
| Training and education of employees  | <p>Vodafone Ukraine constantly implements comprehensive training programs, adapts training courses in accordance with today's challenges and needs, and provides opportunities for development and self-realization to all its employees. The Group develops high-quality e-learning courses, holds conferences, webinars, and provides employees with access to a wide range of programs useful for both their career growth and their personal development, and for the improvement of skills to support their physical and mental health.</p> |
| Anti-corruption  | <p>Our Do the Right Thing principle means that we always act honestly and openly to strengthen the trust of our customers, employees, business partners and of the society in which we operate. We are aware of the potential risks that can lead to corruption that negatively affect healthy competition, the investment climate and the level of trust in the society. Therefore, part of the Vodafone Ukraine's corporate culture is the implementation of progressive principles of internal control and the development of compliance policies that contribute to building a system of transparent and ethical business conduct.</p> |

GRI content index

| | |
|--|---|
| Statement of use | Vodafone Ukraine has reported in accordance with the GRI Standards for the period from January 1, 2022 – December 31, 2022. |
| GRI 1 used | GRI 1: Foundation 2021 |
| Applicable GRI Sector Standard(s) | The applicable GRI Sector Standards has not been prepared by the date of issue the Report |

| Material topic | Nº | Disclosure title | Page number | References and comments |
|--|------------|--|-------------|--|
| General disclosures | | | | |
| GRI 2: General Disclosures 2021 | 2-1 | Organizational details | 13-16 | About the Group of companies The Group of companies conducts its main activities in Ukraine. Addresses of the head office by company: <ul style="list-style-type: none"> • VF Ukraine PrJSC 15 Leiptsyzka St., Kyiv, 01601 • VF Retail LLC 15 Leiptsyzka St., Kyiv, 01601 • ITSF LLC 49/2 Prospect Beresteiskyi, Kyiv, 03057 • Farlep-Invest PrJSC 3 Evgena Hutsal Lane, Kyiv, 01001 • Cable TV-Finance LLC 20 Boulevard of the Supreme Council, Kyiv, 02100 |
| | 2-2 | Entities included in the organization's sustainability reporting | 13-16 | About the Group of companies All entities listed in the About the Group of companies section of this Report are covered in the Group's financial statements for 2021-2022. |

| Material topic | Nº | Disclosure title | Page number | References and comments |
|----------------------------|------------|---|--------------------------|--|
| General disclosures | | | | |
| | 2-3 | Reporting period, frequency and contact point | 111-112 155 | About the Report Contacts The financial reporting cycle, as well as the cycle of preparation of the sustainable development report – one calendar year. Due to the full-scale russian invasion of Ukraine, the Annual Sustainable Development Report 2021 was not published. Data for 2021 are included in this Report. |
| | 2-4 | Restatements of information | 102, 107, 70, 142 150 | Some indicators for 2020 have been refined compared to those published in the previous Annual Sustainability Report 2020. The changes are immaterial and related to the correction of accounting or technical inaccuracies. Such indicators are: <ul style="list-style-type: none"> • Volumes of fuel consumption for 2020; • Volume of water use for 2020; • The value of staff turnover rates of VF Retail LLC and ITSF LLC for 2020; • Volumes of operating costs for employee wages and bonuses, bonuses, etc. |
| | 2-5 | External assurance | 111-112 151-154 | About the Report This Annual Sustainable Development Report 2022 has been verified by an independent third party of PricewaterhouseCoopers (Audit) LLC. A limited assurance report issued by an independent third party is included in this Report (Appendix 2: Independent Third Party Opinion). The group of companies publishes its reporting on its official website: https://www.vodafone.ua/company/investors/zvity-ta-rezultaty |

| Material topic | Nº | Disclosure title | Page number | References and comments |
|---------------------|------|--|----------------|---|
| General disclosures | | | | |
| | 2-6 | Activities, value chain and other business relationships | 13-18, 45, 61 | About the Group of companies Our services and working with customers Supply chain and procurement There were no significant changes in the types of activities of the Group of Companies, in relations with partners for the sale of products and services, and other business relations compared to the previous reporting period. |
| | 2-7 | Employees | 69-70, 139-143 | Personnel management, employee motivation and engagement: Staff structure and staff turnover rate Appendix |
| | 2-8 | Workers who are not employees | - | Not applicable The Group of companies to a small extent engage third parties to perform certain works. |
| | 2-9 | Governance structure and composition | 23-25, 144-145 | Corporate governance structure Appendix: Table 8, Table 9 Detailed information on the experience and competences of the members of the higher management body is presented in the <u>Annual reports of the issuer of securities</u> . The basic skills and competences of the members of the higher management body are described in the Regulation on the Supervisory Board. |
| | 2-10 | Nomination and selection of the highest governance body | 25-26 | Corporate governance structure |
| | 2-11 | Chair of the highest governance body | - | The head of the higher management body is not the executive director/manager of the Group. The Group has implemented a two-level management structure, the highest |

| Material topic | Nº | Disclosure title | Page number | References and comments |
|---------------------|------|---|-------------|--|
| General disclosures | | | | |
| | | | | management bodies are the General Meeting of Shareholders, the Supervisory Board, and the executive body (one-person). |
| | 2-12 | Role of the highest governance body in overseeing the management of impacts | - | The sustainable development strategy is developed by the Group of companies' Management and approved by the Supervisory Board. A process for assessing the effectiveness of supervision and impact management has not yet been implemented. |
| | 2-13 | Delegation of responsibility for managing impacts | 23-26 | Corporate governance structure The Sustainable Development Report is considered and approved by the Supervisory Board of VF Ukraine PJSC before its publication. The Supervisory Board of VF Ukraine PJSC annually reviews the sustainable development strategy prepared by the Company's top management. In 2022, changes to the sustainable development strategy were not advised. |
| | 2-14 | Role of the highest governance body in sustainability reporting | - | The Sustainable Development Report is considered and approved by the Supervisory Board of VF Ukraine PJSC before its publication. |
| | 2-15 | Conflicts of interest | 26 | Corporate governance structure: Prevention of conflict of interest To prevent conflicts of interest, we adhere to the Conflict of Interest Management Policy. Vodafone Ukraine conducts transparent and ethical activities, provides relevant information to requests from banks and counterparties. Also, once every six months, a survey of officials and senior managers is conducted, the result of which is the list of affiliated persons, posted on the Group of companies' internal information resource. |

| Material topic | Nº | Disclosure title | Page number | References and comments |
|---------------------|------|--|-------------|--|
| General disclosures | | | | |
| | 2-16 | Communication of critical concerns | 23-26 | Corporate governance structure The information is incomplete Information on the total number of critical issues that were reported to the highest management body was not collected in the reporting period. Vodafone Ukraine works to ensure proper data collection for their coverage in future reporting periods. |
| | 2-17 | Collective knowledge of the highest governance body | - | Not applicable , measures aimed at developing the collective knowledge, skills and experience of the highest corporate governance body in the field of sustainable development are not the Group's area of responsibility. |
| | 2-18 | Evaluation of the performance of the highest governance body | - | Not applicable , the Group of companies has not implemented the process of evaluating the activities of the higher management body. |
| | 2-19 | Remuneration policies | 26 | Corporate governance structure: Process to determine remuneration Privacy restrictions Detailed information regarding the approach to the remuneration of members of the top management body and senior management is confidential and not disclosed publicly. |
| | 2-20 | Process to determine remuneration | 26 | Corporate governance structure: Process to determine remuneration Privacy restrictions The details of the reward determination process are confidential and not publicly disclosed. |

| Material topic | Nº | Disclosure title | Page number | References and comments |
|---------------------|------|--|--|--|
| General disclosures | | | | |
| | 2-21 | Annual total compensation ratio | - | Privacy restrictions Information regarding the total annual compensation ratio is confidential and not publicly disclosed. |
| | 2-22 | Statement on sustainable development strategy | 5-8 | CEO's Address |
| | 2-23 | Policy commitments | 27-30, 78-79 | Corporate ethics Diversity and human rights Policies/standards for ethical and responsible business conduct are approved by the General Director. |
| | 2-24 | Embedding policy commitments | 27-30, 78-79 | Corporate ethics Diversity and human rights The Compliance Manager is responsible for the implementation of policies/standards regarding ethical and responsible business conduct. |
| | 2-25 | Processes to remediate negative impacts | 27, 79 | Corporate ethics About the Report The information is incomplete , as data on the processes of elimination of negative consequences are not collected. Vodafone Ukraine is working to ensure proper data collection for their coverage in future reporting periods. |
| | 2-26 | Mechanisms for seeking advice and raising concerns | 28-29, 31-32, 45, 53, 59, 60, 71, 79, 82, 92 | Corporate ethics; Involvement of Stakeholders; Our services and working with customers: Feedback; Responsible marketing; Data confidentiality and information security: Communication with stakeholders on information security issues; Supply chain and procurement; |

| Material topic | Nº | Disclosure title | Page number | References and comments |
|------------------------------------|-------------|--------------------------------------|-------------|---|
| General disclosures | | | | |
| | | | | Impact on society: Employee feedback, Receiving feedback on diversity and human rights issues, Equality, diversity and human rights training, Feedback and response to requests In separate sections of this Report, information on feedback channels for each of the topics is disclosed. |
| | 2-27 | Compliance with laws and regulations | - | There were no cases of non-compliance with legislation or regulatory requirements, including those for which fines were imposed or non-monetary sanctions were applied, during 2021-2022. |
| | 2-28 | Membership associations | 19 | About Vodafone Ukraine: Participation in associations and external initiatives |
| | 2-29 | Approach to stakeholder engagement | 31-32 | About Vodafone Ukraine: Involvement of Stakeholders |
| | 2-30 | Collective bargaining agreements | - | There were no collective bargaining agreements during 2021-2022. |
| Topics disclosures | | | | |
| GRI 3: Material Topics 2021 | 3-1 | Process to determine material topics | 113 | About the Report |
| | 3-2 | List of material topics | 114 | About the Report |

| Material topic | Nº | Disclosure title | Page number | References and comments |
|--------------------------------------|--------------|--|-----------------------|--|
| Economical disclosures | | | | |
| Economic performance | | | | |
| GRI 3: Material Topics 2021 | 3-3 | Management of material topics | 39-62, 34-36, 115-116 | Economic value creation Vodafone Ukraine's development strategy About the Report |
| | 201-1 | Direct economic value generated and distributed | 150 | Appendix: Table 14 |
| | 201-2 | Financial implications and other risks and opportunities due to climate change | - | The Group of companies did not assess the risks associated with climate change and their impact on the Group's operational activities and financial results during the reporting period. |
| | 201-3 | Defined benefit plan obligations and other retirement plans | - | The Group pays contributions from the wages of employees, in accordance with the <u>Law of Ukraine "On collection and accounting of a single contribution to mandatory state social insurance"</u> . The single contribution for the payers specified in Article 4 of this Law is set at the rate of 22 percent of the single contribution calculation base defined by Article 7 of this Law, which includes wages, other incentive and compensation payments. |
| | 201-4 | Financial assistance received from government | - | The Group of companies did not receive financial aid from the government during 2021-2022. |
| Market Presence | | | | |
| GRI 3: Material Topics 2021 | 3-3 | Management of material topics | 67-68 | Personnel management, employee motivation and engagement: Approach to employee motivation and rewards |
| GRI 202: Market Presence 2016 | 202-1 | Ratios of standard entry level wage by gender compared to local minimum wage | 67-68, 148 | Personnel management, employee motivation and engagement: Approach to employee motivation and rewards Appendix: Table 12 |

| Material topic | Nº | Disclosure title | Page number | References and comments |
|--|--------------|--|-------------|---|
| | 202-2 | Proportion of senior management hired from the local community | - | During 2022, 92% of the Group's senior management representatives (top managers) were citizens of Ukraine. In 2021, this indicator was 100%. |
| Indirect Economic Impacts | | | | |
| GRI 3: Material Topics 2021 | 3-3 | Management of material topics | 39, 49 | <p>Infrastructure and network: Approach to managing network and infrastructure development</p> <p>Digital projects and innovations- the information in this section does not include data for 2022, as digital and innovative projects did not develop in that year due to Russia's full-scale invasion of Ukraine.</p> |
| GRI 203: Indirect Economic Impacts 2016 | 203-1 | Infrastructure investments and services supported | 41 | <p>Infrastructure and network This section shows the volume of investments in projects in 2022 that are exclusively of infrastructure importance. Similar information was not collected for 2020 and 2021. Total capital investments in infrastructure development amounted to UAH 3,561 million in 2022, UAH 3,487 million in 2021, and UAH 3,457 million in 2020.</p> <p>The section shows the volume of investments in projects in 2022 that have exclusively infrastructural significance. Similar information was not collected for 2020 and 2021. The total volume of capital investments in infrastructure development was: in 2022 – UAH 3,561 million, in 2021 – UAH 3,487 million, in 2020 – UAH 3,457 million.</p> <p>The information is incomplete Detailed information on the volume and duration of each significant infrastructure investment and the extent of its impact on local communities and economies were not collected in the reporting periods. Vodafone Ukraine works to ensure proper data collection for their coverage in future reporting periods.</p> |

| Material topic | Nº | Disclosure title | Page number | References and comments |
|--|--------------|--|-------------|---|
| | 203-2 | Significant indirect economic impacts | 115-116 | About the Report |
| Procurement Practices | | | | |
| GRI 3: Material Topics 2021 | 3-3 | Management of material topics | 60 | Supply chain and procurement: Our approach to procurement management |
| GRI 204: Procurement Practices 2016 | 204-1 | Proportion of spending on local suppliers | 61-62 | Supply chain and procurement: The Group's supply chain |
| Anti-corruption | | | | |
| GRI 3: Material Topics 2021 | 3-3 | Management of material topics | 27-28, 116 | Corporate ethics: Anti-corruption practices About the Report |
| GRI 205: Anti-corruption 2016 | 205-1 | Operations assessed for risks related to corruption | 27-28 | Corporate ethics: Anti-corruption practices The assessment of corruption risks in 2021 covered the activities of the entire Vodafone Ukraine Group of Companies. |
| | 205-2 | Communication and training about anti-corruption policies and procedures | 28 | Corporate ethics: Anti-corruption practices The information is incomplete Data on the distribution of the number of employees who were informed and trained in anti-corruption policies and procedures by category and region were not collected in the reporting period. Vodafone Ukraine works to ensure proper data collection for their coverage in future reporting periods. |
| | 205-3 | Confirmed incidents of corruption and actions taken | 28 | Corporate ethics: Anti-corruption practices |
| Anti-competitive Behavior | | | | |
| GRI 3: Material Topics 2021 | 3-3 | Management of material topics | 29 | Corporate ethics: Countering anti-competitive behavior |

| Material topic | Nº | Disclosure title | Page number | References and comments |
|--|--------------|---|-------------|---|
| GRI 206: Anti-competitive Behavior 2016 | 206-1 | Legal actions for anti-competitive behavior, anti-trust, and monopoly practices | 29 | Corporate ethics: Countering anti-competitive behavior |
| Tax | | | | |
| GRI 3: Material Topics 2021 | 3-3 | Management of material topics | 30 | Corporate ethics: Taxation management |
| GRI 207: Tax 2019 | 207-1 | Approach to tax | 30 | Corporate ethics: Taxation management Vodafone Ukraine does not have an approved tax strategy. The Group pays taxes in accordance with current legislation. |
| | 207-2 | Tax governance, control, and risk management | 30 | Corporate ethics: Taxation management |
| | 207-3 | Stakeholder engagement and management of concerns related to tax | 30 | Corporate ethics: Taxation management |
| | 207-4 | Country-by-country reporting | - | Vodafone Ukraine carries out operational activities on the territory of Ukraine. All business entities are included in the audited consolidated financial statements published on the Group's website: https://www.vodafone.ua/company/investors/zvity-ta-rezultaty/finansovi-rezultaty |
| Environmental disclosures | | | | |
| Energy | | | | |
| GRI 3: Material Topics 2021 | 3-3 | Energy consumption within the organization | 101 | Energy consumption |
| GRI 302: Energy 2016 | 302-1 | Reduction of energy consumption | 101 | Energy consumption Vodafone Ukraine does not consume fuel from renewable sources. |

| Material topic | Nº | Disclosure title | Page number | References and comments |
|--|--------------|--|-------------|--|
| | 302-4 | Reduction of energy consumption | 101 | Energy consumption The base year for tracking the dynamics of energy consumption as of the end of 2022 has not been established. In this report, the dynamics of the indicator were monitored using the chain method (relative to each previous year). Vodafone Ukraine is working on establishing a base year for tracking the dynamics of the indicator in future reporting periods. |
| Water and Effluents | | | | |
| GRI 3: Material Topics 2021 | 3-3 | Management of material topics | 107 | Water use |
| GRI 303: Water and Effluents 2018 | 303-1 | Interactions with water as a shared resource | 107 | Water use |
| | 303-3 | Water withdrawal | 107 | Water use Water intake is carried out from the central water supply systems and is equal to the volume of water use. |
| | 303-4 | Water discharge | 107 | Water use The discharge of water is carried out into the municipal water drainage system. The total discharge in 2021 was 12,000 cubic meters. m, (2022 – 10.52 thousand cubic meters), of which, thousand cubic meters m: <ul style="list-style-type: none">• Kyiv (offices) – 2,66 (1,54)• Cluster Center – 2.22 (2.59)• Cluster West – 2.92 (3.06)• Cluster East – 4.20 (3.33). |
| Emissions | | | | |
| GRI 3: Material Topics 2021 | 3-3 | Management of material topics | 103-106 | Emissions of greenhouse gases and pollutants |

| Material topic | Nº | Disclosure title | Page number | References and comments |
|-----------------------------|-------|---|-------------|--|
| GRI 305: Emissions 2016 | 305-1 | Direct (Scope 1) GHG emissions | 103-106 | Emissions of greenhouse gases and pollutants The base year for tracking the dynamics of energy consumption as of the end of 2022 has not been established. In this report, the dynamics of the indicator were monitored using the chain method (relative to each previous year). Vodafone Ukraine is working on establishing a base year for tracking the dynamics of the indicator in future reporting periods. |
| | 305-2 | Energy indirect (Scope 2) GHG emissions | 103-106 | Emissions of greenhouse gases and pollutants The base year for tracking the dynamics of energy consumption as of the end of 2022 has not been established. In this report, the dynamics of the indicator were monitored using the chain method (relative to each previous year). Vodafone Ukraine is working on establishing a base year for tracking the dynamics of the indicator in future reporting periods. |
| | 305-7 | Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions | 106 | Emissions of greenhouse gases and pollutants |
| Waste | | | | |
| GRI 3: Material Topics 2021 | 3-3 | Management of material topics | 107-108 | Environmental impact Waste management |
| GRI 306: Waste 2020 | 306-2 | Management of significant waste-related impacts | 108 | |

| Material topic | Nº | Disclosure title | Page number | References and comments |
|-----------------------------|-------|--|----------------|---|
| | 306-3 | Waste generated | 108 | Waste management Information regarding the weight of waste generated in 2022 was not collected during the reporting period. Vodafone Ukraine does not generate significant waste volumes. |
| | 306-5 | Waste directed to disposal | 108 | Waste management |
| Social disclosures | | | | |
| Employment | | | | |
| GRI 3: Material Topics 2021 | 3-3 | Management of material topics | 65-77 | Personnel management, employee motivation and engagement |
| GRI 401: Employment 2016 | 401-1 | New employee hires and employee turnover | 69-70; 141-142 | Personnel management, employee motivation and engagement: Staff structure and staff turnover rate Appendix: Table 4, Table 5 |
| | 401-2 | Benefits provided to full-time employees that are not provided to temporary or part-time employees | 67-68 | Personnel management, employee motivation and engagement: Approach to employee motivation and rewards |
| | 401-3 | Parental leave | 146 | Appendix: Table 10 |
| Labor/Management Relations | | | | |
| GRI 3: Material Topics 2021 | 3-3 | Management of material topics | 65-77 | Personnel management, employee motivation and engagement: Approach to personnel management |

| Material topic | Nº | Disclosure title | Page number | References and comments |
|---|--------------|---|-------------|--|
| GRI 402: Labor/Management Relations 2016 | 402-1 | Minimum notice periods regarding operational changes | - | Notice period regarding operational changes that may have a significant influence on employees is 2 months, in accordance with the legislation of Ukraine. |
| Occupational Health and Safety | | | | |
| GRI 3: Material Topics 2021 | 3-3 | Management of material topics | 86-90 | Occupational health and safety: Our approach and occupational health and safety management systems |
| GRI 403: Occupational Health and Safety 2018 | 403-1 | Occupational health and safety management system | 86-87 | Occupational health and safety: Our approach and occupational health and safety management systems |
| | 403-2 | Hazard identification, risk assessment, and incident investigation | 88 | Occupational health and safety The company operates in accordance with the Law of Ukraine “On Personal Data Protection”. All medical information of employees is confidential. |
| | 403-3 | Occupational health services | 88-89 | Occupational health and safety: Preventing occupational diseases and injuries |
| | 403-4 | Worker participation, consultation, and communication on occupational health and safety | 86-88 | Occupational health and safety: Our approach and occupational health and safety management systems, Identification of hazards in the workplace |
| | 403-5 | Worker training on occupational health and safety | 89 | Occupational health and safety: Occupational health and safety training Trainers’ competences and the effectiveness of training are determined by the results of a questionnaire survey of trainees. |

| Material topic | Nº | Disclosure title | Page number | References and comments |
|----------------|--------------|---|-------------|--|
| | 403-6 | Promotion of worker health | 88-90 | Occupational health and safety: Preventing occupational diseases and injuries, Promoting a healthy lifestyle |
| | 403-7 | Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | 88-89 | Occupational health and safety: Preventing occupational diseases and injuries |
| | 403-8 | Workers covered by an occupational health and safety management system | 86-89 | Occupational health and safety: Our approach and occupational health and safety management systems, Preventing occupational diseases and injuries The company’s approach to contractors is specified in the order dated December 20, 2021. №AH/H-225 “On the organization of the admission of subcontractors to work at the facilities of VF Ukraine PJSC. The occupational health and safety management system has not been audited or certified by an external party. |
| | 403-9 | Work-related injuries | 88-90 | Occupational health and safety: Results of occupational health and safety activities All groups of employees are taken into account in the accounting of accidents, in accordance with the requirements of the current legislation. There were no industrial injuries among contractors. |

| Material topic | Nº | Disclosure title | Page number | References and comments |
|---|---------------|---|-------------|---|
| | | | | <p>Potential sources of hazards that pose a threat of industrial injuries are:</p> <ul style="list-style-type: none"> • failure to use personal protective equipment if available; • operation of electrical equipment; • work in cable sewer wells; • work at height; • high-altitude climbing works with the use of PPE; • loading and unloading operations with the help of machines and mechanisms. |
| | 403-10 | Work-related ill health | 88-89 | There were no registered cases of work-related illnesses among employees in 2020-2022. Workers whose workplaces were found to contain chemical factors (dust) as a result of workplace attestation for working conditions may be at risk of developing occupational diseases. |
| Training and Education | | | | |
| GRI 3: Material Topics 2021 | 3-3 | Management of material topics | 82-85 | Employees training and development: Approach to employee training |
| GRI 404: Training and Education 2016 | 404-1 | Average hours of training per year per employee | 83-84 | Employees training and development: The average duration of employee training |
| | 404-2 | Programs for upgrading employee skills and transition assistance programs | 83 | Employees training and development: Training programs for employees At the end of the career, the Group of companies can provide letters of recommendation, place information about candidates in profile sources, provide consulting support and facilitate future employment. |

| Material topic | Nº | Disclosure title | Page number | References and comments |
|--|--------------|--|-------------------------|---|
| | 404-3 | Percentage of employees receiving regular performance and career development reviews | 85 | Employees training and development: Career growth and assessment of the quality of staff work |
| Diversity and Equal Opportunity | | | | |
| GRI 3: Material Topics 2021 | 3-3 | Management of material topics | 78-81 | Diversity and human rights: Our approach to managing diversity issues and respect for human rights |
| GRI 405: Diversity and Equal Opportunity 2016 | 405-1 | Diversity of governance bodies and employees | 140-141; 143-145; 79-81 | Appendix: Table 3, 6, 7, 8, 9 Diversity and human rights: The diversity of our staff |
| | 405-2 | Ratio of basic salary and remuneration of women to men | 81; 147 | Diversity and human rights: Gender pay gap Appendix: Table 11 The Group of companies adheres to the principle of equal pay regardless of the gender. Therefore, the basic salary and remuneration of women and men are equal. Restrictions due to confidentiality The information on the ratio of base salary and remuneration of women to men in the category of employees "top management" is confidential due to the requirements of internal policies on information security and personal data protection, and its disclosure may violate the personal data of persons in this category. Accordingly, such information is not disclosed publicly. |
| Non-discrimination | | | | |
| GRI 3: Material Topics 2021 | 3-3 | Management of material topics | 78-79 | Diversity and human rights |

| Material topic | Nº | Disclosure title | Page number | References and comments |
|---|--------------|--|-------------|--|
| GRI 406: Non-discrimination 2016 | 406-1 | Incidents of discrimination and corrective actions taken | 79 | In 2021-2022 there were no registered incidents of discrimination. |
| Freedom of Association and Collective Bargaining | | | | |
| GRI 3: Material Topics 2021 | 3-3 | Management of material topics | 78-79 | Diversity and human rights |
| GRI 407: Freedom of Association and Collective Bargaining 2016 | 407-1 | Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk | - | In 2020-2022 there were not identified departments or suppliers at significant risk for breaching the right to freedom of association and collective bargaining. |
| Child Labor | | | | |
| GRI 3: Material Topics 2021 | 3-3 | Management of material topics | 78-79 | Diversity and human rights |
| GRI 408: Child Labor 2016 | 408-1 | Operations and suppliers at significant risk for incidents of child labor | - | In 2020-2022 there were no identified departments or suppliers at significant risk for incidents of child labor. |
| Forced or Compulsory Labor | | | | |
| GRI 3: Material Topics 2021 | 3-3 | Management of material topics | 78-79 | Diversity and human rights |
| GRI 409: Forced or Compulsory Labor 2016 | 409-1 | Operations and suppliers at significant risk for incidents of forced or compulsory labor | - | In 2020-2022 there were no identified departments or suppliers at significant risk for incidents of forced or compulsory labor. |

| Material topic | Nº | Disclosure title | Page number | References and comments |
|---|--------------|--|-------------|---|
| Security Practices | | | | |
| GRI 3: Material Topics 2021 | 3-3 | Management of material topics | 78-79 | Diversity and human rights: Equality, diversity and human rights training |
| GRI 410: Security Practices 2016 | 410-1 | Security personnel trained in human rights policies or procedures | 79 | Diversity and human rights: Equality, diversity and human rights training |
| Local Communities | | | | |
| GRI 3: Material Topics 2021 | 3-3 | Management of material topics | 91-98 | Interaction with communities, social and charity projects |
| GRI 413: Local Communities 2016 | 413-1 | Operations with local community engagement, impact assessments, and development programs | 93-98 | Interaction with communities, social and charity projects Digital projects and innovations – the information in this section does not include data for 2022, as digital and innovative projects did not develop in that year due to Russia's full-scale invasion of Ukraine. Assessment of the social and environmental impacts of the Group of companies' activities on local communities in 2022 was not carried out. |
| | 413-2 | Operations with significant actual and potential negative impacts on local communities | - | In 2021-2022 there were no registered cases in the Group of companies' operations with significant actual and potential negative impacts on local communities. |
| Supplier Social Assessment | | | | |
| GRI 3: Material Topics 2021 | 3-3 | Management of material topics | 60-62 | Supply chain and procurement: Our approach to procurement management |

| Material topic | Nº | Disclosure title | Page number | References and comments |
|---|--------------|---|-------------|--|
| GRI 414: Supplier Social Assessment 2016 | 414-1 | New suppliers that were screened using social criteria | 61-62 | Supply chain and procurement: Evaluation of suppliers and requirements for them |
| Public Policy | | | | |
| GRI 3: Material Topics 2021 | 3-3 | Management of material topics | 27-30 | Corporate ethics |
| GRI 415: Public Policy 2016 | 415-1 | Political contributions | - | According to the Code of Conduct, Vodafone Ukraine does not give gifts or make contributions to political parties and not interfere into political parties' matters. |
| Customer Health and Safety | | | | |
| GRI 3: Material Topics 2021 | 3-3 | Management of material topics | 57-59; 39 | Data confidentiality and information security Infrastructure and network: Approach to managing network and infrastructure development |
| GRI 416: Customer Health and Safety 2016 | 416-1 | Assessment of the health and safety impacts of product and service categories | 59 | Data confidentiality and information security: Communication with stakeholders on information security issues In the field of providing communication services, there are legislative norms regulating the level of radiation. Compliance with such norms is checked by regulatory authorities during the start-up and operation of the base stations. |
| | 416-2 | Incidents of non-compliance concerning the health and safety impacts of products and services | 59 | Data confidentiality and information security: Communication with stakeholders on information security issues There were no cases of non-compliance of the Group of companies' products and services |

| Material topic | Nº | Disclosure title | Page number | References and comments |
|---|--------------|--|-------------|---|
| | | | | with mandatory or voluntary standards and requirements regarding the impact of products on the health and safety of customers in 2021-2022. |
| Marketing and Labeling | | | | |
| GRI 3: Material Topics 2021 | 3-3 | Management of material topics | 53-56 | Responsible marketing: Approach to marketing management |
| GRI 417: Marketing and Labeling 2016 | 417-1 | Requirements for product and service information and labeling | 55 | Responsible marketing: Product labeling |
| | 417-2 | Incidents of non-compliance concerning product and service information and labeling | 55 | Responsible marketing: Product labeling |
| | 417-3 | Incidents of non-compliance concerning marketing communications | 55 | Responsible marketing: Product labeling |
| Customer Privacy | | | | |
| GRI 3: Material Topics 2021 | 3-3 | Management of material topics | 57-58 | Data confidentiality and information security: Policies and approaches to data privacy and information security |
| GRI 418: Customer Privacy 2016 | 418-1 | Substantiated complaints concerning breaches of customer privacy and losses of customer data | 59 | Data confidentiality and information security: Communication with stakeholders on information security issues |

Appendix

In this appendix, data for 2022 covers the entire Vodafone Ukraine company, including Vega Telecom, which Vodafone Ukraine acquired in 2021. Data for 2020-2021 does not include Vega Telecom as it has not been part of the Group of Companies during these calendar years.

Table 1. Number of employees by type of employment contract in 2020-2022 (as of year-end), persons⁴⁹

| Type of employment contract | Gender | 2020 | 2021 | 2022 |
|-------------------------------|--------------|--------------|--------------|--------------|
| Total, including: | | 3,534 | 3,397 | 3,775 |
| Permanent employment contract | Male | 2,011 | 1,851 | 2,128 |
| | Female | 1,519 | 1,540 | 1,531 |
| | Total | 3,530 | 3,391 | 3,659 |
| Temporary employment contract | Male | 4 | 6 | 38 |
| | Female | 0 | 0 | 78 |
| | Total | 4 | 6 | 116 |

⁴⁹ The number of employees is reported here in terms of full-time equivalent (FTE) actual headcount as of the end of the calendar year. The indicator includes all actually employed workers, including those on maternity leave and mobilized persons. In case of replacement of jobs of persons on maternity leave by other employees, double calculation was not carried out.

⁵⁰ The number of employees on parental leave for 2020 differs from the data of the Vodafone Ukraine Annual Report on Sustainable Development for 2020, as a different calculation methodology was applied in 2022.

Table 2. Number of employees by type of employment in 2020-2022 (as of year-end), persons

| Type of employment | Gender | 2020 | 2021 | 2022 |
|--|--------------|--------------|--------------|--------------|
| Total, including: | | 3,534 | 3,397 | 3,775 |
| Full-time | Male | 2,007 | 1,794 | 2,132 |
| | Female | 1,473 | 1,407 | 1,514 |
| | Total | 3,480 | 3,201 | 3,646 |
| Part-time | Male | 8 | 61 | 32 |
| | Female | 4 | 88 | 58 |
| | Total | 12 | 149 | 90 |
| Employees on parental leave and unreplaced ⁵⁰ | Male | 0 | 0 | 2 |
| | Female | 42 | 47 | 37 |
| | Total | 42 | 47 | 39 |

Table 3. Number of employees by gender, age and regions in 2020-2022 (as of the end of the year), persons

| Indicator | 2020 | 2021 | 2022 |
|--------------------------|--------------|--------------|--------------|
| Total, including: | 3,534 | 3,397 | 3,775 |
| By gender | | | |
| Male | 2,015 | 1,857 | 2,166 |
| Female | 1,519 | 1,540 | 1,609 |
| By age | | | |
| up to 30 years | 1,156 | 1,015 | 921 |
| 30-50 years | 2,083 | 2,054 | 2,298 |
| more than 50 years | 295 | 328 | 556 |

| Indicator | 2020 | 2021 | 2022 |
|---------------------|-------|-------|-------|
| By region | | | |
| Headquarters (Kyiv) | 1,832 | 2,042 | 2,099 |
| Centre | 632 | 524 | 752 |
| West | 426 | 305 | 348 |
| East | 644 | 526 | 410 |
| North | 0 | 0 | 104 |
| South | 0 | 0 | 62 |

Table 4. Number of hired and dismissed employees in 2020-2022, persons

| Indicator | | Number of hired employees | | | Number of dismissed employees | | |
|--------------------------|---------------------|---------------------------|------------|------------|-------------------------------|--------------|------------|
| | | 2020 | 2021 | 2022 | 2020 | 2021 | 2022 |
| Total, including: | | 654 | 927 | 714 | 1 160 | 1 113 | 909 |
| By gender | Male | 370 | 439 | 359 | 678 | 601 | 382 |
| | Female | 284 | 488 | 355 | 482 | 512 | 527 |
| By age | up to 30 years | 425 | 706 | 499 | 794 | 675 | 534 |
| | 30-50 years | 216 | 209 | 198 | 346 | 408 | 331 |
| | more than 50 years | 13 | 12 | 17 | 20 | 30 | 44 |
| | | | | | | | |
| By region | Headquarters (Kyiv) | 276 | 588 | 446 | 277 | 511 | 507 |
| | Centre | 171 | 158 | 124 | 395 | 222 | 182 |
| | West | 60 | 55 | 57 | 174 | 157 | 63 |
| | East | 147 | 126 | 60 | 314 | 223 | 122 |
| | North | 0 | 0 | 19 | 0 | 0 | 30 |
| | South | 0 | 0 | 8 | 0 | 0 | 5 |

Table 5. Staff turnover rate by gender, age and regions in 2020-2022, %

| Indicator | VF Ukraine PrJSC | | | VF Retail LLC | | | LLC "ITSF" | | | PJSC "Farlep-Invest" | |
|--------------------------|------------------|--------------|--------------|--------------------|--------------|--------------|--------------|--------------|-------------|----------------------|--------------|
| | 2020 | 2021 | 2022 | 2020 ⁵¹ | 2021 | 2022 | 2020 | 2021 | 2022 | 2021 | 2022 |
| Total, including: | 10.9% | 16.3% | 19.8% | 50.0% | 51.2% | 36.1% | 16.9% | 17.2% | 9.2% | 13.6 % | 10.4% |
| By gender | | | | | | | | | | | |
| Male | 4.8% | 7.6% | 7.5% | 29.9% | 30.0% | 16.0% | 15.3% | 15.5% | 6.2% | 7.8% | 9.2% |
| Female | 6.1% | 8.7% | 12.3% | 20.1% | 21.2% | 20.1% | 1.7% | 1.7% | 3.1% | 5.8% | 12.4% |
| By age | | | | | | | | | | | |
| up to 30 years | 4.3% | 9.8% | 13.0% | 41.3% | 34.9% | 22.8% | 5.1% | 6.9% | 1.5% | 3.4% | 34.4% |
| 30-50 years | 6.1% | 6.3% | 6.2% | 8.5% | 15.3% | 12.5% | 10.3% | 10.3% | 6.2% | 7.4% | 8.7% |
| more than 50 years | 0.5% | 0.3% | 0.5% | 0.2% | 1.0% | 0.8% | 1.7% | 0.0% | 1.5% | 2.8% | 7.6% |
| By region | | | | | | | | | | | |
| Head-quarters (Kyiv) | 8.1% | 14.2% | 17.2% | 1.9% | 7.9% | 1.8% | - | - | - | 7.2% | 11.2% |
| Centre | 1.6% | 0.8% | 1.4% | 21.9% | 18.4% | 15.2% | - | - | - | 4.9% | 9.4% |
| West | 0.3% | 0.7% | 0.4% | 8.7% | 8.7% | 5.7% | - | - | - | 0.4% | 12.4% |
| East | 0.9% | 0.6% | 0.7% | 17.5% | 16.3% | 13.4% | - | - | - | - | 0.0% |
| North | - | - | - | 0.0% | - | 0.0% | - | - | - | - | 14.8% |
| South | - | - | - | 0.0% | - | 0.0% | - | - | - | 1.1% | 3.3% |

⁵¹ The staff turnover rates of VF Retail LLC and ITSF LLC for 2020 differ from the data of Vodafone Ukraine's 2020 Annual Sustainability Report, as a different calculation methodology was used in 2022.

Table 6. Number of employees by age and position categories in 2020-2022, persons

| Category of employees | Gender | 2020 | 2021 | 2022 |
|--------------------------|--------------|--------------|--------------|--------------|
| Total, including: | | 3,534 | 3,397 | 3,775 |
| Senior management | Male | 9 | 7 | 8 |
| | Female | 7 | 6 | 4 |
| | Total | 16 | 13 | 12 |
| Other employees | Male | 2,006 | 1,850 | 2,158 |
| | Female | 1,512 | 1,534 | 1,605 |
| | Total | 3,518 | 3,384 | 3,763 |

Table 7. Number of employees by age and position categories in 2020-2022, persons

| Category of employees | Age | 2020 | 2021 | 2022 |
|--------------------------|--------------------|--------------|--------------|--------------|
| Total, including: | | 3,534 | 3,397 | 3,775 |
| Senior management | up to 30 years | 0 | 0 | 0 |
| | 30-50 years | 15 | 11 | 11 |
| | more than 50 years | 1 | 2 | 1 |
| | Total | 16 | 13 | 12 |
| Other employees | up to 30 years | 1,156 | 1,015 | 921 |
| | 30-50 years | 2,068 | 2,043 | 2,287 |
| | more than 50 years | 294 | 326 | 555 |
| | Total | 3,518 | 3,384 | 3,763 |

Table 8. Number of representatives of corporate governance bodies by gender in 2020-2022, persons

| Indicator | 2020 | | | 2021 | | | 2022 | | |
|-------------------------------------|-------------------|------|--------|-------------------|------|--------|-------------------|------|--------|
| | Total, including: | Male | Female | Total, including: | Male | Female | Total, including: | Male | Female |
| VF Ukraine PrJS | | | | | | | | | |
| Supervisory Board | 6 | 6 | 0 | 7 | 7 | 0 | 6 | 6 | 0 |
| Members of the Inspection Committee | 3 | 2 | 1 | 3 | 2 | 1 | 3 | 2 | 1 |
| Audit Committee | 3 | 3 | 0 | 3 | 3 | 0 | 3 | 3 | 0 |
| VF Retail LLC | | | | | | | | | |
| Supervisory Board | 4 | 2 | 2 | 4 | 3 | 1 | 4 | 3 | 1 |
| Members of the Inspection Committee | 3 | 2 | 1 | 3 | 2 | 1 | 4 | 2 | 1 |
| Audit Committee | - | - | - | - | - | - | - | - | - |
| ITSF LLC | | | | | | | | | |
| Supervisory Board | 4 | 2 | 2 | 5 | 3 | 2 | 5 | 3 | 2 |
| Members of the Inspection Committee | - | - | - | - | - | - | - | - | - |
| Audit Committee | - | - | - | - | - | - | - | - | - |
| Farlep-Invest PrJSC | | | | | | | | | |
| Supervisory Board | - | - | - | 3 | 2 | 1 | 5 | 3 | 2 |
| Members of the Inspection Committee | - | - | - | 0 | - | - | 0 | - | - |
| Audit Committee | - | - | - | 3 | 2 | 1 | 3 | 2 | 1 |

Table 9. Number of representatives of corporate governance bodies by age in 2020-2022, persons

| Indicator | 2020 | | | 2021 | | | 2022 | | |
|-------------------------------------|----------------|-------------|--------------------|----------------|-------------|--------------------|----------------|-------------|--------------------|
| | Up to 30 years | 30-50 years | More than 50 years | Up to 30 years | 30-50 years | More than 50 years | Up to 30 years | 30-50 years | More than 50 years |
| VF Ukraine PrJS | | | | | | | | | |
| Supervisory Board | 0 | 2 | 4 | 0 | 3 | 4 | 0 | 3 | 3 |
| Members of the Inspection Committee | 1 | 2 | 0 | 1 | 2 | 0 | 0 | 3 | 0 |
| Audit Committee | 1 | 1 | 1 | 1 | 1 | 1 | 0 | 1 | 2 |
| VF Retail LLC | | | | | | | | | |
| Supervisory Board | 0 | 4 | 0 | 0 | 4 | 0 | 0 | 4 | 0 |
| Members of the Inspection Committee | 0 | 3 | 0 | 0 | 3 | 0 | 0 | 3 | 0 |
| Audit Committee | - | - | - | - | - | - | - | - | - |
| ITSF LLC | | | | | | | | | |
| Supervisory Board | 0 | 4 | 0 | 0 | 5 | 0 | 0 | 4 | 1 |
| Members of the Inspection Committee | - | - | - | - | - | - | - | - | - |
| Audit Committee | - | - | - | - | - | - | - | - | - |
| Farlep-Invest PrJSC | | | | | | | | | |
| Supervisory Board | - | - | - | - | 2 | 1 | - | 4 | 1 |
| Members of the Inspection Committee | - | - | - | 0 | - | - | - | - | - |
| Audit Committee | - | - | - | - | 2 | 1 | - | 3 | - |

Table 10. Number of employees who took parental leave and returned to work in 2020-2022, persons

| Indicator | 2020 | | 2021 | | 2022 | |
|--|------|--------|------|--------|------|--------|
| | Male | Female | Male | Female | Male | Female |
| Number of employees entitled to parental leave in the reporting year | 113 | 172 | 84 | 144 | 64 | 115 |
| Number of employees who took parental leave in the reporting year | 0 | 110 | 0 | 114 | 0 | 94 |
| Number of employees who had to return to work after the end of parental leave in the reporting year | 93 | | 89 | | 79 | |
| Of these, in the reporting year, who actually returned to work after the end of parental leave ⁵² | 38 | | 46 | | 36 | |
| Number of employees who returned to work after the end of parental leave in the previous reporting year | 39 | | 38 | | 46 | |
| Of them, those who during the next 12 months (i.e. as of any period in the reporting year) did not leave the Group and remained to work in the Group ⁵³ | 19 | | 5 | | 38 | |

⁵² The share of employees who returned to work is 46% in 2022, 52% in 2021, 41% in 2020.

⁵³ The retention rate for employees in the workplace for 12 months after returning from parental leave is 83% in 2022, 13% in 2021, 49% in 2020.

Table 11. The ratio of the average basic wage and additional remuneration of women to the average basic wage and remuneration of men in 2020-2022, %

| Year | Employee category | Total for a base salary and additional remuneration |
|----------------------------|-------------------------------|---|
| VF Ukraine PrJS | | |
| 2021 | All employees | 94.0% |
| | Other employees | 95.0% |
| 2022 | All employees, including: | 91.2% |
| | Other employees ⁵⁴ | 81.5% |
| VF Retail LLC | | |
| 2021 | All employees | 91.0% |
| | Other employees | 87.0% |
| 2022 | All employees, including: | 92.9% |
| | Other employees | 86.4% |
| ITSF LLC | | |
| 2021 | All employees | 76.0% |
| | Other employees | 78.0% |
| 2022 | All employees, including: | 88.7% |
| | Other employees | 97.5% |
| Farlep-Invest PrJSC | | |
| 2021 | All employees | - |
| | Other employees | - |
| 2022 | All employees, including: | 82.2% |
| | Other employees | 84.0% |

⁵⁴ The category «other employees» refers to all employees of the Group, excluding top management employees.

Table 12. The ratio of the standard starting salary of employees to the minimum salary established by law in 2020-2022, %

| Indicator | | VF Ukraine PrJS | | VF Retail LLC | | ITSF LLC | | Farlep-Invest PrJSC | |
|---------------|---------------------|-----------------|------|---------------|------|----------|------|---------------------|------|
| | | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 |
| All employees | | 190% | 184% | 200% | 200% | 570% | 641% | 123% | 119% |
| By gender | Male | 190% | 184% | 200% | 200% | 570% | 641% | 123% | 119% |
| | Female | 190% | 184% | 200% | 200% | 570% | 641% | 123% | 119% |
| By region | Headquarters (Kyiv) | 190% | 184% | - | - | - | - | - | - |
| | Centre | 363% | 452% | - | - | - | - | - | - |
| | West | 296% | 349% | - | - | - | - | - | - |
| | East | 342% | 422% | - | - | - | - | - | - |
| | North | - | - | - | - | - | - | - | - |
| | South | - | - | - | - | - | - | - | - |

Table 13. The average number of training hours per employee in 2020-2022

| Category of employees | The average number of hours of training per employee ⁵⁵ | | |
|-------------------------------|--|------|------|
| | 2020 | 2021 | 2022 |
| All employees, including: | 3.4 | 13.6 | 15.9 |
| Male | 2.3 | 12.5 | 12.7 |
| Female | 4.9 | 14.9 | 20.5 |
| Senior management, including: | 13.1 | 10.3 | 2.5 |
| Male | 10.7 | 7.9 | 3.8 |
| Female | 16.3 | 14.0 | 0.0 |
| Other employees, including: | 3.3 | 13.6 | 16.0 |
| Male | 2.2 | 12.5 | 12.8 |
| Female | 4.8 | 14.9 | 20.6 |

⁵⁵ The calculation of the average number of hours of training per employee includes compulsory training, advanced training and skills development.

Table 14. Created economic value in 2020-2022, thousand UAH⁵⁶

| Indicator | 2020 | 2021 | 2022 |
|--|------------|------------|------------|
| 1. Direct economic value created: | 18,142,407 | 20,144,755 | 19,824,428 |
| Revenue from the sale of services and products | 18,142,407 | 20,144,755 | 19,824,428 |
| 2. Direct economic value distributed: | 16,941,417 | 16,313,207 | 18,724,074 |
| Operating costs, net position | 8,314,517 | 9,234,689 | 9,077,151 |
| • including employee salaries and bonuses, etc ⁵⁷ | 1,637,751 | 2,159,440 | 2,526,821 |
| • including losses caused as a result of war | - | - | 670,981 |
| Depreciation | 4,800,619 | 4,989,579 | 4,231,069 |
| Non-operating expenses, net position | 3,431,502 | 1,133,351 | 5,075,459 |
| Income tax accrued (current and deferred) | 394,779 | 955,588 | 340,395 |
| 3. Economic value preserved | 1,200,990 | 3,831,548 | 1,100,354 |

⁵⁶ Information on the created economic value is collected in accordance with the data of the audited financial statements.
⁵⁷ The values of operating expenses for employee salaries and bonuses, bonuses for 2020 differ from the data of the Annual Report on Sustainable Development of Vodafone Ukraine for 2020, since a different calculation methodology was used in 2022.



Independent Limited Assurance Report

To the management of Private Joint Stock Company "VF Ukraine":

Introduction

We have been engaged by the management of Private Joint Stock Company "VF Ukraine" (the "Company") to provide limited assurance on the selected information described below and included in the Sustainability Report of the Company and its subsidiaries (the "Group") for the year ended 31 December 2022 (hereinafter – the "Sustainability Report").

Description of the subject matter and applicable criteria

We assessed the quantitative information specified in Appendix 1 to this report, that is disclosed in the Sustainability Report and referred to or disclosed in the GRI content index of the Sustainability Report (hereinafter – the "Selected Information"). The Selected Information has been prepared in accordance with GRI Sustainability Reporting Standards published by the Global Reporting Initiative (GRI) (hereinafter – the "GRI Standards").

The Selected information represents information related to the Group as indicated in the section "About Vodafone Ukraine" of the Sustainability Report.

The scope of our assurance procedures was limited to the Selected Information for the year ended 31 December 2022 only. We have not performed any procedures with respect to earlier periods or any other items included in the Sustainability Report and, therefore, do not express any conclusion thereon.

We assessed the Selected Information using reporting requirements in the GRI Standards and methodology and guidelines developed by the Group and disclosed in the Sustainability Report (hereinafter – the "Reporting Criteria"). We believe that the Reporting Criteria are appropriate given the purpose of our limited assurance engagement.

Responsibilities of the management of the Group

The management of the Group is responsible for:

- designing, implementing and maintaining internal control relevant to the preparation of the Selected Information that is free from material misstatement, whether due to fraud or error;
- establishing internal methodology and guidelines for preparing and reporting the Selected Information in accordance with the Reporting Criteria;
- preparing, measuring and reporting of the Selected Information in accordance with the Reporting Criteria; and
- the accuracy, completeness and presentation of the Selected Information.



Our responsibility

We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the Selected Information is free from material misstatement, whether due to fraud or error;
- forming an independent limited assurance conclusion, based on the procedures we have performed and the evidence we have obtained; and
- reporting our conclusion to the management of the Group.

We performed the limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements other than Audits and Reviews of Historical Financial Information" and, in respect of greenhouse gas emissions, International Standard on Assurance Engagements 3410 "Assurance Engagements on Greenhouse Gas Statements", issued by the International Auditing and Assurance Standards Board.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Quality control requirements and professional ethics

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour and the ethical requirements of the Law on Audit of Financial Statements and Auditing that are relevant to our limited assurance engagement.

Our firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Summary of the work performed

We are required to plan and perform our work in order to consider the risk of material misstatement of the Selected Information. In doing so, we:

- made enquiries of the management of the Group, including the Strategy Planning and Special Projects team and those with responsibility for sustainability reporting;
- conducted interviews of personnel responsible for the preparation of the Sustainability Report and collection of underlying data;
- performed analysis of the relevant internal methodology and guidelines, gaining an understanding of the design of the key structures, systems, processes and controls for managing, recording, preparing and reporting the Selected Information; and



- performed limited substantive testing on a selective basis of the Selected Information to check that data had been appropriately measured, recorded, collated and reported.

Inherent Limitations

Under the Reporting Criteria there is a range of different, but acceptable, measurement and reporting techniques. The techniques can result in materially different reporting outcomes that may affect comparability with other organisations. The Selected Information should therefore be read in conjunction with the methodology used by management as described in the Sustainability Report, and for which the Group is solely responsible.

Our conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Selected Information for the year ended 31 December 2022 has not been prepared, in all material respects, in accordance with the Reporting Criteria.

Restrictions of use and distribution

This report, including our conclusion, has been prepared solely for the management of the Group in accordance with the agreement between us, to assist the management of the Group in reporting on the Group's sustainability performance and activities.

We permit this report to be disclosed in the Sustainability Report, which will be published on the Company's website¹, to assist the management of the Group in responding to their governance responsibilities by obtaining an independent limited assurance report in connection with the Selected Information. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the management of the Company and the Company for our work or this report except where the respective terms are expressly agreed in writing and our prior consent in writing is obtained.

LLC AF "Prizemakehousecoopers (Audit)"

Kyiv,

7 April 2023

¹ The maintenance and integrity of the Group's website is the responsibility of management; the work carried out by us does not involve consideration of these matters and, accordingly, we accept no responsibility for any changes that may have occurred to the reported Selected Information or Reporting Criteria when presented on the Group's website.



Appendix 1 to the Independent Limited Assurance Report

The Selected Information subject to limited assurance procedures and prepared in accordance with the GRI Standards is set out below:

| GRI disclosure and related description |
|---|
| 203-1 Infrastructure investments and services supported; |
| 204-1 Proportion of spending on local suppliers; |
| 302-1 Energy consumption within the organization; |
| 305-1 Direct (Scope 1) GHG emissions; |
| 305-2 Energy indirect (Scope 2) GHG emissions; |
| 404-1 Average hours of training per year per employee; |
| 405-2 Ratio of basic salary and remuneration of women to men. |

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