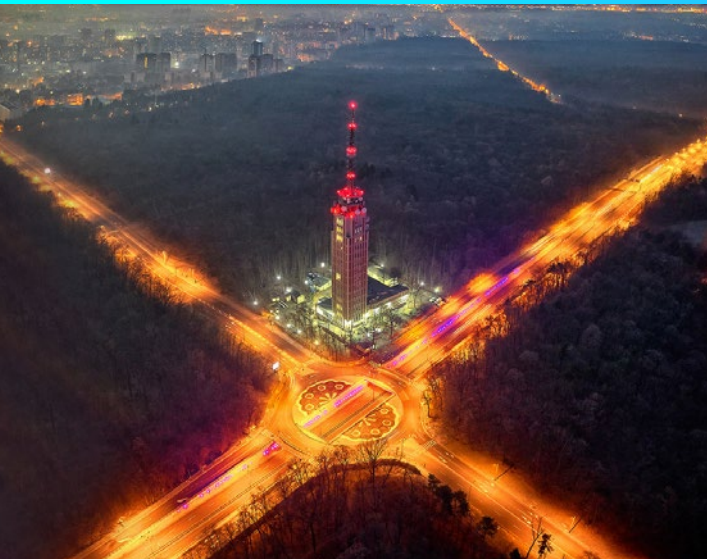


VIVACOM



15 years of success

SUSTAINABILITY REPORT | 2023

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About this report

Our 2023 sustainability report, published on December, 2024, is our 7th non-financial report¹. At Vivacom, sustainability means enhancing the quality of life through our services in a responsible way.

This document signifies Vivacom's first sustainability report as a part of United Group. The report reflects our voluntary commitment to transparency, even in the absence of mandatory reporting obligations. The report is forward-looking, considering the provisions of the newly enacted Corporate Sustainability Reporting (CSRD) Directive 2022/2464/EU.

The data within this report encompasses Vivacom's outcomes and ESG initiatives for the period from January 1 to December 31, 2023. Developed in 2024, the report also includes a significant milestone for this year - our 15th anniversary. We believe that the reflections and assessments conducted in honor of this anniversary are of great importance to our stakeholders and merit inclusion alongside our sustainability accomplishments.

For more information on this Report, please contact:

Evgeniya Pavlova
ESG Manager,

email: Evgeniya.Pavlova@vivacom.bg

1. 7 is the number of non-financial reports - both integrated and only sustainability reports

CEO's forward



Dear Readers and Stakeholders,

Welcome to our Sustainability Report.

I am thrilled to present Vivacom's 2023 Sustainability Report – a comprehensive overview of our commitment to responsible business practices and the transformative impact we have had on Bulgaria's digital landscape. This report illustrates how we are enhancing the quality of life through connectivity and driving the digital transformation of our society. At Vivacom, our mission is to consistently deliver exceptional service while pursuing innovative initiatives that shape a sustainable future.

As innovators, we are committed to not only meeting today's challenges but also preparing for tomorrow's opportunities. This report exemplifies our dedication, showcasing our vision, core values, and unwavering efforts to lead with purpose.

Technological Leadership

In the ever-evolving world of telecommunications, leadership is defined by innovation. Staying competitive requires being at the forefront of cutting-edge technology and bringing next-generation solutions to life. At Vivacom, we have consistently held this position in Bulgaria for over two decades by making strategic investments in our network infrastructure and pioneering advancements in technology.

By staying ahead of the curve, we ensure our customers enjoy the best connectivity and services available. Our leadership extends beyond technology—it's about delivering meaningful, state-of-the-art solutions that improve lives and set new industry standards.

Improving Quality of Life

Connectivity has become the backbone of modern life, enabling seamless communication, access to vital information, and the efficiency of real-time services. It powers advancements in telemedicine, remote work, online education, and smart home technologies, bridging gaps and bringing people together regardless of physical distance.

At Vivacom, we understand the profound role connectivity plays in fostering economic growth, promoting social inclusion, and improving personal well-being. By leveraging technology and innovation, we are building a more inclusive, informed, and resilient society. Our commitment extends beyond providing services—we aim to empower individuals and communities, ensuring sustainable growth for all.

Investments in technology

As the successor to incumbent telecommunications, Vivacom manages one of the country's largest network. Transforming this extensive infrastructure to meet 21st-century standards is a challenge, but it also

provides a unique opportunity to deliver unmatched coverage with state-of-the-art technology.

Currently, over 2 million consumers alone use 5.5 million telecom services from Vivacom. By the end of 2026, our 5G network will cover 90% of the population.

We have invested over 700 million BGN in the development of the largest 10 GIGA fiber network with coverage of 1.5 million households.

By seamlessly integrating fixed and mobile networks, we meet and exceed customer expectations. Our innovative EON TV platform is a prime example of our dedication to service excellence, with its rapid expansion and growing subscriber base reflecting our unwavering commitment to delivering premium-quality entertainment.

Environmental Goals

The telecommunications industry is rapidly advancing, reaching every corner of the globe. However, each leap forward in technology brings increased data transmission needs, requiring additional infrastructure and energy. At Vivacom, we recognize our responsibility to minimize the environmental impact of our operations.

We work tirelessly to enhance energy efficiency, optimize resource utilization, and reduce our carbon footprint across all business activities, products, and services. Our efforts reflect our belief that technological progress should go hand in hand with environmental stewardship, ensuring a sustainable future for generations to come.

Thank you for joining us on this journey toward a more connected, inclusive, and sustainable world.

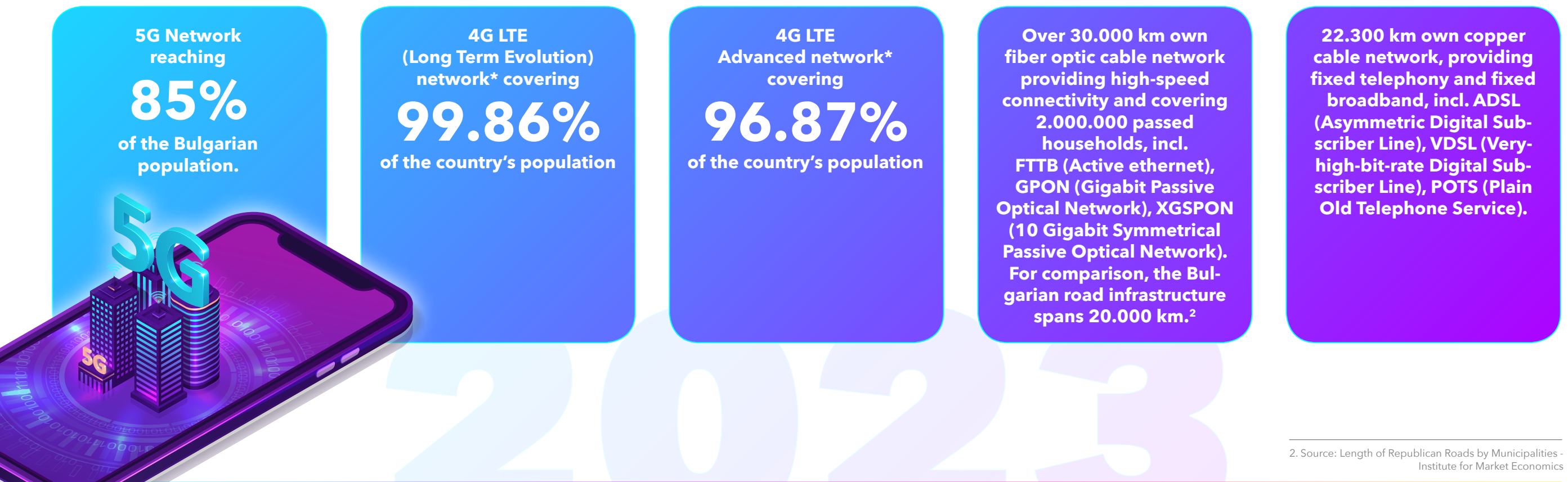
Nikolai Andreev
Chief Executive Officer
Vivacom

About Vivacom

Vivacom is an integrated telecommunications company in Bulgaria. Founded at the dawn of the mass communication era (former Bulgarian Telecommunications Company) - in the days of postal services, telegraph and telephone - today our company offers cutting-edge technology for communication solutions that help people stay connected: fixed and mobile voice services, high-speed mobile and fixed broadband, and Pay TV. As of 2023, Vivacom is among the top employers in Bulgaria, with a total of 4.475 employees.

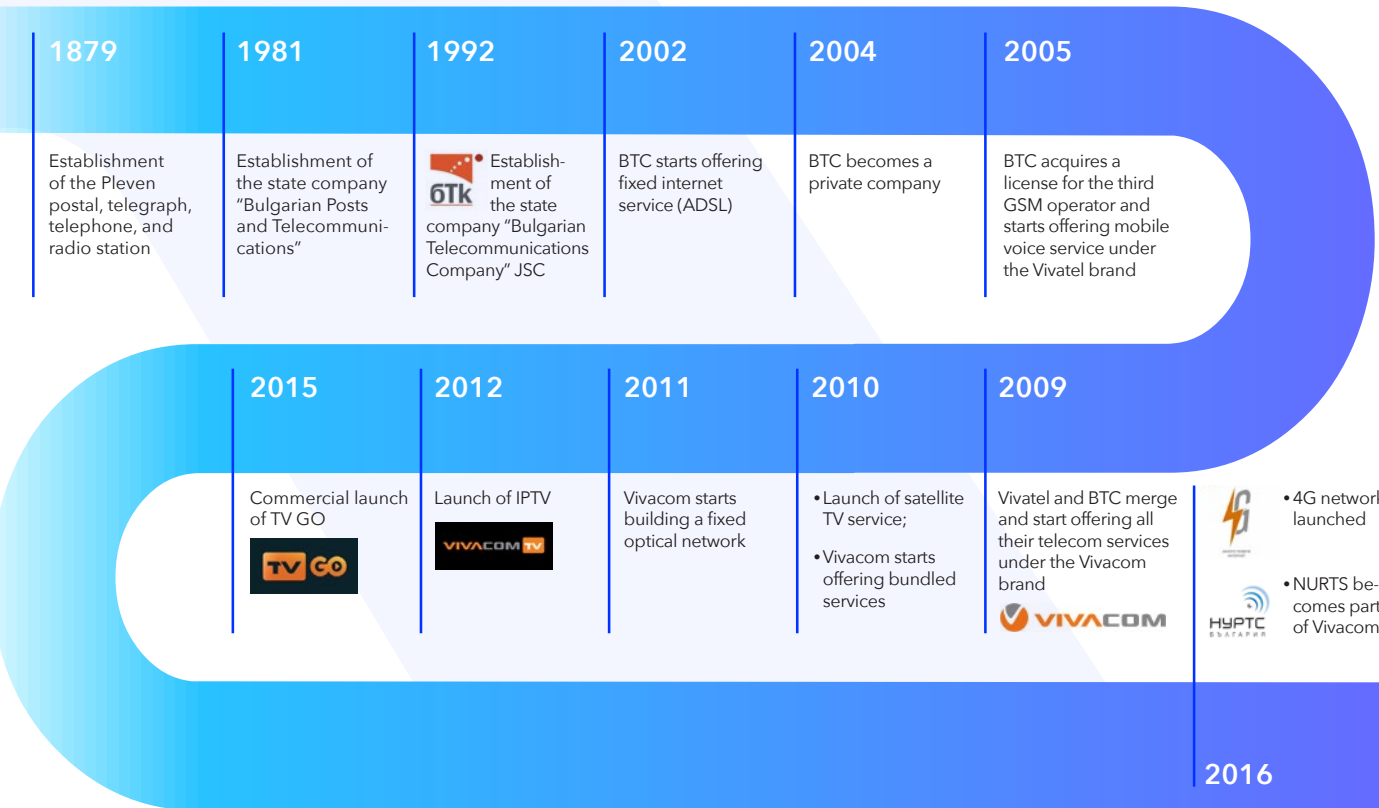
Our company is a leading telecom operator which converged solutions are provided all over the country through fiber, copper and satellite infrastructure, a mobile network and public Internet. We operate interconnected international networking hub, a centralized network management facility, and the national extensive real-time data processing and storage center. Vivacom's proprietary infrastructure in 2023 encompasses:

In 2020, Vivacom became part of United Group, a leading telecommunication, and media operator in Southeast Europe. This acquisition further strengthened Vivacom's position, connecting it to a broader network of customers and resources across the region. Today, Vivacom is recognized as a leader in the Bulgarian telecommunications market, offering a wide range of innovative solutions for both private and business clients.



2. Source: Length of Republican Roads by Municipalities - Institute for Market Economics

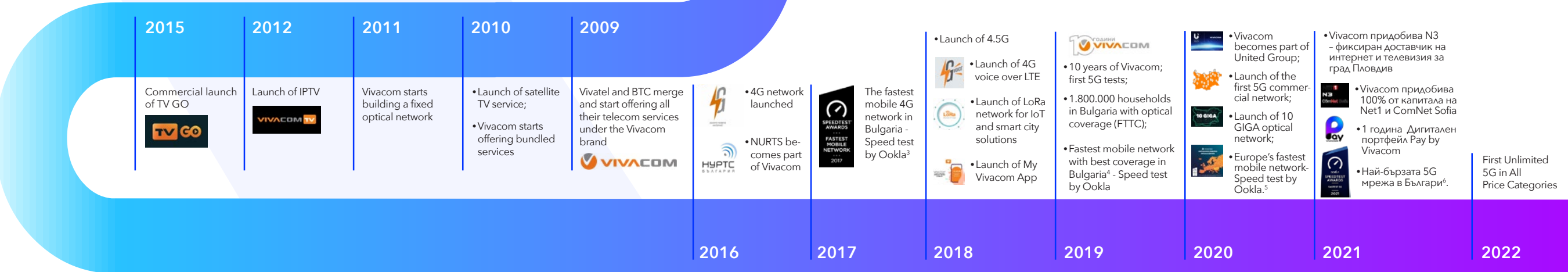
Our growth story



United Group

United Group is the leading telecommunications and media group in Southeastern Europe. Operating across eight countries with about 15.000 employees, the Group achieves an annual revenue of c. €2,79 billion (in 2023). In the telecommunications sector, more than 5.35 million households and more than 7.49 million mobile subscribers benefit from the largest FTTH (Fiber to the Home) network in Southeastern Europe, intensive investments in United Group's 5G network, and state-of-the-art fixed and mobile connectivity. Under the United Fiber brand, the Group consolidates its fixed infrastructure asset portfolio to further accelerate and strengthen its investments in EU-based countries by creating strong synergies and bringing its investment capabilities to the next level. United Group's entire infrastructure wholesale activities including voice, data, mobile and roaming are managed by UGI Wholesale. The Group's in-house tech stack company and innovation center United Cloud is driving the regional transformative shift in entertainment and telecommunications with products such as its next generation video platform EON.

United Group's media arm, United Media, produces and distributes compelling TV content, with major sports, news and entertainment formats, reaching a vast audience of 40 million people through its market-leading free-to-air channels complemented by a compelling portfolio of Pay-TV channels. With a current capacity of producing over 40.000 hours of original local content annually, United Media manages 60 TV channels, 40 web and trusted news portals, more than 10 print editions and radio stations.



United Group invested more than 350 million euro in networks, products and services, as well as in the acquisition of several Internet service providers in Vivacom.

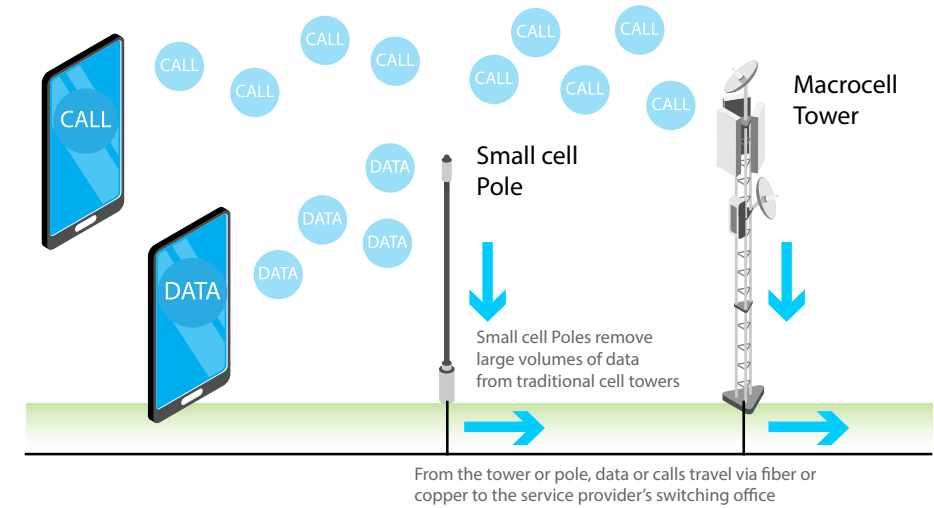
3. Source: [Integrated annual report 2017](#) | 4. Source: [Integrated annual report 2019](#) | 5. Source: [Annual Report 2020](#) | 6. According to an analysis by Ookla®, based on data from Speedtest Intelligence® for the period from July 1 to December 31, 2021, valid only for the fastest 5G network. The trademarks of Ookla® are used with permission.

Our Business

Telecom is an asset-intensive business which requires substantial investments. The necessary infrastructure to operate includes assets such as telecom towers, network equipment, data centers, real estate, inventory warehouses, copper and fiber networks.

In short, the basic telecommunication system consists of:

- **Cell Towers:** Connect to consumer devices (phones, tablets, etc.) and transmit signals to and from them.
- **Transmission Lines:** Underground and above-ground cables or wireless signals carry data and voice signals between cell towers and central offices.
- **Central Office/Switching Facilities:** Route calls and data to the internet and other telecom networks.
- **Internet and Calling Services:** Provide internet access and calling services to end consumers delivered through cell towers and transmission lines to consumer devices.
- **End Consumers:** Use internet and calling services on their devices.



Outgoing traffic is delivered via terrestrial optical connectivity, which means that the data is transmitted through optical cables laid underground.

The future of our industry +

Interview with Nikolai Andreev, CEO

What are the main challenges facing the telecom industry?

The mission of the telecom industry is to **enhance the quality of life through ever expanding connectivity**. Humanity demands limitless connectivity and instant access to content, driving us to innovate and push the boundaries of telecom technology. A better life today means embracing a digital society where connectivity is at the heart of everything we do. The message to us is clear: speed, capacity, and latency are the pillars of our future.

Is 6G coming any time soon?

While 6G is still in the research phase, the recent announcement of 5.5G standards shows progress. While some delay in rolling out 6G is expected partly due to the slow monetization of 5G, the demand for faster speeds from both businesses and individuals is undeniable. This demand is shaping Industry 4.0 and transforming our daily lives. Unfortunately, Bulgaria will not be among the pioneers of 6G – our market is too small to lead on this.

Do you see competition from the IT giants?

Some people might argue that IT companies compete against us. I think we should see them as partners. Take Starlink, for example. It does offer an auxiliary service as it addresses connectivity needs in areas where traditional telecoms can't reach, but it also has its own technological limitations related to latency. What is important for us is everyone to have access to affordable technology, regardless of location or available infrastructure.

When are we going to live in smart cities?

High-speed connectivity is already **making smart cities a reality**, leading to safer and more efficient environments. Here in Bulgaria,

we are proud to partner with 130 municipalities on smart initiatives like CCTV and waste management. These efforts are paving the way for future conveniences like driverless cars, making our cities smarter and our lives easier. The real challenge in transportation isn't private vehicle traffic but the management of big transportation systems. Smart management of warehouses, ports, and freight fleets can optimize traffic and reduce the need for drivers. In industries like mining, construction and ports, smart management can remove people from dangerous environments, making these industries safer and more efficient.

How do you see the role of Artificial Intelligence?

Everybody is aware of the quick advances of **Artificial Intelligence (AI)** and the limitless development opportunities it offers. However, AI comes with its own set of challenges, including huge energy and water requirements. Effective AI deployment relies on robust connectivity. In telecommunications, AI can enhance network management and service quality, and we are already starting to implement AI solutions in our operations. As connectivity increases, so do **cybersecurity threats**. We must stay vigilant and proactive in protecting our networks and our users and AI can help us achieve this.

How can European and Bulgarian telecoms grow more competitive?

The European Union aims to invest €188 billion in connectivity by 2030 to digitalize and increase the competitiveness of our economy. For European telecom operators to absorb such investments and achieve their growth goals, **consolidation and vertical integration are essential**. Instead of 27 different, and often contradicting regulatory systems, we need common European regulations and frequency allocation. In both USA and China, three operators serve the respec-

tive markets enabling them to invest massively in the rollout of new technology. In Europe more than 60 operators compete for market share squeezing each other's margins. It's time for Europe to streamline and unify its approach.

In conclusion, expanding connectivity is not just about technology – it's about improving lives, driving innovation, and building a better future for all. **We need to embrace this challenge and lead the way into a more connected world.**



Highlights 2023

Investments in infrastructure, technology and content	Market presence	Employment and People development	Environmental achievements	Governance
<p>10 GIGA Optical Network expanded 50 times, reaching nearly 500.000 households and consuming less power</p>	<p>5G Network Expansion covering over 1.100 locations and 85% of the population</p>	<p>The largest employer in the telecommunications sector and among the four largest on the private market in the country⁷</p>	<p>29% of total electricity consumed in 2023 was generated from renewable sources</p>	<p>94% completion rate of Code of Business Conduct & Ethics and Ethical training</p>
<p>Launching a long-term strategic initiative to replace the copper infrastructure with fiber-to-the-home technology</p>	<p>First 5G Unlimited Plans for Bulgarian users, featuring unlimited minutes, SMS, MB and full 5G access across all mobile price points which account for nearly half of the customer base</p>	<p>Almost 40% of the workforce have been with the company for at least 15 years</p>	<p>64.1% reduction in scope 1 and 2 GHG emissions compared to 2020</p>	<p>136 employees with decision-making roles completed successfully the training on anti-bribery and corruption</p>
<p>35% of customers have switched to fiber-to-the-home (FTTH) technology</p>	<p>Stronger market presence with 2 new acquisitions of key operators - Networks-Bulgaria and Telnet</p>	<p>Awarded the "Favorite Employer" by Career Show Awards 2023</p>	<p>Initiated collaboration PPAs for sourcing green electricity from United Group's large-scale solar and wind power projects in Bulgaria</p>	<p>Screened more than 553 new business partners in 2023, as part of our Third-Party Relationships Due Diligence Program</p>
<p>EON TV Platform gained over 600.000 users in Bulgaria with increased content and access to more programs</p>	<p>4% growth of mobile services and reaching 3.29 M subscriptions*</p>	<p>600 employees participated in owned Expert program and program for mentors</p>	<p>Collected and recycled 587 tons of batteries, cables, paper and other waste</p>	
	<p>35.6% of TV and 36.4% of fixed internet customers market shares</p>	<p>1.411 employees passed successfully our "Health and safety training"</p>	<p>Refurbished 557.000 pieces of Customer Premises Equipment (CPEs)</p>	

7. Annual Report of the Communications Regulation Commission for 2023

Memberships and Awards

Memberships

 <p>Confederation of Employers and Industrialists of Bulgaria - KRIB</p>	 <p>American Chamber of Commerce in Bulgaria - AmCham</p>	 <p>German-Bulgarian Chamber of Industry and Commerce - AHK</p>
 <p>GSM Association or Global System for Mobile Communications - GSMA</p>	 <p>Technological Industry Alliance</p>	 <p>Bulgarian Association for People Management</p>
 <p>Bulgarian Diversity Charter</p>	 <p>BBLF - Bulgarian Business Leaders Forum</p>	 <p>Bulgarian Industrial Capital Association</p>

Awards



PwC's annual "ESG Awards"



Top Employer 2023 at the Career Show Awards



Forbes CEO of the Year 2023



Executive of the Year 2023

Our ESG framework

United Group’s Board of Directors is committed to integrating ESG (Environmental, Social, and Governance) factors into our decision-making to ensure long-term success across all branches. Their main responsibilities include developing and approving the ESG strategy, overseeing its implementation, aligning it with overall business strategies at both Group and local levels, and managing ESG-related risks.

At the end of November 2023, Vivacom launched a new program called “Keep the Future”, which is related to the introduction and application of the ESG (Environmental, Social, and Governance) concept. ESG is an approach to achieving long-term sustainability that encompasses the entire organization and aims to transform various activities related to the environment, society, and governance practices. The program was attended by 72 people, ranging from chief executives to managers. During the meeting, the essence of ESG, its key aspects, significance, advantages, and benefits were discussed. With this meeting, Vivacom laid the foundation for a series of initiatives aimed at all management levels and all employees in the company.



Keep the Future



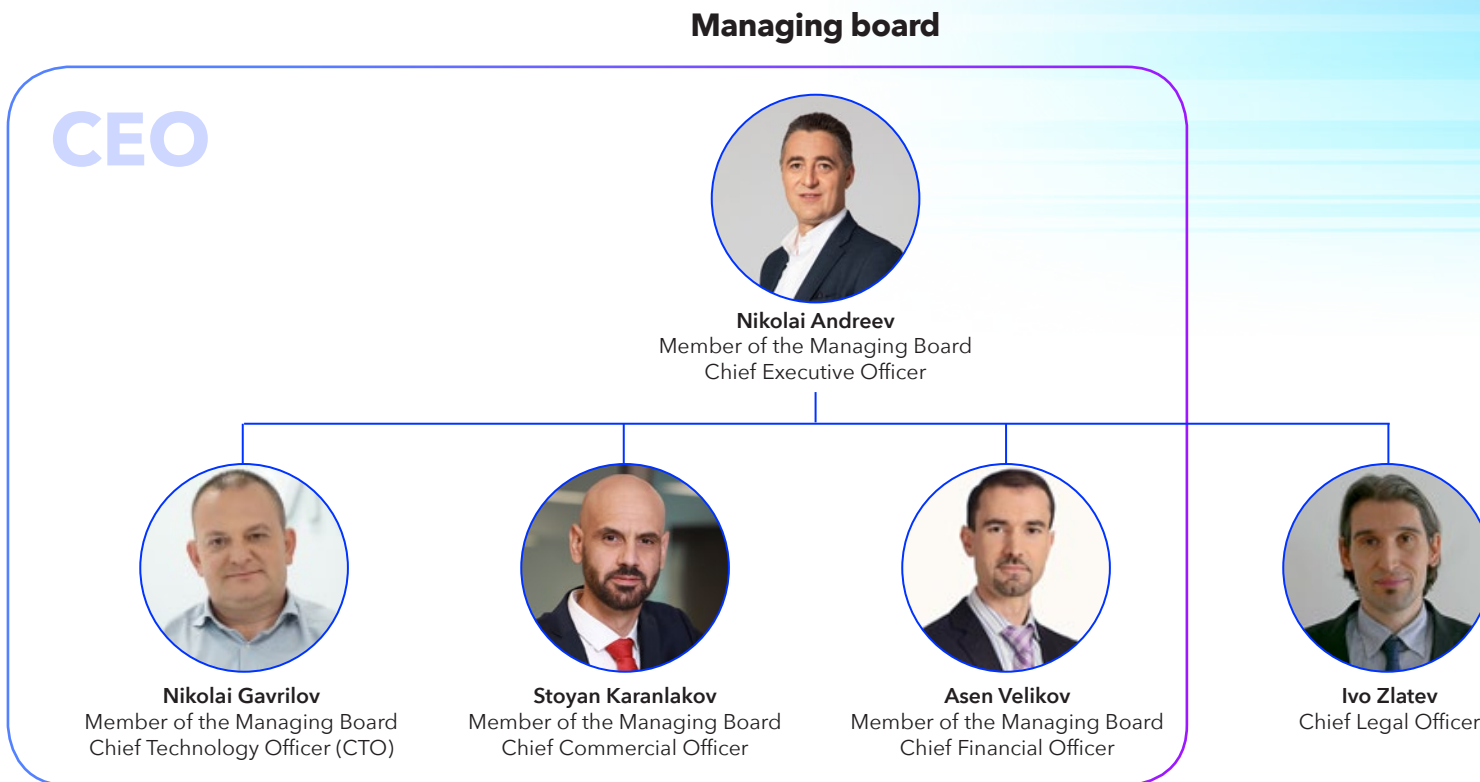
Our ESG framework

ESG management is structured through these frameworks:

ESG is integral to our company governance, not an add-on. We incorporate ESG management at every level and in all processes. It aligns with and stems from our company's strategy. That's why we are introducing Vivacom's management board first:

Managing board

Members of the Managing Board are elected by the Supervisory Board for terms of up to five years, with the possibility of re-election for additional five-year terms without any limits. The Management Board seeks the Supervisory Board's approval for decisions critical to the company's direction and success.



Supervisory board (2023)

The Supervisory Board guides Vivacom in achieving its strategic goals. Its members represent the company in their interactions with the Management Board.



Our ESG framework

Vivacom ESG Committee

Vivacom established an ESG management structure across all its operations in Bulgaria. This ESG Committee enhances coordination and ensures comprehensive oversight of sustainability initiatives. Regular meetings are conducted as part of the company’s operational management sessions, where the progress and outcomes are closely monitored and analyzed. Committee members present their yearly results to the CEO and the Board of Directors.



The Vivacom ESG Committee includes all key individuals working in the following roles:

Vivacom is aligning its sustainability initiatives with United Group’s overarching strategy and policies, which include :

Ambitious SBTi targets, validated in 2023, reaffirming our commitment to science-led sustainability management. As one of the largest companies in UG portfolio, Vivacom is actively contributing to these targets by investing in energy efficiency and renewable energy initiatives, as well as taking proactive steps to reduce its carbon footprint.

Participation in the Carbon Disclosure Project, a gold standard for corporate environmental reporting, where United Group efforts, which includes also Vivacom’s performance, are assessed and benchmarked against peers.

A membership in the UN Global Compact. This alignment ensures that Vivacom integrates the UN Global Compact’s ten universal principles—spanning human rights, labor, the environment, and anti-corruption—into its business strategies, thereby actively contributing to the achievement of the Sustainable Development Goals.

To achieve our Group-wide goals, we must integrate them into our local strategy and objectives. As a company dedicated to sustainability, enhancing our sustainability KPIs is both a strategic priority and a necessity for our corporate culture.

Our ESG framework

Local ESG Management Team

The team is committed to improving accountability and supporting key company initiatives, encouraging active participation. Each subsidiary has a Local ESG Manager to oversee these efforts.

// In a constantly evolving world, ethical governance is crucial for creating long-term value for stakeholders, fostering trust and promoting accountability and transparency. //



Mihaela Prakova,
Risk & Fraud
Management,
Local Compliance

// Our environmental sustainability initiatives are guided by our dedication to protecting the planet for future generations while driving innovation and efficiency in our business practices. //

Evgeniya Pavlova
Manager Sustainability



// We believe that through responsible business practices and support for meaningful causes, we can achieve growth while contributing to a better future for society and the environment. //

Elitsa Georgieva,
Corporate
Communications
Director

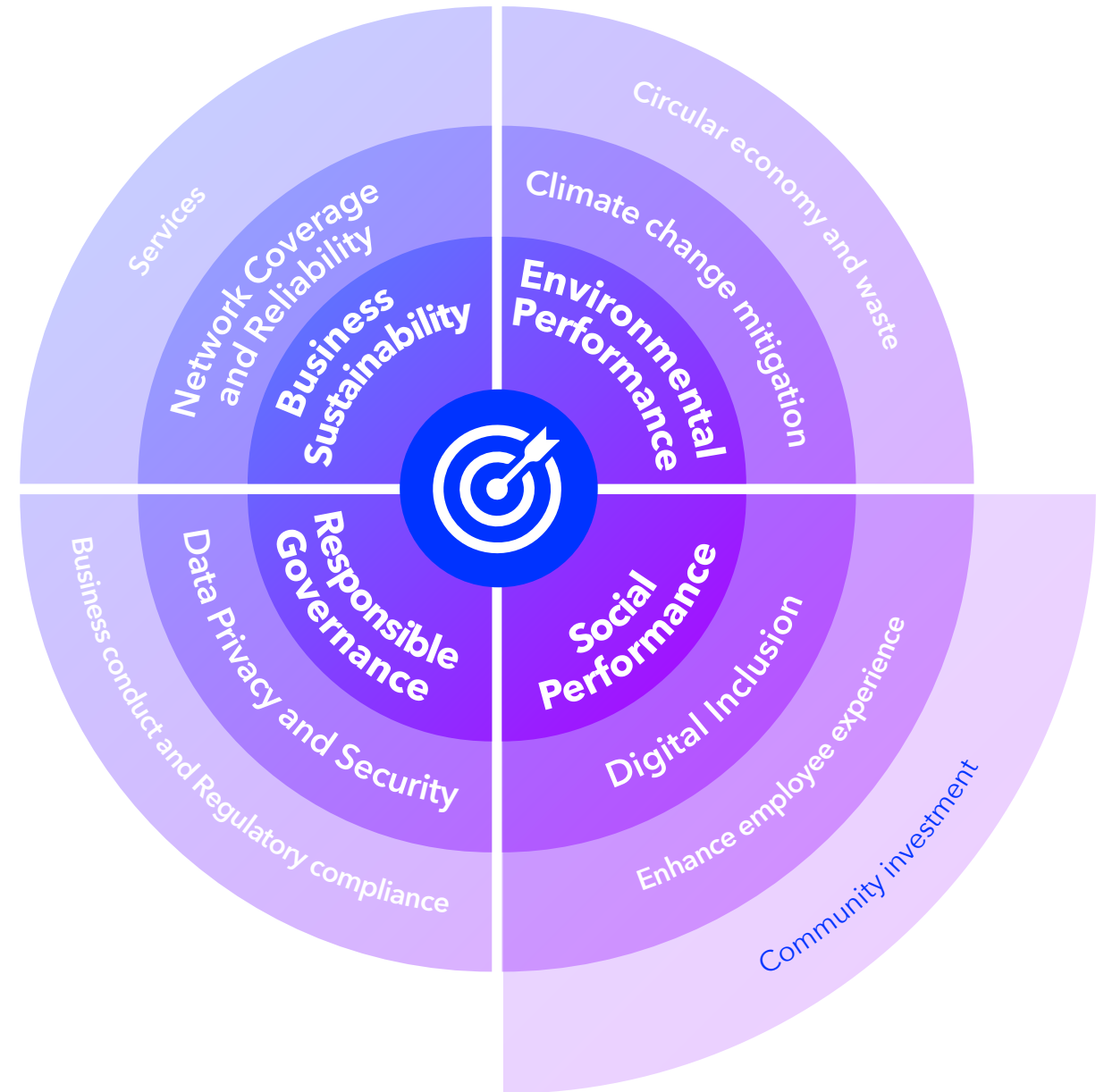


ESG topics selection for 2023

The topic selection identifies the sustainability subjects most relevant to Vivacom, those in the Group’s matrix, or those prominent globally. This report lists the priority topics for our company in 2023. **The consistently high-ranking topics were network coverage and reliability, mitigating climate change, and enhancing our employees’ experience.** Business conduct and regulatory compliance are also fundamental topics for us.

These topics are validated by the relevant sustainability professionals in the ESG team, risk, human resources, as well as by the CEO and the Group Risk, Compliance, and Sustainability Director.

The full list of priority topics is provided in the table below.



Business Sustainability



In 2023, Vivacom improved its financial indicators and reported revenue growth of 9% for the year. Within United Group, Vivacom contributed 23,1%% of the generated revenue.

Financial highlights for 2023 (in thousand BGN)

Revenue 1.276.414	EBITDA 651.700
Net profit after tax 238.735	Total assets 2.522.421
Capital investments (CAPEX) 403.512 (incl. acquisitions)	

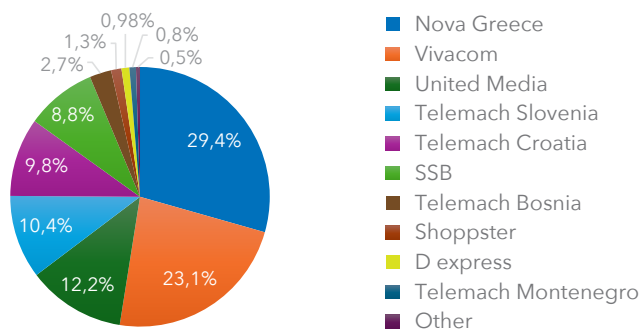
Vivacom has acquired several companies, thereby supporting the strategy of expansion and market presence and stimulating future innovations in a digital and connected society.

The regional operator in Ruse Networks-Bulgaria, which has leading positions among the regional providers of digital television and Internet.

Telnet - one of the leading providers of fixed services in Northern Bulgaria, with a presence in over 110 settlements in the regions of Veliko Tarnovo, Gabrovo and Ruse.

Bulsatcom - the largest SAT TV operator in the country (finalization of the transaction at the beginning of 2024).

Revenue split by operating company



Drivers of Innovation

Vivacom established an ESG management structure across all its operations in Bulgaria. This ESG Committee enhances coordination and ensures comprehensive oversight of sustainability initiatives. Regular meetings are conducted as part of the company's operational management sessions, where the progress and outcomes are closely monitored and analyzed. Committee members present their yearly results to the CEO.

The first commercial 5G network in all 27 regional cities, which is the largest 5G network in Bulgaria covering 85% of the country's population. Our goal is to reach at 90% coverage of the population by 2026.*

Bulgaria's first and only latest-generation 10 GIGA fiber-optic network, providing super-fast gigabit speeds and stable internet connectivity to nearly half a million households across the country. Our goal is to provide gigabit speeds to 1.8 million households in Bulgaria by the end of 2026.

The revolutionary EON TV platform transformed the viewing experience for our customers across any device, anytime, anywhere. It is a unique combination of over 200 channels, an archive of TV content and the largest video library in Bulgaria. EON is watched by over 600.000 consumers nationwide.

The first truly Unlimited mobile plans that changed the way people communicate, featuring unlimited minutes, SMS, MB and full 5G access across all mobile price points. This offered complete freedom of communication for absolutely everyone.

The first Vivacom 5G smartphone - the outstanding device combining amazing performance, affordability and unlimited access to the 5G. This offers consumers a revolutionary and affordable 5G smartphone, unlimited mobile plans and speeds, and access to the largest 5G network in the country.

*Based on a publicly available information and sources.

Network Coverage and Reliability

For us, providing an accessible service means being able to offer access to technologies – connectivity or entertainment-related – to as many people in Bulgaria as possible regardless of where they live, at an affordable price. While it is true that most people live in large cities, there are also many others living in smaller villages in remote areas, to whom the latest technologies might not be available. By constantly expanding our network, even in areas where there is a lower financial incentive for us to do so, we want to make sure that no one is excluded by the digital revolution.

Vivacom’s 5G network is the largest in Bulgaria⁸, covering over 1.100 localities and resorts. It currently reaches 85% of the population, with plans to expand to 90% by the end of 2026. Our 5G network offers speeds up to 10 Gbps and lower latency. Our 4G LTE network covers 99% of the population, with download speeds up to 112 Mbps and upload speeds up to 37.5 Mbps.

MOBILE NETWORK - POPULATION COVERAGE	2021	2022	2023
Mobile 3G	99.96%	99.98%	99.98%
Mobile 4G	99.93%	99.95%	99.95%
Mobile 4G LTE ADVANCED	97.62%	96.46%	96.87%
Mobile 5G	64.16%	77.34%	84.88%

	2021	2022	2023
Mobile network subscriptions ⁹	3 001 282	3 164 597	3 290 295

★ What did we do well?

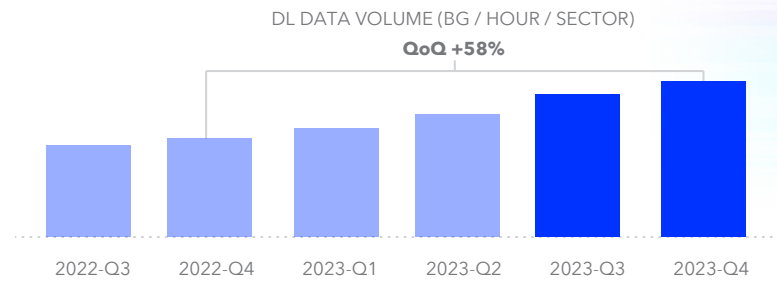
5G Network Expansion, in 2023, covering over 1.100 locations and 85% of the population.

Improvement of the quality of service in the mobile segment through modernizing core network equipment. In this way, the company guarantees the reliability of its services and a minimum tangible effect on consumers.

First 5G Unlimited Plans for Bulgarian users which account for nearly half of the customer base, featuring unlimited minutes, SMS, MB and full 5G access across all mobile price points with a 58% increase in total data traffic within a year. Network expanded 50 times, in 2023 reaching nearly 500.000 households and consuming less power EON TV Platform gained over 600.000 users in Bulgaria with increased content and access to more programs Migrating customers to Fiber to the Home (FTTH): 35% of the customer base was migrated to fiber to the home. This technology allows users more reliable, faster and better fixed line services data transfer (home internet, EON tv, ICT services) ADSL/VDSL migration and copper infrastructure replacement: In 2023, Vivacom launched a long-term migration strategic initiative to replace its copper infrastructure with more modern and reliable technology (FTTH). We acquired new available spectrum at 700 and 800MHz bands, 10MHz each that will enable to increase the capacity and reliability of our networks.

Vivacom has become one of the top 10 fastest-growing business satellite service operators globally.¹⁰

Data volume has continued to increase



“ We will be pioneers in the region and among the leaders in the world to successfully test 5.5G mobile technology. This will be a key step in the transition to 6G, which we expect by 2030. ”



Nikolai Gavrilov, Member of the Managing Board Chief Technology Officer (CTO)

🎯 What’s next?

Vivacom’s strategy for 2023-2026 includes modernizing its radio network for better energy efficiency, upgrading its mobile infrastructure, expanding 5G coverage with C-Band technology in areas without fiber, and extending its optical network to 200.000 more households. EON TV will also be available across all networks and through external providers.

8. Based on a publicly available information and sources
 9. Annual Report of the Communications Regulation Commission for 2021, 2022, and 2023.
 10. According to the 2022 annual ranking of the World Teleport Association (WTA).

Services

Vivacom is dedicated to serving all our customers, focusing on two main groups: those who prioritize the reliability and quality of our services, and those who seek the latest technological advancements. We aim to meet the needs of both by consistently delivering high-quality, dependable services and staying at the forefront of technology.

“ Vivacom offers cutting-edge technology for communication solutions that help people stay connected - fixed and mobile voice services, high-speed mobile and fixed broadband, and Pay TV. ”



Lyubomir Maloselski,
Director Products
and Services

★ What did we do well?

In 2023, we achieved a 4% growth of mobile services reaching 3.29 million subscriptions¹¹. We are proud to be the market leaders in the number of services provided in the Pay TV and Fixed Internet sectors. Our market share is set to increase further following our latest acquisitions, reinforcing our commitment to delivering exceptional service to our customers.

11. Annual Report of the Communications Regulation Commission for 2023

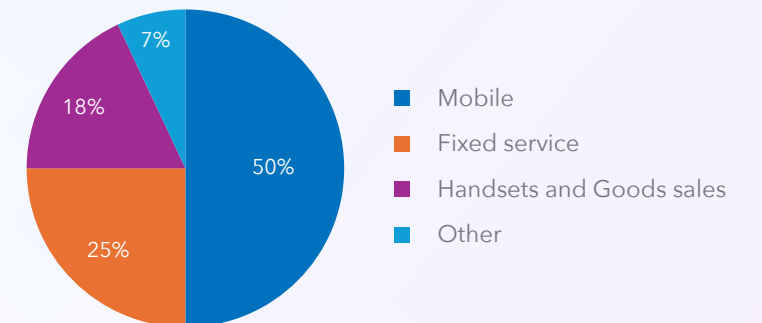
Equal connectivity and entertainment opportunities for remote areas

Vivacom is committed to innovation, which is why we're often first to market with new products like the EON packages: 5G fixed wireless home internet and TV service. This service is a game-changer for customers in remote areas, offering them the same high quality of interactive TV and high-speed internet as those in larger cities.

To promote digital inclusion, we provide the EON packages over 5G mobile network: 5G Home internet and TV with similar logic like our fixed network packages. For over 90% of our customers, getting started on these EON packages is as simple as visiting a Vivacom store to pick up the necessary devices—no cable installation or technician visit required.

Our website features an interactive map that helps customers determine the best connectivity technology available at their address, ensuring they receive the same high-quality service regardless of whether it's delivered via optical, cable, or mobile network.

Revenue split by Service



Highest quality TV service

Vivacom is all about bringing the best TV experience to our customers. We've added 20 new HD channels, making it over 115 high-resolution channels in total. Our EON platform in 2023 includes a rich video library from our Marquee TV VOD, offering over 500 titles in theater, ballet, classical music, and opera, free for Full and Premium plan customers. Every December, we unlock all content for all users, and in December 2023, we created VOD with over 200 Bulgarian films and TV series under the BG Cinema category on EON.

Additional section "Games and Apps" gives easy access to popular streaming apps like YouTube, MAX, Netflix, Spotify, and Tidal. Plus, our EON devices allow the installation of any app or game from the Google Play Store, turning large scale of older TVs into smart TVs.

For our youngest users, we had a children's remote control on special price with customized stickers, making the use of it easier and funnier, and of course safer with EON children's profile which provide content filtering according to age.



These updates are part of our ongoing effort to enhance the EON interactive TV experience, ensuring our customers have access to the best entertainment options available.

Facilitating adoption of new technology

Vivacom is actively facilitating the digital transition for our customers in several ways.

We have made a lot of campaigns to assist our customers in transitioning from legacy systems to FTTH (GPON), including instructions and customer support measures. We maintain the Customer Experience (NPS) in a very high level in FTTH (GPON) compared to Legacy Copper (xDSL) or LAN technologies.

After switching to half reduced-size SIM cards in 2023, halving the plastic used for their production, we're now promoting the use of eSIM technology. The technology does not require a physical SIM card to be inserted into the device, because it has a chip built into it, that stores the SIM profile and network access parameters. eSIM activation is only available for devices with eSIM functionality and is done by scanning a QR code. eSIMs can be used together with a Nano SIM card with another mobile number for Dual SIM devices with eSIM or together with other eSIMs if the device allows the use of multiple eSIMs at the same time.

In September 2023, we introduced the Vivacom smartphone, designed for the mass market with prices starting from 1 BGN depending on the selected mobile plan. The phone comes with a 3-year warranty and pre-installed apps, including our EON TV applications, Vivacom Pay digital wallet, and Happy Call ringtone selection app, making new technologies accessible and easy to use.

Additionally, from November 2023, with collaboration with Boleron, we offer the option for customers to purchase insurance policies online, with the ability to compare a large number of insurers. Customers can choose the best price and conditions for various types of insurance, including travel insurance abroad, property insurance, auto casco, civil liability, and mountain insurance, with payments made online. For most types of insurance, customers receive their policy directly by email within minutes or by courier for the mandatory sticker and documents for civil liability insurance.

These initiatives are part of our commitment to making the digital transition smooth and beneficial for our customers.

What's next?

- We are working constantly on the development of our EON platform, adding more content and more high-definition TV channels.
- We will present the new generation of our Vivacom phone with eSIM support and improved characteristics.



Environmental performance



Our Net Zero Journey

★ What did we do well?

- We implemented measures to increase the energy efficiency of our fixed and mobile networks
- We generated 311 MWh of renewable energy by our own PV solar panels
- We purchased 45 GWh of green electricity
- We reduced our scope 1 and scope 2 (market based) emissions by 64.1 % vs 2020
- We provided the necessary land and initiated collaboration Power Purchase Agreement which enables us to source green electricity from United Group’s first large-scale PV solar plant.
- We initiated collaboration with suppliers to reduce emissions along the value chain

Environmental sustainability is a core value that guides our actions and decisions. We are dedicated to minimizing our environmental footprint and conserving natural resources. To drive meaningful change, Vivacom adheres to the ambitious near-term and long-term targets set by United Group. Our ultimate goal is achieving net zero emissions across our value chain by 2040.

UNITED GROUP’S VALIDATED SCIENCE-BASED TARGETS INCLUDE:

Reaching net-zero greenhouse gas emissions across the value chain by 2040

Reducing absolute scope 1 and 2 GHG emissions 90% by 2030 from a 2020 base year

Reducing scope 3 GHG emissions covering purchased goods and services, capital goods, fuel- and energy-related activities and business travel 40% by 2030 from a 2022 base year

Maintaining at least 90% absolute scope 1 and 2 emission reductions from 2030 to 2040, using the 2020 base year

Reducing absolute scope 3 GHG emissions covering purchased goods and services, capital goods and fuel and energy-related activities 90% by 2040 from a 2022 base year

To complement our SBTi targets, the Group also set renewable electricity and supplier engagement targets:

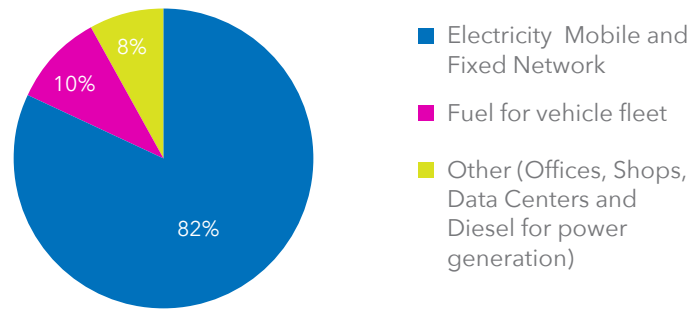
Increase active annual sourcing of renewable electricity 100% by 2027 and to continue active annual procurement of 100% renewable electricity.

Having 50% of our suppliers by spend to have committed to SBTi validated carbon reduction targets by 2030.

Progress to Net Zero

Vivacom constitutes a key part of United Group’s business and environmental strategy, contributing to 29% of its total GHG emissions.

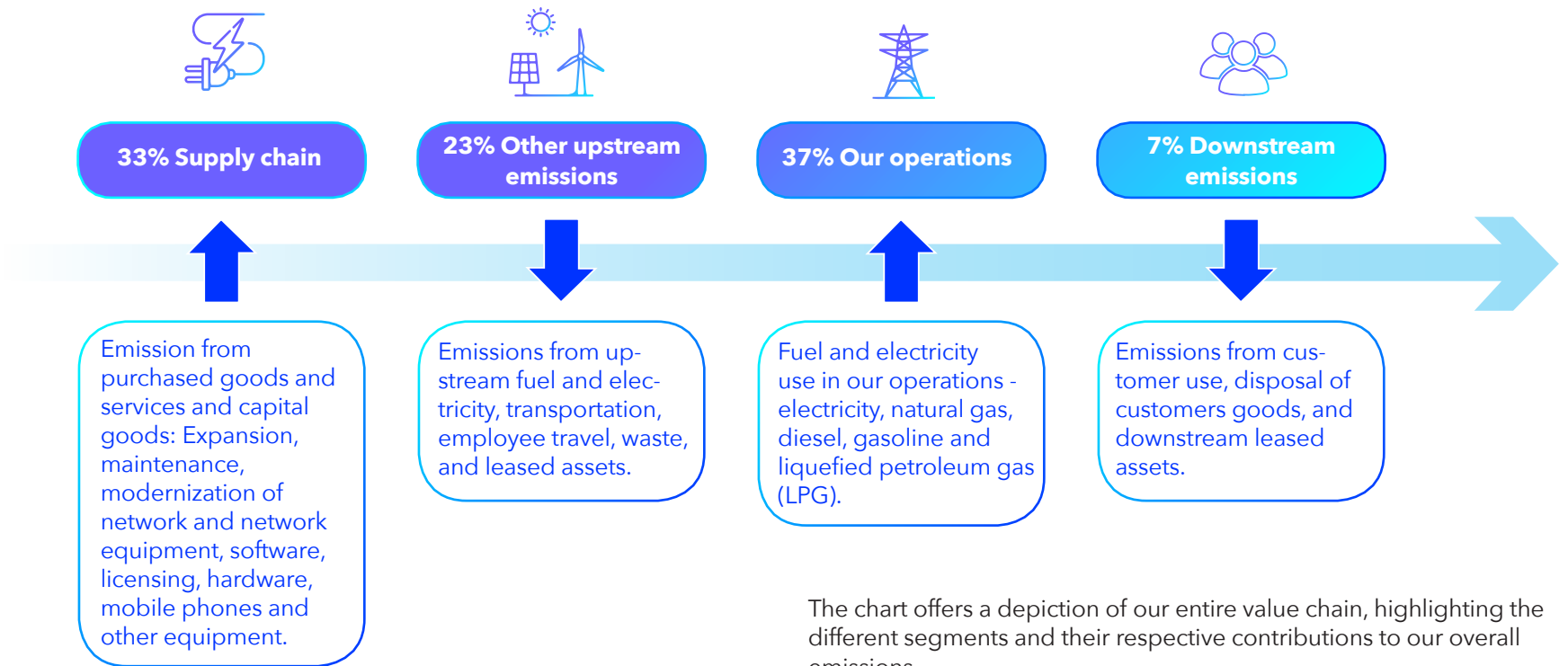
Energy consumption, 2023, GWh



Our company is steadfast in its dedication to environmental conservation, integrating a comprehensive strategy to diminish carbon emissions within our telecommunications, media, and e-commerce sectors. By enhancing energy efficiency within our infrastructure and advocating for environmentally conscious production and logistics, we are committed to reducing our environmental impact while maintaining the high quality service our customers expect. In 2023, we achieved notable strides towards our ambition of net zero emissions.

In line with our dedication to environmental stewardship, Vivacom has established a comprehensive carbon reduction plan. By embracing sustainable practices and cutting-edge technologies, we aim to reduce our carbon footprint in every aspect of our operations.

SCOPE 1 & 2 (TCO ₂ E)	2022	2023
Scope 1	5 710	5 656
Scope 2 Location - based	59 079	64 411
Scope 2 Market - based	59 026	25 080
Scope 1 and 2 Market - based	64 735	30 736



The chart offers a depiction of our entire value chain, highlighting the different segments and their respective contributions to our overall emissions.

Energy use in our operations

For Vivacom, investments in energy efficiency are an integral part of the business. The increase in the number and type of services, the growth in consumer traffic and the expansion of coverage are related to the construction and maintenance of infrastructure that consumes significant amounts of energy. Our constant goal is to increase their efficiency and achieve optimal consumption in relation to the growth of our business.

In 2023, Vivacom consumed 179 GWh of energy in the form of electricity, thermal power and fuels. The main energy consumers were the mobile and fixed networks (82%), followed by our vehicle fleet (10%).

Our direct (scope 1) GHG emissions come from burning diesel and gasoline in our car fleet (82%) and generators (9%). Bulgaria is not among the most advanced EU member states when it comes to the support and development of infrastructure for electric mobility. Nevertheless, in 2023 we started a pilot use of an electric vehicle (EV) and installed our first charging station. We ordered additional 40 EVs and we plan to install 10 charging stations in the course of 2024.

Our indirect (scope 2) emissions are much bigger and come mainly from the generation of the electricity that powers our networks. We measure and track our Network Efficiency Index, calculated using the ratio of total energy consumed (electricity and power from generators) to the total data volume transported by fixed and mobile networks. The total transported data volume represents traffic from all access technologies consumed by our customers, incl. customer up and down traffic. Our total transported data volume increased by over 26% (2023 vs 2022), yet our Network Efficiency Index improved by 17% - from 37 to 31 MWh/PB.

Increasing energy efficiency in data centers

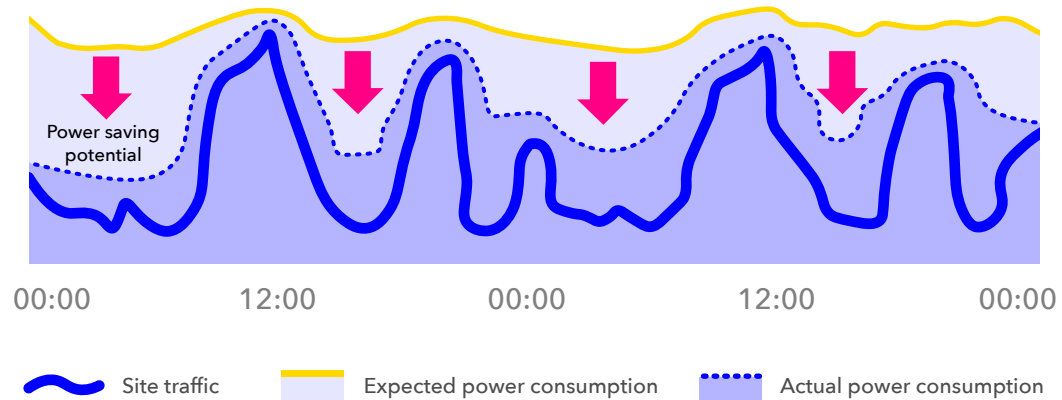
We installed new cold zones in our data centre in Kaspichan to improve heating efficiency. Cold zones save energy by reducing the area needed to be cooled rather than cooling the entire room, only the cold zones with the temperature sensitive equipment are kept at the needed temperature. Chilled air is directed to the front of the server racks (cold zone), warming as it reached the back. By placing the racks back to back the warm air intake is placed back of the servers in the warm zone for circulation. Cold zones save energy by reducing the area needed to be cooled rather than cooling the entire room, only the cold zones are kept at the needed temperature. The annual electricity savings from the implementation of the new cold zones is approximately 64.800 kWh.



Enabling power-saving features in base stations

The implementation of power-saving features enables power saving through continuous monitoring of the network traffic and shutting down transmitting elements during low traffic times, mostly overnight, while further investigating the use of AI technology finding other low traffic periods even during daytime hours. In 2023 we rolled out power-saving features across our mobile network. The implementation led to a 12% reduction in RAN equipment consumption (8.1 GWh) versus the predicted trend saving significant amounts of energy.

High Power consumption during off-peak hours without Power saving features and functions



Case study

Network Modernisation: from Copper to Fiber-to-the-Home

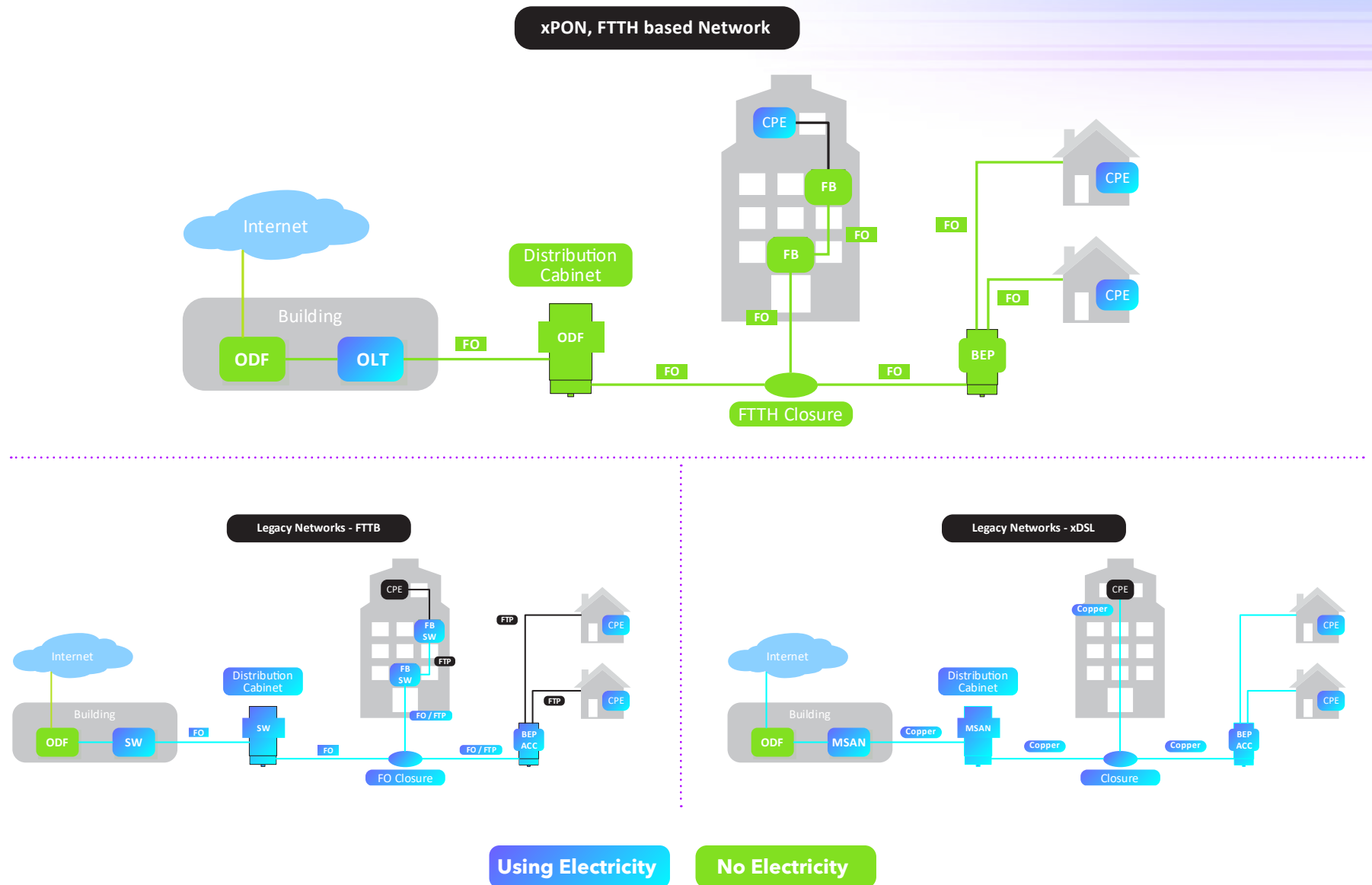
The upgrade of our fixed broadband network from legacy copper-based technologies (such as POTS - Plain Old Telephone Service, ADSL - Asymmetric Digital Subscriber Line/ Very high-speed digital subscriber lines, and VDSL - Very high-speed digital subscriber lines, FTTB - Fiber to the building) to fiber-to-the-home (FTTH) supports the shift toward sustainable infrastructure. This transition enables us to enhance connectivity with a far lower environmental impact while improving service quality, accessibility, and reliability for communities and customers. FTTH technology is inherently more energy-efficient, consuming less power than copper-based systems due to its reduced signal loss, minimal need for amplification, and simplified network architecture. This energy efficiency directly translates to lower carbon emissions.

Fiber-optic cables have much lower attenuation and can carry data over longer distances without requiring amplification. A single strand of fiber can often deliver clear signals across kilometers, eliminating the need for multiple power-hungry amplifiers and reducing the energy needed to maintain signal quality. Fiber itself does not produce heat in the same way copper does, allowing equipment rooms and network nodes to run cooler, reducing cooling costs and energy use. Fiber-optic cables are more durable, immune to electromagnetic interference, and less prone to environmental degradation. This durability leads to fewer replacements, reduced energy consumption associated with manufacturing and transporting new equipment, and lower maintenance energy requirements.

Using the XPON (Passive Optical Network with Extended Reach) end-to-end passive technology significantly reduces the energy consumption versus Legacy Copper or any other Fixed Broadband types of networks (FTTB). In 2023 we have:

- Built new coverage for 58k xPON FTTH HP, spread in 21 different places.
- Upgraded / Overlaid existing coverage with 166k xPON FTTH HP in more than 10 places.

Architecture and energy use of fiber-to-the-home vs. legacy networks: FTTH includes much less energy-consuming components than legacy networks (green vs. red figures)



Decarbonizing our electricity mix

Recognizing that electricity is Vivacom’s primary source of emissions, we are committed to going beyond efficiency by pursuing sustainable energy solutions. Our goal is to create lasting benefits that positively impact the communities in the regions where we operate.

Vivacom plays a key role in supporting United Group’s investment in large-scale wind and solar energy projects in Bulgaria, driving the transition to sustainable energy in the region. By transitioning to renewable energy sources, we not only reduce our carbon footprint but also support the growth of clean energy infrastructure and contribute to the global transition to a low-carbon economy. In 2023, Vivacom generated a total of 311 MWh of renewable energy through the PV (photovoltaic) solar panels on our office and mobile sites. This demonstrates our efforts in producing energy from renewable sources, contributing to sustainable energy practices and reducing reliance on non-renewable energy sources.

In 2023 we purchased 45 GWh (28.8% of our consumption) of green electricity through high-quality, local Guarantees of Origin, which led to significant decrease of our scope 2 emissions.



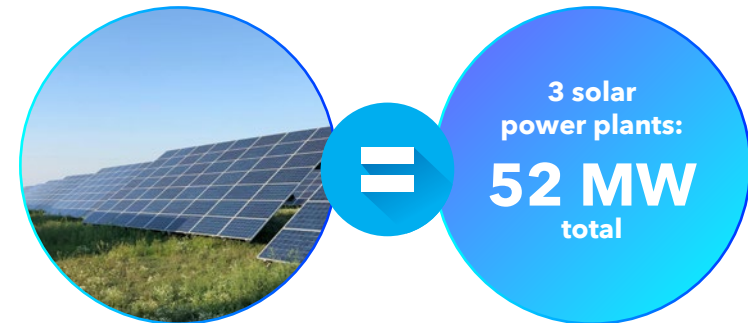
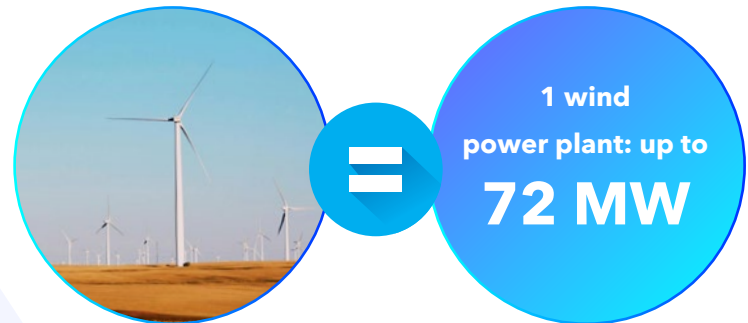
Investing in renewable energy projects

United Group is making significant investments in green energy ventures, including wind and solar projects enabling Vivacom to source green electricity by initiated collaboration Power Purchase Agreements. These include the following:

PHOTOVOLTAICS PROJECTS: Three PV projects are being built on existing industrial sites in Bulgaria owned by Vivacom with the peak power production capacity of 52 MW. The Mogila PV project is operational as of September 2024, with the Gramada and Barakovo PV projects set to come online progressively throughout 2025.

ONSHORE WIND FARM PROJECT: An onshore wind farm will be built in Kremena, a strategic location in Bulgaria near the Black Sea, on a land owned by the wind project company, which is 100% owned by United Group. Power production capacity is 72 MW. The project is scheduled to become operational by the beginning of 2027.

The combined production of these facilities will surpass 300 GWh annually, supplying 100% of Vivacom’s overall electricity needs with sustainable power.



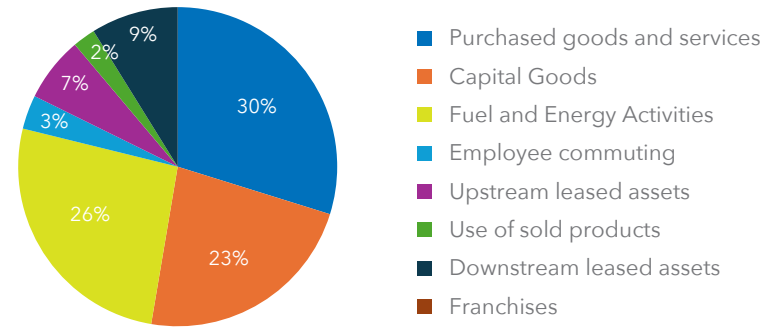
Decarbonizing Our Value Chain

We recognize the vital need to comprehensively address our value chain footprint, including scope 3 emissions. They refer to the indirect greenhouse gas emissions that are linked to our upstream and downstream value chain. Although these emissions are outside our direct influence, we understand their importance in our total environmental impact. As we strive towards our net-zero ambition, we are committed to working in unison with our suppliers and downstream partners to reduce our impact. We realize that it is only through joint efforts that we can tackle scope 3 emissions across our value chain.

SCOPE 3 (TCO₂E)	2022	2023
Purchased goods, capital goods and services	43.242	27.252
Fuel and Energy Activities	18.343	13.550
Upstream transportation	76	81
Waste generated in operations	320	52
Business travel	28	22
Employee commuting	2.024	1.784
Upstream leased assets	3.141	3.397
Use of sold products	1.633	1.193
End-of-life treatment of sold products	135	99
Downstream leased assets	4.572	4.575

In 2023, our commitment to addressing scope 3 emissions remained unwavering as we continued to expand and refine our emissions inventory. We also made improvements to our calculation methods for several categories, focusing on the use of more direct data, which led to more accurate results. The main sources of emissions in our value chain is associated with the purchase of goods, capital assets, and services. Given the complexity of this task, we have developed a comprehensive approach that includes identifying, measuring, and reducing emissions from our suppliers, as well as setting specific reduction targets for them.

Scope 3 emissions sources, tCO₂E



Circular Economy and Waste Management

Responsible waste management and contributing to a circular economy is another key environmental focus for Vivacom. Our strategy includes implementing measures to reduce, reuse, and recycle materials across our operations and beyond, including electronic waste from network equipment and consumer devices.

GENERATED WASTE (TONNES)	Total waste
Batteries total	163
Cables total	275
Electronic equipment total	45
Paper and cardboard total	53
Scrap metal total	50
Plastic metal total	1
Total waste generated	587
Total percent of waste recycled	100%
Total percent of hazardous waste recycled	100%

Vivacom has already achieved United Group’s strategic goal of recycling 100% of generated waste.

We actively work with our stakeholders to educate and promote the careful management of e-waste. Our approach emphasizes waste prevention, reuse, and responsible recycling, aiming to reduce our ecological footprint and embody the ideals of a circular economy for a more sustainable future.

In support of the Group’s strategic goal for zero waste to landfill by 2030, we commit to achieving this goal each year by striving to obtain confirmation from our partners in the waste collection that our waste is directed from the landfill to recycling facilities for safe disposal or reprocessing into raw materials. In addition, Vivacom only works with recycling companies that meet all the requirements for waste treatment and recycling.

Copper cables scrap

A long-standing project, “Copper Cables Scrap,” has been ongoing for over 10 years at Vivacom, which involves dismantling copper cable infrastructure that is no longer in use. Since the beginning of the project, 22% of the total quantity of recycled materials at Vivacom are dismantled cables. Some of the cables from our fixed network are laid in duct networks, while others are directly buried in the ground. The general goal of this project is to replace copper cable infrastructure with fiber optics wherever possible each year, or to replace it with contemporary solutions for service delivery through our mobile network (e.g., Radio Local Area Network - RLAN solutions). According to expert assessments, our copper cable infrastructure across the country is approximately 22.300 km. The project is contributing to a circular economy by responsibly recycling and reusing materials from decommissioned infrastructure.

Customer e-waste drop off points

Beyond responsibly managing our electronic waste, we are also committed to aiding our customers in their recycling efforts. To facilitate this, in the summer of 2023, Vivacom stores introduced bins specifically for the collection of customer electronic waste. These points offer a convenient option for customers to discard their personal electronic waste and we ensure it is disposed of properly, avoiding environmental harm. In six months we successfully gathering and properly disposing of 785 kg of batteries from customers. Out of all 195 stores, 40 participated in the initiative to collect batteries from customers.

Half SIM offering

Our Half SIM initiative are forward-thinking approaches aimed at reducing environmental impacts while offering our customers seamless connectivity solutions. With their introduction, we are taking another step towards a greener future - we will reduce the amount of plastic used for their production by 50% and limit carbon emissions by up to 30%.(according to data from IDEMIA Group).

Vivacom made a complete transition to Half SIMs in 2023, and as a result, around half of the SIM cards distributed in 2023 were Half SIMs. The invested Half SIM for 2023 is 80.000 units.



Refurbished customer premises equipment

Customer premises equipment (CPE), which includes routers, TV receivers are an important component of our customers' connectivity. Although these devices play a crucial role in modern telecommunications infrastructure, their widespread use also leads to the accumulation of electronic waste, as old or malfunctioning CPEs are often improperly disposed of. Recognizing the seriousness of this issue, we are committed to implementing sustainable solutions that address the e-waste problem associated with CPEs, while promoting circular economy principles and responsible consumption. In 2023, 16.6 % of all installed CPEs compared to 2022 were refurbished units.

Smart TV app

The Smart TV app is an application for our EON television service. The Smart TV app allows customers to access the EON platform directly on their Smart TVs without the need for a TV receiver, simplifying the setup and usage. The EON mobile app enables users to view content anywhere, anytime, and on any device, providing flexibility and convenience. This reduces the orders and usage of physical equipment. In 2023 7% of our customers are using Smart TV apps.

Paper and cardboard reduction and recycling

In 2023, we started issuing monthly invoices electronically instead of on paper. Through this initiative, we reduced paper usage by 194 067 kg, with penetration rate of 83%. With the initiative "Caring for Nature and Looking to the Future," we are collectively reducing the consumption of natural resources and protecting the environment from harmful emissions.

For over 10 years, Vivacom has been offering customers the option to receive electronic invoices. **However, starting from April 2023,**

electronic invoices have become the default option. This led to a massive uptake of electronic invoices. Exceptions are made for elderly subscribers, as well as for those customers who have explicitly requested to receive paper invoices.

Migrated paper invoices to e-invoices before the campaign in 2023	Migrated paper invoices to e-invoices during the campaign in 2023	Customers using paper invoices in the end of 2023	Total number of invoices issued on a monthly base in 2023
≈ 897.000	≈ 768.000	≈ 35.000	≈ 1.700.000



Transforming Cities and Businesses for a Sustainable Future

Our technology leads the way in transforming cities into smarter, more sustainable spaces. Through advanced connectivity, data analytics, Internet of Things (IoT) solutions, and our extensive partner ecosystem, we empower urban centers to optimize resource usage, improve public services, and shrink carbon footprints. In 2023, we supported over 130 municipalities as their primary or sole telecom partner and provider. Among these, we delivered smart city solutions, including public transport management, urban video surveillance, smart parking, smart garbage collection, street lighting, air quality monitoring, digital education, telemedicine, and more, to a subset of municipalities. Additionally, we provided Smart Wi-Fi solutions to many of these municipalities, further enhancing connectivity and digital services.

 **Case study**

Smart waste management in Bulgaria

Our Smart Waste Management systems, in Sofia and Burgas, aim to make waste collection and disposal more efficient, cost-effective, and environmentally friendly. The project included the following elements:

1. IoT Sensors: The IoT sensors we use are passive and enable inventory of the containers, as well as monitoring the execution of tasks related to lifting the waste containers. Through technology installed on the waste trucks, we have the capability to collect data on the weight of the waste in each container.

2. Data Analytics: Data gathered from IoT sensors and other sources are analyzed to provide insights into waste generation trends, collection frequencies, and operational efficiencies. Advanced analytics can aid in forecasting future waste production, optimizing resource allocation, and pinpointing areas for enhancement.

3. Remote Monitoring and Management: Waste management authorities have the capability to remotely monitor and control waste collection activities via centralized platforms. They can keep track of bin statuses, arrange pickup schedules, and receive notifications for any problems such as bin overflows or equipment malfunctions.

4. Route Optimization: By examining data on waste generation, traffic conditions, and collection schedules, smart waste management systems can enhance collection routes. This leads to reduced fuel consumption, lower vehicle emissions, and decreased overall operational costs, all while improving the quality of service.

In Sofia we cover three regions, monitoring 1500 passive sensors in garbage containers and 6 garbage trucks, and 1300 containers and 4 trucks in Burgas.



Case study

Water metering system in Troyan, Bulgaria

Together with partner Telelink, we provide a solution for monitoring and reporting water consumption on the territory of city Troyan, covering thousands of water meters. This system has benefited both utilities and consumers:

- 1. Water Conservation:** Water metering provides precise data on usage and costs, increasing consumer awareness and reducing water waste, thereby supporting conservation and addressing water scarcity.
- 2. Leak Detection and Prevention:** Water meters identify abnormal usage patterns, indicating leaks or wastage. Early detection enables prompt repairs, minimizing water loss, preventing damage, and reducing costs.
- 3. Billing Accuracy and Fairness:** Metered billing charges consumers based on actual usage, ensuring fair billing and promoting responsible water use by directly linking consumption to costs.
- 4. Operational Efficiency:** Water metering automates readings, cutting labor costs and manual processes. Technologies like remote reading and data analytics provide real-time insights, enabling proactive management and optimized resource allocation.

“The implementation of the remote metering network for 4.200 users has yielded several positive outcomes. It has reduced manual labor as three employees who used to read the meters, are now reassigned to other tasks. The workload for data entry operators has significantly decreased due to the automatic submission of information, which also eliminates the possibility of human errors in water meter readings. We receive daily updates on potable water consumption, and in the event of a sudden increase, users are promptly informed of potential issues. Additionally, the system prevents tampering with the water meters, and any such attempts are immediately reported to the radio transmission equipment operator.” Additionally, the system prevents tampering with the water meters, and any such attempts are immediately reported to the radio transmission equipment operator. ”



Eng. Tonimir Gechev,
General Manager

Rumyana Boyadjieva,
Head of Finance Department at Water Supply and Sewerage, Troyan

Case study

Air pollution monitoring in Bulgaria

We installed an air pollution monitoring system in two cities in Bulgaria - Blagoevgrad and Turgovishte. Our benefits are:

- 1. Reduced Health Risks:** Air pollution control systems capture and remove harmful pollutants from industrial emissions, reducing the incidence of respiratory diseases, cardiovascular problems, and other health issues caused by pollutants like particulate matter, sulfur dioxide, nitrogen oxides, and volatile organic compounds.
- 2. Environmental Protection:** These systems help preserve ecosystems and protect wildlife by reducing pollutants that harm plants, animals, and aquatic life, maintaining biodiversity and ecological balance.
- 3. Compliance with Regulations:** Air pollution control systems ensure industries comply with strict environmental regulations, helping companies avoid fines and legal issues while promoting responsible environmental practices.
- 4. Improved Air Quality:** By removing pollutants from industrial emissions, these systems enhance air quality, benefiting human health and improving the quality of life by reducing smog, haze, and odors.



Stanislava Solakova,
Public Relations
at Targovishte Municipality:

What is the impact of Vivacom's smart solution on the municipality and society?

Stanislava: Over the years, especially in the early years after their opening, there have been periodic concerns from residents about whether the production processes significantly pollute the air and environment. Although official inspections have not found any deviations, we decided to implement our own measurement system. It turned out that this intelligent system also did not detect any deviations, and its data matched those of the Executive Environment Agency, which conducts periodic measurements. This reassures everyone that the air we breathe is sufficiently clean. For us, it is a sign that the system works well and provides accurate data. This motivates us to continue implementing modern and intelligent technologies in administration and management processes.

Can the citizens of the municipality easily and quickly monitor air quality in real-time?

Stanislava: The system is accessible from the homepage of the Targovishte Municipality website, ensuring quick and easy access. Citizens can get real-time information on the current levels of fine particulate matter, solar radiation, radiation dose, wind speed, air pressure, and precipitation, as well as measured data for the last 24 hours or 7 days in a graphical format.



Social Performance



“ **Building state of the art connectivity is Vivacom’s contribution for the prosperity and modernization of Bulgarian society and economy. Digital inclusion is something more - it’s our mission of getting all Bulgarian citizens on board of the digitalization journey, no one should be left behind.** ”

Janet Zaharieva
Chief Adviser to
the Board of Directors



Digital inclusion

Digital inclusion means making affordable and reliable internet and digital technologies available to everyone, regardless of their location or socioeconomic status. Vivacom’s initiatives aim to make digital services more accessible to vulnerable groups, such as the financially underprivileged, elderly people, as well as those in rural areas.

★ What did we do well?

- We achieved 99.9% 3G/4G and 85% 5G coverage in Bulgaria, expanding digital access across rural and urban areas.
- We offer some of the most affordable telecom services in the EU, with discounts for disadvantaged groups and inflation protection for vulnerable customers.
- We digitalise the public services in collaboration with local communities and governmental institutions

Global and local context

The **EU’s Digital Decade** initiative aims to create an inclusive digital society with equal access to technology, focusing on connectivity, skills, business digitization, and digital public services.

In Bulgaria, the government is supporting these EU digital plans with:

1.3 billion euros for digital transformation, which accounts for 23.1% of the total funds allocated.

1.3 billion euros from cohesion policy funding, representing 13% of the total funds.

Bulgaria is aligning with the EU’s goals by integrating its citizens and businesses into a digital society with fair technology access.

Advancing 5G Rollout and Enhancing Digital Connectivity in Bulgaria’s rural and remote areas

In 2023, our network coverage of Mobile 3G and 4G reached 99.9% of the population in Bulgaria. We have installed over 30.000 km own fiber optic cable network providing high-speed connectivity to 2 million powered addresses and 22.300 km own copper cable network, providing fixed telephony to over 90% of households.

As of August 2023, 45% of households have adopted Vivacom’s offerings, leading to a significant increase in online services, particularly streaming (the clear favorite), followed by web browsing and video sharing. The provision of swift, unlimited internet access led to a 50% increase in data consumption, reflecting customers’ full utilization of the enhanced, high-speed services.

Our 5G network has been continuously expanding to reach Bulgarians over 85% coverage and will continue to extend in the upcoming years, especially in rural and remote areas.

More details about the accessibility of our services can be found in the [Business sustainability section](#), part Network reliability and coverage in this report.

Affordability of services

A European Commission report highlights Bulgaria for its notably low consumer prices. When comparing prices adjusted for purchasing power (€/PPP) Bulgaria is among the four countries that offer the most competitive rates for combined service packages in the European Union.¹²

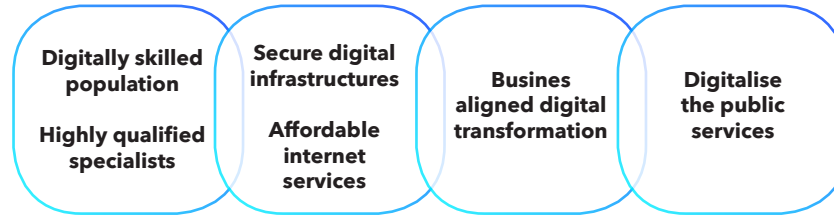
Vivacom was the first telecom to introduce unlimited mobile plans with access to the 5G network in Bulgaria, featuring unlimited minutes, SMS, MB and full 5G access across all mobile price points. This significant breakthrough drove the market towards unlimited high-speed service. The success continued in 2023 as we further developed these plans to meet consumer needs. We also have a long-standing policy of providing discounts on services and devices to make them affordable for everyone. We offer special plans for socially disadvantaged and disabled individuals, ensuring they are exempt from inflation-related price adjustments. This commitment helps make our services affordable to all segments of society, promoting inclusivity and affordability.

User-friendly internet devices

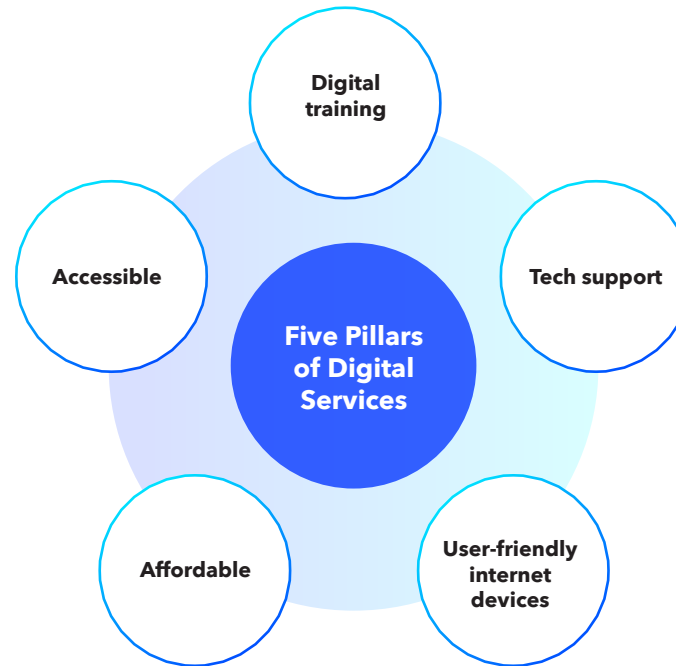
A new 5G-capable Vivacom smartphone was introduced in 2023, available for 1 BGN per month in combination with a 2-year Unlimited plan. The device offers flexibility, supports contactless transactions via NFC, fast online activities with high internet speeds.

Our approach towards digitalization is built on four strategic pillars:

Vivacom's Strategic Blueprint: Empowering Bulgaria's Digital Future



Vivacom has established itself as a leader in digital services by adhering to five fundamental pillars that guarantee their quality and accessibility.



Strategic pillar 1: Digitally skilled population & highly qualified specialists

We prioritize digital literacy by educating our employees on phishing prevention. For users, our website provides information on what phishing is and how to configure devices to protect them against potential scams.

Strategic pillar 2: Secure digital infrastructures & affordable internet services

Vivacom participated in a large-scale project called WiFi4EU which aims to provide free internet in public places, focusing on areas without existing public or private Wi-Fi such as squares, sports grounds, hospitals, and municipalities. The project is EU-funded and supports municipalities covering the implementation costs. Vivacom supplies the equipment, handles installation and maintenance, and provides connectivity. As the largest integrator in Bulgaria under this program, we worked with over 100 municipalities and installed more than 200 Wi-Fi zones. The project ensures local wireless connectivity is free of charge and non-discriminatory, using the most modern and high-quality equipment available. Network monitoring and KPIs such as minimum bandwidth speeds and operational continuity are managed through a portal integrated with the EU control agency.

In the beginning of 2024, we won a project with the municipality of Burgas, Asen Zlatarov University, and the digital hub in Burgas on remote pediatric healthcare. This initiative will enable the new children's hospital in Burgas to establish high-speed connectivity facilitating consultations between numerous specialist doctors and children in remote areas. The project includes implementing mobile medical offices and digital consultation solutions.

12. Mobile and Fixed Broadband Prices in Europe 2022, FINAL REPORT and EXECUTIVE SUMMARY

Mavri Kalchev,

Head of the Center for Video Surveillance and Traffic Management, Operational Program Transport, Municipality of Burgas:

How does the video surveillance solution contribute to security and public order management in your municipality?

Mavri: Video surveillance offers the significant advantage of providing real-time information and images from the most critical and busy areas in the city. It covers road sections and intersections with heavy traffic, playgrounds, areas around schools and kindergartens, and urban spaces where large numbers of people gather. The system operates continuously. When necessary, information from the cameras is transmitted to the police or the relevant institution directly related to an incident. When a criminal act, public order violation, or damage to public property is recorded, the footage is sent to the police. Thanks to the video surveillance system, many acts of vandalism and anti-social behavior have been uncovered. This greatly aids law enforcement in identifying the perpetrators.

Are there specific situations where the solution has helped manage incidents more quickly and effectively?

Mavri: In recent years, we have increasingly witnessed climate changes. Heavy rains and strong winds have significantly impacted the urban environment and infrastructure. Through the cameras, we can identify the most urgent areas needing attention, such as removing fallen trees, clearing blocked drainage shafts, and addressing similar issues. Additionally, video surveillance provides crucial traffic information, allowing us to take necessary measures to avoid congestion when needed. The Municipality of Burgas aims to continuously develop and upgrade the system to maximize its usefulness in ensuring the peace and security of our citizens

Strategic pillar 3: Business aligned digital transformation

Vivacom offers cloud infrastructure that allows customers to use virtual data centers and servers instead of purchasing their own software and hardware equipment. This is a cost effective solution for our business customers by eliminating the need for hardware upgrades while aiding the digitalization and management of IT infrastructure. We provide the operating system, server room, and connectivity, along with quality technical support. We also offer robotic process automation (RPA) solutions, which replace human activities in repetitive processes such as document analysis and support the automation of company processes.

Vivacom provides a wide range of solutions to a broad customer portfolio, catering to both business and residential private customers. For example, we offer fleet management solutions for businesses through a GPS-based system which allows for monitoring, reporting and controlling vehicle use through a user-friendly web interface. Our technical division handles the execution, while customer requests and complaints are managed through our call center. For specific projects or high-priority customers, we offer VIP support with demanding service level agreements (SLAs) and active network monitoring.

Strategic pillar 4: Enable digital public services

We work intensively with municipalities and government institutions on public digital solutions. Example projects are mostly in the field of environmental management (air, water, waste; see Section Transforming Cities and Businesses for a Sustainable Future, part of this report) and surveillance. Example projects are mostly in the field of smart city solutions for environmental management (air, water, waste; see Section Transforming Cities and Businesses for a Sustainable Future, part of this report) and surveillance.

Together with the Ministry of Education we regularly undertake projects to enhance internet security in schools, install access points, and expand Wi-Fi networks. We provide the necessary hardware, installation, and licenses for the specified period. We also work on projects related to physical security in schools, such as video surveillance programs, access control, and security systems. At the University of National and World Economy and the Medical University in Pleven, we have implemented a project for automated calls to new students providing instructions on enrollment and document submission.

🎯 What's next?

We are working on expanding 5G coverage to all areas in Bulgaria. Together with other industry stakeholders, we kept discussing with the government about deployment of high-speed high-capacity connectivity in rural and remote regions as part of the recovery and resilient facility plan. So far, we have contributed by providing the authorities with the necessary information on areas lacking sufficient connectivity to help allocate funds effectively and to plan the project implementation.

Enhance employee experience

“What drives our company, and any company forward are people who see your goal, understand your drive, support your efforts, and vice versa. All this could happen if the moments of key interactions with them are surpassed.”

Malina Chavdarova,
HR Director of Vivacom



At Vivacom we are dedicated to creating a workplace where employee experience and wellbeing are at the forefront of everything we do. We aim to foster a supportive and engaging environment that prioritizes the health, happiness, and professional growth of our team members. By actively listening to feedback and continuously implementing innovative solutions, we strive to ensure that every employee feels valued, motivated, and empowered to thrive both personally and professionally.

Annual eNPS survey

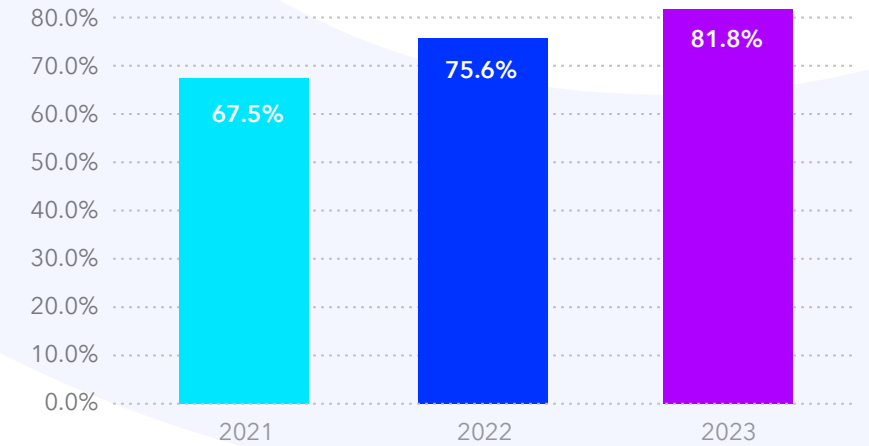
★ What did we do well?

- We achieved a significant increase in our eNPS score, rising from 15 to 32 points.
- 24-point increase in the overall engagement score from the total number of survey questions.
- 6% increase in survey participation

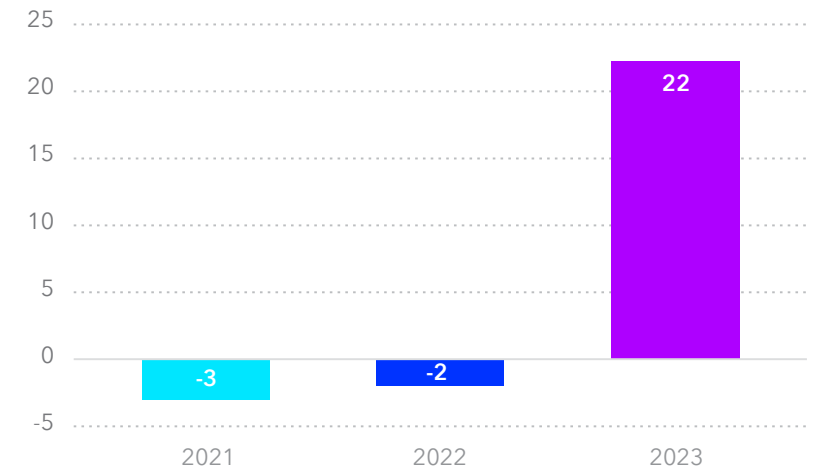
This year, our employee engagement scores improved significantly from 2022, indicating that Vivacom is a good employer. The survey shows that our employees would recommend the company to others.

The 2023 survey witnessed 6% increase in relation to 2022, in employee participation and 24-point surge in engagement scores.

Percentage Response Rate



Results for Total Survey eNSP Score



Conducted annually with complete anonymity, the survey uses a standardized methodology and covers five areas of organizational climate and performance. The insights have led to key measures such as interactive CEO sessions, enhanced benefits for work-life balance, and expanded expert programs, demonstrating Vivacom's commitment to continuous improvement and employee wellbeing.

Our investment in internal communication and providing team members with the opportunity to communicate directly with managers on various topics was crucial in achieving our goal of gaining a better understanding of how to improve our systems, programs, and practices for the future. After concluding our surveys and gathering information from our people, we planned and designed improvements that were then presented to employees. This year, we specifically focused our attention on the company's culture and our people as a central part of it, leading to improvements in organizational climate and performance through analyzing the following areas of organizational climate in our annual survey:

- 1. Relations between employees and top management:** Management and communication practices.
- 2. Relationships between employees and their supervisors:** Work atmosphere, communication, people management, and policy implementation.
- 3. Interpersonal relationships and team atmosphere:** interaction within teams and between different teams in the company; atmosphere in the team environment.
- 4. Quality of work and work atmosphere refers to various aspects of the business environment** - organization of work, provision of everything necessary so that employees can do their work, pay, optimally defined work roles.
- 5. The company as an employer:** the reputation of the company as an employer - both among its employees and among the public

Growth in Vivacom

★ What did we do well?

- Improved performance management process
- We introduced new e-learning platform Talent Learning Management System with 170 interactive courses
- We focused on Employee retention program
- More comprehensive onboarding process
- New ways to reach young people
- We invested almost 1 million BGN in training programs in 2023
- Employees underwent 980 different trainings in a total of 132.000 hours¹³

The feedback we collected was the key driver behind the implemented changes, which significantly enhanced our teams' experience and wellbeing, leading to tremendous success.

Improved performance management approach

★ What did we do well?

- We focused on SMART goal setting to ensure accurate evaluations.
- We introduced self-assessment as first step in evaluation phase.
- We also foster the two-way feedback system.

The Annual Performance Appraisal system has been in place for several years and is valued by employees for its structured approach to recognizing their individual contribution to the company goals and supporting their professional growth. It aims to recognize achievements, provide feedback, foster growth, and identify strengths and areas for improvement based on the company's core values. This system allows line managers to set specific, measurable goals for their team members and evaluate performance against these objectives at the end of the year. The system enables managers to evaluate employee performance by considering not only goal achievement but also the quality of their performance and adherence to core competencies.

This process helps us develop and reward our people appropriately. Performance is assessed based on individual goals and a universal competencies indicator, leading to a personalized development plan for each employee. The process includes self-assessments, assessment by the line manager and feedback, followed by goal-setting discussions.

The results of this process are input for key decisions regarding annual bonuses, salary adjustments, promotions, and inclusion in retention and development programs.

🎯 What's next?

We will focus our attention on improving our competency model. This will include refining the core competencies required for success across various roles, integrating them more effectively into performance evaluations, and linking them with our training and development initiatives. By strengthening this model, we aim to foster a culture of continuous improvement, drive employee engagement, and ensure that our workforce is equipped to meet the challenges of a rapidly changing business environment.

13. <https://money.bg/business/Vivacom>

Vivacoms' Programs

We have numerous development programs that enable people to grow, achieve their full potential, and move forward.

Programs for upgrading managers' skills

103 team members completed the program

Some team members are more experts than leaders, so we created a program to address this. Our new manager program offers a mix of content and practical skill-building and is delivered in two intensive modules. Some team members are more experts than leaders, so we created a program to address this. The program develops skilled managers adept at team leadership, company insight, and employee engagement. We work with all new managers and invite everyone who manages teams to join. Our goal is to equip them with the tools to be effective leaders, emphasizing that retaining, developing, and motivating people is both a company and personal responsibility.

We support the development of managers at all levels through tailored training programs. These programs update managers' skills, keeping them adaptable and effective in a rapidly changing business landscape. They also help managers enhance leadership abilities, navigate new challenges, and improve team performance. Continuous learning positions managers for recognition, reflecting their commitment to growth and excellence, and encourages a culture of ongoing development throughout the organization.

Programs for upgrading employee skills

We have launched a suite of programs and training initiatives aimed at recruiting top talent and fostering our employees' career growth within the company. Our ongoing efforts focus on enhancing our team's expertise and proficiency, ensuring they are well-equipped to achieve their professional goals and the company's objectives.

Talent Learning Management System (Talent LMS)

We have implemented Talent LMS, an award-winning and globally recognized platform, that provides convenient and engaging e-learning accessible anytime, on any device. In 2023, we developed over 170 bespoke, interactive courses to support its commitment to continuous improvement and trendsetting in the telecommunications market. In 2023, 1004 individuals self-appointed through the Talent platform.

Employee retention program

Our retention program is crucial to us as it helped us reduce the voluntary turnover rate by 5% since 2022. It includes various initiatives focused on keeping our team motivated and supporting their long-term growth. Examples include the Vivacom Expert Program, Mentors Program, Key Management Skills Program, Employees Benefit Package. These programs offer numerous benefits, training opportunities.

Tailored programs: one new added to the five existent

In 2023, we launched our new Push Channels program in addition to our five existing tailored programs which are all specifically designed to improve employees' soft skills and endorse colleagues' motivation. The programs include 13% of our workforce. Each program offers a tailored benefits package and is marked by a unique label, with participants' achievements showcased in a company-wide bulletin.

Our Trainings

Onboarding process

Our onboarding is a four-phase process that includes preparation, a welcoming first day, a skills-building introduction, and a six-month review, supported by supervisors, mentors, buddies, and HR experts to ensure a supportive start and ongoing engagement.

The whole process typically lasts 6 months, during which we support the newcomer's progress. We ask specific questions about their experience at the company and repeat these questions later to see how their answers change. This helps us understand how the onboarding is going, how the person feels, and what adjustments we need to make.

'Reaching 50' program

Started in 2022 and continued in 2023, Vivacom undertook its most extensive training program yet, engaging over 4.200 employees in a shift from process-centric to customer-centric operations, emphasizing the collective contribution to customer satisfaction. This comprehensive effort led to a notable improvement in customer communication and care, as evidenced by an NPS ratio that soared to 53.

The beginning of ESG - Keep the future

To embed sustainability at the core of Vivacom's operations, we provide ESG (Environmental, Social, and Governance) training for our directors and senior managers. This training is designed to explain the principles of ESG, its significance, and the ways in which our leadership can drive its integration.

In 2023, this initiative reached 72 managers and directors.

The number of employees trained for 2023 is 103.

Other trainings:

- Mandatory trainings
- Non-mandatory trainings
- Functional trainings
- Self-management trainings

Improved way of attracting young people

★ What did we do well?

- We upgraded our internship programs

We've updated our internship programs to make them more appealing and valuable for young people. While we hope to retain these interns, we believe the investment is worthwhile even if they choose not to stay with us. Their positive experience can turn them into brand ambassadors.

The programs at a glance:

- Vivacom Technical Academy
- Vivacom Summer Internship program
- Vivacom Practice program

Vivacom managers, give lectures to students from the Technical University in Sofia, with a focus on key technological projects. Students are then able to learn the latest best practices in the telecommunications sector from real professionals and become more prepared to meet the demands of business.

In conclusion, just in the past year, we have invested nearly 1 million BGN in training for the professional and personal development of our employees. We note that our colleagues have completed more than 980 different training sessions, totaling over 132.000 working hours.

// Our internship program is one of the symbols of Vivacom: over 50 of our interns from various editions of the program already hold managerial positions, and some of them are also mentors to interns. The program works excellently, we build on it every year, and this is the direction we continue in. //



Malina Chavdarova,
HR Director of Vivacom

🎯 What's next?

- We strive to continually enhance our management program
- We are seeking to introduce a new approach to succession planning

Vivacom Technical Academy

The program is a joint project with the Faculty of Telecommunications at the Technical University. It includes lecture courses led by Vivacom experts and spans two semesters for students in their 3rd and 4th semesters. The academy prepares students to meet the business needs of the sector. In 2023 we developed one brand new career-oriented workshop to enhance our initiative that has been going for the past 13 years. We are planning to continue to improve the program and find new interactive ways to increase the technical competence of students studying in programs related to telecommunications.



Vivacom Summer Internship Program

In 2023, we had a 20-year anniversary edition of our summer internship program, and we successfully welcomed 51 participants. The program offers on-the-job training, workshops, and other initiatives to help participants apply their academic knowledge and learn from professionals. Ultimately, 25 participants were hired by the company. Typically, about 30% of participants are hired each year and begin their careers with us. This year we enhanced the program by introducing two new initiatives. The first is a 360 rotation, where youngsters can spend a day working in a different departments to gain a more comprehensive view of the company and its operations. The second initiative is a meeting with the CEO, where they can ask questions and receive firsthand answers about success and growth in a large company.



Vivacom Practice program

Our internship program for highschoolers is developed by a partnership between secondary technical schools and Vivacom and its part of our aim to endorse and impact education. The program specifically supports high school students during their mandatory internships, allowing them to experience real-world practice and be part of an actual work process. We expanded the number of participating cities and schools, now including 10 schools in 6 cities compared to 4 schools in 3 cities in 2022. The number of participants also increased significantly, from 45 in 2022 to 229 in 2023.



People in Vivacom

Employee Wellbeing and Benefits

★ What did we do well?

- Additional paid leave
- Flexible working schedule
- Short Fridays
- High retention rate after maternity leave

We offer various programs and initiatives to help our employees stay active and maintain a healthy lifestyle, including subsidized gym memberships and psychological counseling. We have implemented flexible work schedules, clear workload expectations, and promoted work-life balance. Employees enjoy additional benefits like day off for Birthday, extra vacation days based on service length, reduced Friday work hours, and more.

We have:

- Additional health insurance for all people
- Disability and invalidity coverage
- Food Vouchers
- Additional days paid leave
- Day off for Birthday
- Sport cards
- Vivacom services discounts
- Psychological Care
- Christmas vouchers



We ensure that our benefits program is inclusive and accessible to all eligible full-time and part-time employees, regardless of their role or location within the organization. Regular reviews and employee feedback systems allow us to continuously enhance our benefits offerings to meet the changing needs of our workforce.

Striving for diversity, equality, and inclusion

★ What did we do well?

- The gender pay gap is -0.2% (in favour of women)
- On 12th May 2023 we signed the Charter of Bulgarian Diversity
- In 2023, all our employees were covered by collective bargaining agreements
- A total of 122 disabled people work at Vivacom

At Vivacom, we believe that fostering Diversity, Equity, and Inclusion (DE&I) is crucial for creating a resilient and innovative workplace. We are committed to ensuring every voice is heard and valued. By integrating DE&I principles into our operations and decision-making, we aim to drive positive change, enhance employee experience, and better serve our diverse customer base. This inclusive approach strengthens our workforce and supports our future growth.

Ratio of remuneration of women to men

We are committed to fair and equitable compensation practices and actively addressing the gender pay gap. Achieving gender pay equality is crucial for building a diverse and inclusive workplace where all employees feel valued and respected.

At Vivacom, equal treatment of employees, regardless of gender, age, or other factors, is a core principle in all HR policies, including remuneration. Compensation is based on the position's specifics, required knowledge and skills, and the employee's qualifications and performance. Our policies and evaluation criteria ensure objectivity in setting goals, measuring performance, and determining compensation. Salaries are based on the role and individual performance, within budget limits, ensuring fairness. As of December 31, 2023, the average income for men and women in the company is equal, with no direct or indirect discrimination. The male-to-female pay ratio is -0.2%, excluding top management salaries.

Fair pay

The market is very competitive, and higher pay is easily offered. There is a significant staff shortage, even for mainstream positions, as well as for highly specialized roles. Still, we are a competitive employer with a robust benefits package. For example, employee family members also receive additional health insurance, which is fully covered by the company.

Commitment to Freedom of Association and Collective Bargaining

We have a Collective Bargaining Agreement and three unions. All our employees are covered by Collective Bargain Agreement, with over 400 union members.

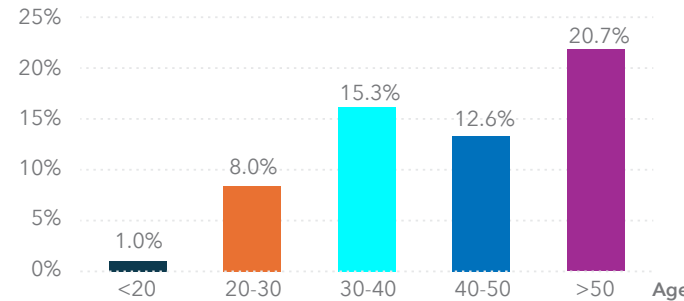


Age distribution

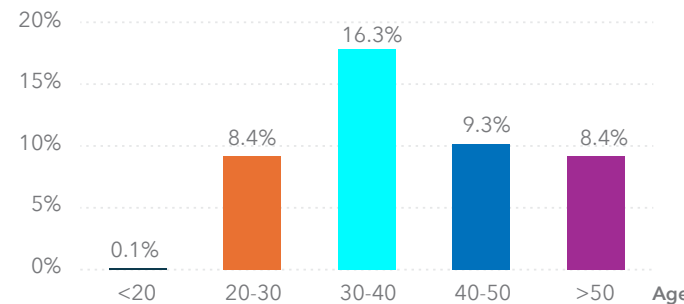
Hiring individuals from all age groups—from young professionals just starting their careers to the ones who are near retirement—allows us not only to incorporate a diverse range of experiences within our team but also supports ideas and viewpoints that are born in the discussion between generations.

We prioritize creating a balance between young and experienced employees. Over 80 former interns are now in managerial and senior expert roles, and 20% of them mentor new interns. More than 40% of Vivacom employees have been with the company for over 15 years, and 22% of those have been here for more than 25 years. Nearly 40% of our leadership positions are held by women, reflecting our commitment to diversity and continuity in the tech sector.

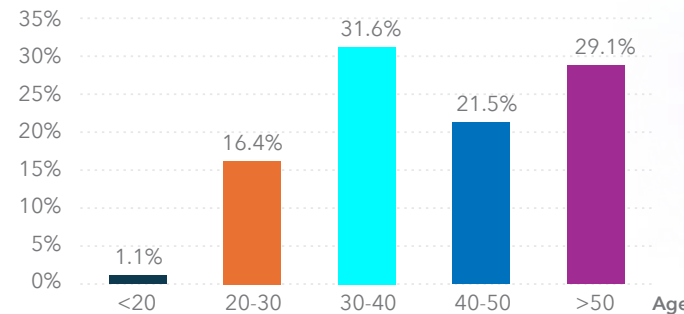
Age distribution - Male employees



Age distribution - Female employees



Age distribution - All employees



New hires

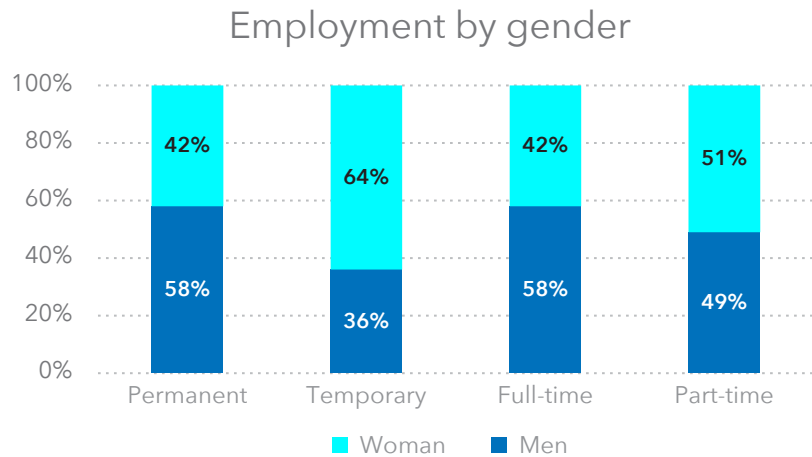
We continue our growth and in 2023 we employed 835 new people with a hiring rate of 19.8%. The majority of our new hires fall within the 20 to 30 age range, highlighting the significance of younger generations entering the workforce. Also 48% of all new hires are women

Promoting Career Opportunities for Employees with Disabilities

We've launched initiatives to promote career opportunities for employees with disabilities. Job postings are in clear language and available in alternative formats, and our recruitment platform is accessible to all. We encourage candidates with disabilities to apply and ensure our hiring practices are inclusive. We provide reasonable accommodations, including assistive technologies and flexible work arrangements, to help employees perform their roles effectively.

Employees by gender

Our team currently consists of 4.475 people. We adhere to principles of equality and zero tolerance for discrimination, fostering a creative and inclusive work environment. This allows our employees to develop various skills and abilities. We offer different types of employment—permanent, temporary, full-time, and part-time—to accommodate people with diverse backgrounds and needs. We emphasize diversity, equity, and inclusion in our team.



	Women	Men	Total
Total employees	1.896	2.579	4.475
Contract type			
Permanent	1.830	2.542	4.372
Temporary	66	37	103
Working hours			
Full-time	1.877	2.561	4.438
Part-time	19	18	37

Charter of Bulgarian Diversity

The charter emphasizes social inclusion and equal opportunities for all employees by promoting diversity and introducing inclusive practices in the workplace. All Vivacom employees must familiarize themselves with the company's Code of Business Conduct and Ethics, which closely embeds the 7 principles.



Fostering Gender Diversity: Promoting Equality

★ What did we do well?

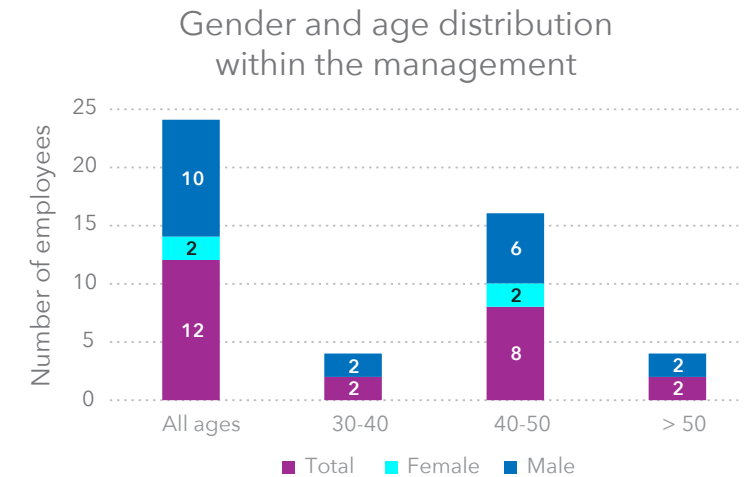
- 26% of the top management are women

At Vivacom, we are committed to fostering gender diversity and promoting equality throughout our organization. We value diverse perspectives at all levels, including gender representation, to create a more inclusive and balanced environment that drives innovation and success.

In 2023 United Group, reinforced this commitment by signing the Women's Empowerment Principles (WEPs). This initiative aligns with our core values and highlights our dedication to advancing gender equality in the workplace, marketplace, and broader community.

Gender and age distribution in management

Proper representation in management is important to us and our employees. Currently, our top management team consists of 12 people: 2 women and 10 men. This disparity is largely due to the overall prevalence of men in the technology sector. However, our selection criteria for management positions are based on the role's requirements and the candidates' knowledge, skills, and qualifications. We do not discriminate between genders when candidates are equally qualified.



Group leadership	53.3%	46.7%
Vivacom Leadership	26.67%	73.33%
Vivacom workforce	42%	58%

Health & Safety

★ What did we do well?

- We participate in the health and safety risk assessment and prevention program
- 1.411 of team members and instructors went through our new training programs
- Regular monitoring and analysis of our employees' health
- This year 3.326 of our people underwent annual health check-ups

In our company, the responsibility for health and safety is structured across various levels. That is why we conduct thorough **hazard identification, risk assessment, and incident investigation** in accordance with legal requirements.

How we build our safety culture

- **Effective Training and Worker Participation:** Ensuring workers are effectively trained and involved in creating an accident-free environment.
- **Continuous Reduction of Workplace Accidents:** Sustained and steady decrease in occupational accidents.
- **Transparency in Health and Safety Management:** Clear communication of results related to the Health and Safety Management System.
- **Preventive Health Measures:** Implementing medical activities focused on disease prevention, early detection, monitoring, and proactive health management.

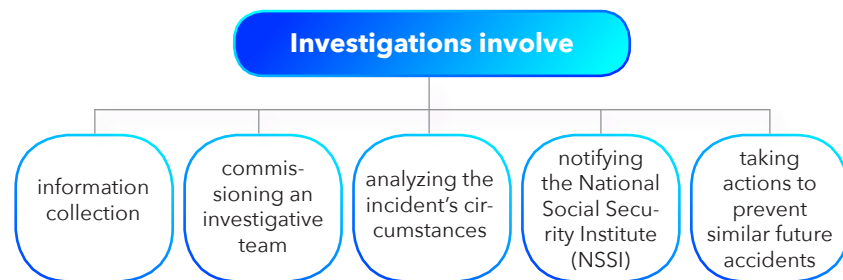
How we build our safety culture

Our occupational health and safety management system is built upon risk assessments and the resulting prevention program. The assessments encompass a systematic approach, including the classification of work activities, hazard identification, exposure evaluation, risk element definition and documentation.

Employees have the legal right and duty to report work hazards and dangerous situations, as stated in the Collective Labour Agreement (CLA). They must quickly inform their supervisor and the Occupational Safety and Health (OSH) authority. Our employees understand this responsibility and report incidents as they happen. We provide various ways for them to report issues. Safety reports are handled urgently and addressed quickly, with responses involving managers, safety authorities, the employer, and other relevant parties, depending on the situation. Similarly, employees can legally remove themselves from work situations they believe could cause injury or ill health, with the same reporting requirements.

Occupational Accidents in 2023

Cause of Accident	Number of Accidents
<ul style="list-style-type: none"> • Inattention when moving, • Falling from a height, • Road accidents 	6
Number fatalities	0



CEO
Declaring and ensuring the public understanding and internal implementation of the Occupational Health and Safety Policy.

Functional Directors
Effective application of this policy within their respective areas.

Managers

- Day-to-day health and safety operations,
- Hazard identification
- Risk assessment
- Resource planning for policy implementation, which encompasses competent staff, training, and specialist advice.

All employees
Responsible for maintaining a safe work environment for themselves, their colleagues, and customers.

Health and safety authorities
Coordinate workplace H&S activities, provide guidance, monitor the system's state, promote best practices, verify policy implementation, and report to the Directors for ongoing enhancement of the H&S system.

Health and safety trainings

In 2023 1.411 employees completed special trainings. This initiative has significantly improved our employees' knowledge, skills, and qualifications, aligning with best practices and H&S regulations. We organize initial and regular safety briefings for all employees, depending on the risks, either annually or quarterly. Additional training for those instructing and managing work processes is conducted annually.

- **Electrical safety**
- **First aid**
- **Working at height**
- **Safety training in the construction and maintenance**
- **Safe off-road driving**

Worker participation, and communication on occupational health and safety

We are committed to sustainability and employee well-being by ensuring active participation in Occupational Safety and Health (OSH) processes through working conditions committees. These committees, with equal representation from both employer and employee sides, meet quarterly to discuss and improve OSH activities. Their responsibilities include proposing improvements, reviewing occupational risk assessments and workers' health status, checking compliance with health and safety requirements, and monitoring work-related injuries and illnesses.

Safety Care Results

We are committed to sustainability and employee well-being by ensuring active participation in Occupational Safety and Health (OSH) processes through working conditions committees. These committees, with equal representation from both employer and employee sides, meet quarterly to discuss and improve OSH activities. Their responsibilities include proposing improvements, reviewing occupational risk assessments and workers' health status, checking compliance with health and safety requirements, and monitoring work-related injuries and illnesses.

Focus Area	Details
Risk Assessment	Health and safety risks are assessed for all employees and workplaces
Safety Training and Briefings	Nearly 400 employees are trained annually
Work Clothing and Personal Protective Equipment	Provided to over 1.600 employees
Fire and Emergency Safety	36 evacuation drills were held nationwide

Health and Safety management system

We maintain a health and safety management system certified to ISO 45001 (formerly OHSAS) since 2013, and we have confirmed our certification every year. The system focuses on disease prevention by providing regular medical exams, training, first aid kits, and instructions on how to use them.

Focus Area	Details
Preventive Medical Examinations	3326 from 4.452 employees attended the examinations - 74.71% success rate
Conditions monitored	4.334 and 32 new conditions identified
First Aid Training	An approved First Aid Instruction by BRC is available for all other employees.
First Aid Kits	Provided at all locations

Sport initiatives

We support various employee sports groups, including running team, a football team, a cycling team with over 50 participants. Our running team secured first place in the Ekiden team marathon and earned fourth place finishes in the Tech Run and Morning Run. Employees also took part in the Sofia Marathon, the Vitosha Mountain Tour and the 5KMRUN, which are some of the biggest competitions in the region. Meanwhile, our cycling team competed in three races, achieving a top 10 finish in the Sofia Bike Relay, and one of our employees achieved an individual 3rd place in the same competition.

Donation Program

Our donation program allows employees to voluntarily contribute a specified amount from their monthly salary to a specially established fund, supporting meaningful causes and initiatives. VIVA Help is the name of Vivacom's Donation program that we developed in partnership with foundation BCause. The funds collected in the established fund can only be used for treatment and related expenses. Any employee of Vivacom Bulgaria, working under an employment or civil contract, can be a beneficiary of the program.

In 2023, over 34% of our staff became regular donors. We collected 110.000 BGN and allocated 93.581 BGN to help 10 employees with serious illnesses and one employee with a life-saving operation. So far, the Vivacom Employee and Children Treatment Fund has supported nearly 80 employees and their children with almost 790.000 BGN.

Our Principles Objectives:

- Always have enough funds to avoid treatment delays.
- Make it easier to add funds to the account.
- Collect funds regularly.
- Offer tax benefits for employee donations.



Investing in the community

★ What did we do well?

In 2023, we continued our commitment to investing in education and environmental protection - the key pillars of our socially responsible strategy.

- Supported diverse projects dedicated to education and environmental protection across the entire country
- Donated more than 111.000 BGN to meaningful causes
- Provided critical telecom services to people in need
- Supported young people and their development

In 2023 we supported civic society organizations from all around the country, celebrated the 10th anniversary of our long-lasting donation campaign for children and young people and provided free connectivity for people in need.

Over the past 15 years, we have donated more than BGN 6 million, supporting over 300 causes and 200 different organizations. Additionally, our contributions to the state budget in taxes and fees exceed BGN 2 billion.

Viacom Regional Grant

Vivacom Regional grant remains our biggest social responsible initiative which is aimed to support civil society organizations from all over the country - from biggest cities to smallest villages. Focused on projects that drive education and environmental sustainability, the 8th edition of the grant supported 14 NGOs with a total of 62.758 BGN. The program attracted a record high interest from the organizations and we received 360 applications nationally, 75% of which participated for the first time.

“The mission of “It’s up to me too” is to show the students in our region how serious the problem of clogging of the riverbeds of the Struma River and its tributaries is. And to give them the confidence and sense to care, to change, to hold the future in their hands. Thanks to support from Vivacom Regional grant and together with more than 100 volunteers we cleaned nearly 4 tons of waste from three heavily polluted points in the Kyustendil area.”

Lyudmila Dobreva from Clean Struma Association - one of the finalist from Vivacom Regional grant.

From its launch to the 2023 we donated more than 500.000 BGN to 98 organizations from all around the country. Our partner from the beginning till now is Bulgarian center for non-profit law - one of the most recognizable organization in the NGO sector.

“Thanks to the Vivacom Regional Grant, we organized a series of sign language trainings for students from first to fourth grade in Plovdiv and the region. More than 2.000 children and more than 100 teachers learned the basics of communication through gestures, which creates new opportunities for communication and inclusion in the school environment.”

Dani Yoncheva, founder of the Stray Sheep Foundation - one of the finalist from Vivacom Regional grant.

“Vivacom Regional grant is a program which doesn’t matter how small or large your town is, how big or small your organization is, as long as you have a good idea, it helps and brings the community together, you can grow with the grant! That’s why we are so popular - this program is for anyone who has dreams for their communities and is willing to do something to achieve them. We give the organizations opportunities for development, but also faith that if we act together with commitment to the development of the places we live in, good results come quickly.”

Nadia Shabani, Director of the Bulgarian Center for Not-for-Profit Law.

“Operation Spare Change”

This year marked the 10th anniversary of Operation “Spare Change” – our national campaign supporting significant causes for children and young people. This is an example of how companies, media and society, united in their efforts, can do extraordinary things and change the lives of disadvantaged children for the better or support young people in developing their talents. Through the years we have raised over 790.000 BGN and donated them to five significant causes including establishing the first Centre for children with dyslexia and autism, building two accommodation houses for abandoned babies for the “Hope for the Little Ones” Foundation, providing two supervised homes for young adults over 18 who have left orphanages for the “Social Change and Inclusion” Foundation, and funding day care for disabled children at the “Centre for Hope” of the “I Can Too” Foundation. The past two editions we supported the Association of Olympic Science Teams.

In 2023 we donated more than 53.000 BGN for the preparation and participation of the Olympic teams in international Olympiads.

// **The investment in the science Olympians is an investment in the young people who will drive innovations and scientific excellence in our country in the years to come. Every year Bulgarian students win medals in competition with hundreds of the world’s best high school students, and in 2023 alone they earned 90 medals - 17 gold, 32 silver and 41 bronze. We are very grateful to Vivacom for their support along the road to Olympic success.** //

Valkan Goranov,
Executive Director of the Association
of Olympic Science Teams.

Support for education and development of young people

2023 was the second year we’ve supported Junior Achievement Bulgaria’s (JA Bulgaria) “Learning Company” program. This initiative helps high school students develop practical business skills, creating their own company with real products and services. The program is focused on STEAM education, green entrepreneurship, and high-tech solutions for cities and communities. Our employees are actively involved at every stage of the program – they mentor students and guide them in the creation and development of the learning company and are also involved in the selection and evaluation of learning company projects. Over 390 students from 74 learning companies participated in the program.

At the start of 2023 Vivacom donated interactive learning equipment to the Sofia Mathematical High School “Paisii Hilendarski” (SMHS), including 3 prestigious Multiboard interactive displays which allow for an enhanced learning experience. More than 700 students will be able to benefit from this upgrade.

Support for Local Communities in Times of Disaster

We believe that in the time of a crisis, connecting with loved ones, accessing critical information and coordinating relief efforts are essential. Driven by this belief we supported people which suffered from the devastating floods in September. We provided free fixed connectivity, including satellite TV, EON interactive TV, fiber internet, internet over various technologies and home fixed phones, to our clients for three months.

What’s next?

In the upcoming years, we are planning to increase our investment in education and environmental protection.

We are working on a significant upgrade of the Vivacom Regional grant to make the program even more relevant for the civil society organizations. We will double the grant - from 5.000 to 10.000 BGN and will increase the total fund to 100.000 BGN. We will also simplify the application process and introduce for the first time an accelerator program. In this way we will help the organizations to be even more effective in developing their ideas and achieving better results.

We remain committed to supporting the Association of Olympic Science Teams, as we firmly believe that investing in the brightest students is an investment in Bulgaria’s future. Additionally, we are proud to serve as a technical partner for the world’s first International AI Olympiad, set to take place in Burgas this summer.

Responsible Governance



At Vivacom, we understand that strong governance is the cornerstone of sustainable growth and long-term value creation. Our commitment to transparency, accountability, and ethical business practices guides every aspect of our operations. By aligning with the highest governance standards and fostering a culture of integrity, we aim to build trust with our stakeholders and create a positive impact for the communities we serve. Through proactive risk management, robust compliance frameworks, and continuous improvements, we ensure that our governance practices not only support our strategic goals but also contribute to a sustainable future.

Ethics and compliance



“ We bring Group policies to life at Viva- com through regular updates, training that includes storytelling and real-life scenarios, ongoing team education, and by offering secure, reliable channels for voicing concerns. ”

Mihaela Prakova, Risk & Fraud Management, Local Compliance

★ What did we do well?

- **Comprehensive Compliance Program:** Fully implemented and aligned with international best practices
- **Code of Conduct Excellence:** Clear guidelines ensuring ethical behavior across all levels of the organization.
- **Effective Whistleblowing Mechanism:** Secure, anonymous channels to report misconduct
- **Extensive Third-Party Screening:** Over 553 third-party partners screened for compliance and ethical standards in 2023.

Vivacom is committed to the highest standards of ethical conduct, regulatory compliance, and effective risk management. Our Compliance Program is designed to ensure adherence to legal, regulatory, and internal standards, focusing on areas such as data protection (e.g., GDPR), consumer rights, anti-corruption and anti-bribery, fraud, theft, conflict of interest, sanctions, third-party relationships. It involves risk management, internal policies and procedures, ongoing employee training, continuous monitoring through audits and compliance checks. Our approach also includes a clear framework for reporting and addressing compliance breaches, with a dedicated compliance

function. Additionally, Vivacom ensures that third-party vendors comply with relevant standards, safeguarding both the company and its customers against potential legal and reputational risks.

Vivacom’s compliance system adheres to Group compliance policies and comprehensive oversight by our Local Compliance and Risk & Fraud function. This function reports directly to the Executive Director of Compliance, Risk & Sustainability, who in turn reports to the CEO and the Board of Directors of United Group. This structure balances the benefits of centralized control and standardization with the flexibility and responsiveness of local operations. The Compliance team, represented locally by a Local compliance function, ensures that Vivacom follows all applicable laws, regulations, industry standards, and Group policies.

Corporate compliance is achieved by locally adapting Group policies, establishing necessary processes, and implementing enforcement activities, training and monitoring. Continuous training and information-sharing with all employees are at the core of our approach. New hires receive compliance specific training during onboarding, while permanent employees access resources via the intranet and participate in targeted workshops. This empowers employees to understand their compliance responsibilities and recognize potential issues, such as fraud or ethical violations. The main aim is to cultivate a culture where doing the right thing is a priority.



Code of Business Conduct & Ethics

Vivacom’s Code of Business Conduct & Ethics (“the Code”) is our core document that underscores our commitment to high standards and establishes policies promoting ethical behavior and compliance with legal and regulatory requirements. This Code serves as a guiding framework for all employees, our entire workforce, and partners, embedding integrity, accountability, and responsibility into every business decision and action. It’s mandatory for all employees and covers the following areas:

As part of mandatory onboarding training, new employees are introduced to the Code through discussions of real-life situations and hypothetical scenarios. In 2023 there was a series of refreshing trainings on the Code with the participation of permanent employees and a completion rate of 94%.

Further information can be found in [Code of Business Conduct & Ethics](#) and on our website, section [Ethics and Compliance](#).

- Ensuring a safe, healthy, and productive workplace for all employees and visitors to our operations.
- Committing to environmental stewardship and pursuing greater sustainability.
- Empowering and engaging with local communities ethically.
- Generating a positive social impact and upholding human rights as per international standards, declarations and policies
- Practicing zero tolerance towards bribery and corruption.
- Making responsible investments in business relationships and adhering to United Group’s policies on Gifts, Entertainment, and Travel.
- Providing guidance on avoiding conflicts of interest.
- Maintaining accurate financial records and preventing fraud.
- Promoting fair competition.
- Implementing robust data protection and privacy measures.

Integrity Helpline

The [Integrity Helpline](#) is a key part of Vivacom’s ethical management structure, providing a centralized and confidential way to report misconduct or grievances. It is designed to be user-friendly and is available to both internal and external stakeholders, allowing them to submit concerns in a protected environment. The helpline supports safe reporting and has clear procedures for investigation, as outlined in the Protected Disclosure & Anti-Retaliation Policy. This policy details the reporting, processing, escalation procedures, and protections for reporters. When a report is received, it’s rigorously investigated according to the Investigation Protocol, ensuring that each case is handled with the utmost seriousness while maintaining the confidentiality of the whistleblower’s identity. The helpline can be accessed via a web platform in any language, mobile platforms, and phone lines, ensuring ease of access and data protection. In addition to the Integrity Helpline, we offer further support through the compliance email (compliance@Vivacom.bg), which provides guidance and clarification on policies and procedures.

All complaints received in 2023 were thoroughly investigated by the Compliance team, and following the investigation protocol, it was determined that none of the complaints identified any significant issues that required reporting to the appropriate regulatory bodies.

Responsible sourcing

Vivacom adheres to the Group Supplier Code of Conduct. This document reflects our dedication to ethical, safe, and responsible business practices, and we expect our suppliers to share this commitment. This Code is based on established industry codes, international law, ethical norms, responsible business principles, and best practices, such as the International Labor Organization Conventions, the UN Universal Declaration of Human Rights, and the UN Guiding Principles on Business and Human Rights and is designed to complement rather than replace local laws and regulations in the

jurisdictions where suppliers operate. However, this Code aims to encourage compliance to relevant laws to guarantee safe working conditions, respectful and dignified treatment of all workers, and operations that are both environmentally sustainable and ethically managed within the Supplier’s operations and their supply chain.

The Supplier and its employees are expected to report any suspicious activities, potential red flags or violations of this Code to United Group’s Compliance functions via email at compliance@united.group, through our Integrity Helpline at unitedgroup.ethicspoint.com, or by scanning the QR code. This approach ensures that our commitment to ethical conduct and compliance is not just a policy, but a practice embedded in our daily operations.



Anti-corruption and anti-competitive policies in practice

Vivacom Anti-Bribery & Corruption Policy fosters a culture of vigilance, acknowledging that bribery can take many forms beyond monetary payments, such as gifts, entertainment, travel, donations, sponsorships, or any other direct or indirect benefits. At Vivacom a profound risk assessment of the entire operational landscape was performed to highlight areas with a higher risk of non-compliance with particular focus on corruption. At Vivacom, several key processes were identified, including vendor selection and management, contract negotiation, expense reimbursements, licensing and permits, as well as entertainment, donations, sponsorships, consultancies, and lobbying activities. To further promote a culture of vigilance, we use the GET Register, an electronic platform implemented by United Group, to obtain compliance approvals for activities that carry a bribery risk. These activities include gifts, entertainment, travel, donations, and sponsorships. In 2023, the platform processed 89 requests and supported extensive Anti-Bribery and Corruption (ABC) training, which educated all employees and governance members.

Vivacom has implemented United Group’s Conflict of Interest Policy, supported by an Online Register of Interest Form, to effectively manage potential conflicts of interest. This policy promotes ethical conduct by requiring employees to disclose any actual or potential conflicts. Submissions are promptly reviewed by Vivacom’s Compliance Officer to determine if a genuine conflict exists, and further action is needed.

In 2023, the compliance team processed 2.306 declarations. Employees in high-risk, decision-making roles are required to annually reaffirm their understanding of and commitment to the Conflict of Interest Policy by submitting a Conflict of Interest Declaration, even when they have no conflicts to report. This annual certification is a cornerstone of our compliance framework, underscoring our commitment to integrity and ethical decision-making at all levels of the organization.

Vivacom is committed to ethical business practices and strict adherence to competition laws. Our Competition Compliance Program includes comprehensive policies, regular employee training, and robust internal monitoring systems to prevent anti-competitive behavior. During the reporting period, we faced two legal actions related to anti-competitive practices, both of which are still pending.

Due Diligence and Sanctions screening

Vivacom has fully implemented United Group Due Diligence on Third Party Relationships Policy, establishing clear objectives and requirements for conducting thorough due diligence before entering into or renewing contractual agreements. This policy is complemented by a robust sanctions risk assessment framework designed to identify potential interactions with prohibited parties, entities, or regions.

As part of this process, all new third parties undergo comprehensive screening, including checks against sanctions lists, watchlists, politically exposed persons (PEPs), and global adverse media databases.

Ongoing monitoring is conducted to ensure that contracted entities remain compliant with sanctions throughout their professional engagement with Vivacom. In 2023, a total of 553 entities were screened using a dedicated screening platform, reinforcing our commitment to maintaining high ethical and compliance standards in all third-party relationships.

Fully operational Integrated Management System

Vivacom operates an Integrated Management System that aligns with global standards, guiding our approach to various aspects of

our business. This system ensures that we maintain high standards in data quality, environmental management, occupational health and safety, information technology, information security, cyber security and privacy protection, and security methods. Responsibilities for operational activities are distributed across different functions within the company and are systematically tracked to ensure accountability. We plan for new initiatives or optimizations in existing processes on an annual basis or as needed, which helps us to keep our practices current and effective. This framework is a testament to our commitment to continuous improvement and operational excellence, ensuring that we not only meet but exceed the expectations of our stakeholders. By adhering to these standards, we aim to provide a safe, secure, and efficient environment for our employees, customers, and partners.

- 🏆 **ISO 9001:2015** Quality management systems. Requirements
- 🏆 **ISO 14001:2015** Environmental management systems. Requirements with guidance on implementation
- 🏆 **ISO 45001:2018** Occupational health and safety management systems. Requirements with guidance on implementation
- 🏆 **ISO/IEC 20000-1:2018** Information technology. Service management. Part 1: Service management system requirements
- 🏆 **ISO/IEC 27001:2022** Information security, cyber security and privacy protection. Information security management systems. Requirements
- 🏆 **ISO/IEC 27018:2019** Information technology. Security methods. Code of Good Practice for the Protection of Personally Identifiable Information (PII) in Public Clouds Acting as Processors of Personal Data
- 🏆 **ISO/IEC 27701:2021** 'Methods for security. Supplement to ISO/IEC 27001 and ISO/IEC 27002 for managing the privacy of personal information. Requirements and Guidelines' Teleport Plana has TIER 4 certification from the World Teleport Association (WTA)



Data Privacy & Cyber Security

★ What did we do well?

- We maintain certification according to ISO/IEC 27701 to ensure privacy management
- We had no data breaches, customer leaks, thefts, or losses identified
- We conduct regular internal GDPR training for employees

High level of Data protection and Cyber security

Data is the cornerstone of Vivacom’s business, and we recognize it as a critical asset that requires the highest level of security and ethical handling. In today’s complex digital landscape, we prioritize the protection of our customers’ data, understanding that we have both legal and moral responsibilities to uphold. Our commitment to data privacy and security is unwavering, as we aim to maintain the trust placed in our brand.

To ensure privacy, data protection, and cybersecurity are deeply embedded in our organizational framework, we have formed specialized teams with clear roles and expertise. Data privacy and cybersecurity are managed through the Privacy Office and the Cyber Security Office at the group level. The Privacy Office is a dedicated department responsible for maintaining data protection and privacy principles, while the Cyber Security Office is responsible for safeguarding our digital assets. Both offices are represented by local team members within Vivacom, ensuring that our policies and practices are effectively implemented across the organization.

This structure allows us to manage data privacy and cybersecurity proactively, addressing potential issues before they become problems and ensuring that our customers’ data is always handled with the utmost care and respect. By doing so, we not only comply with legal requirements but also uphold the trust that our customers place in us, which is essential for our long-term success.

Privacy Office

Vivacom’s Data Protection Officer plays a crucial role in directly implementing the company’s policies and best practices. This ensures that our data protection measures are not only effectively tailored to meet local regulatory requirements but also maintain alignment with the broader Group standards and protect our customers’ data with the highest level of integrity and care.

Cyber Security Office

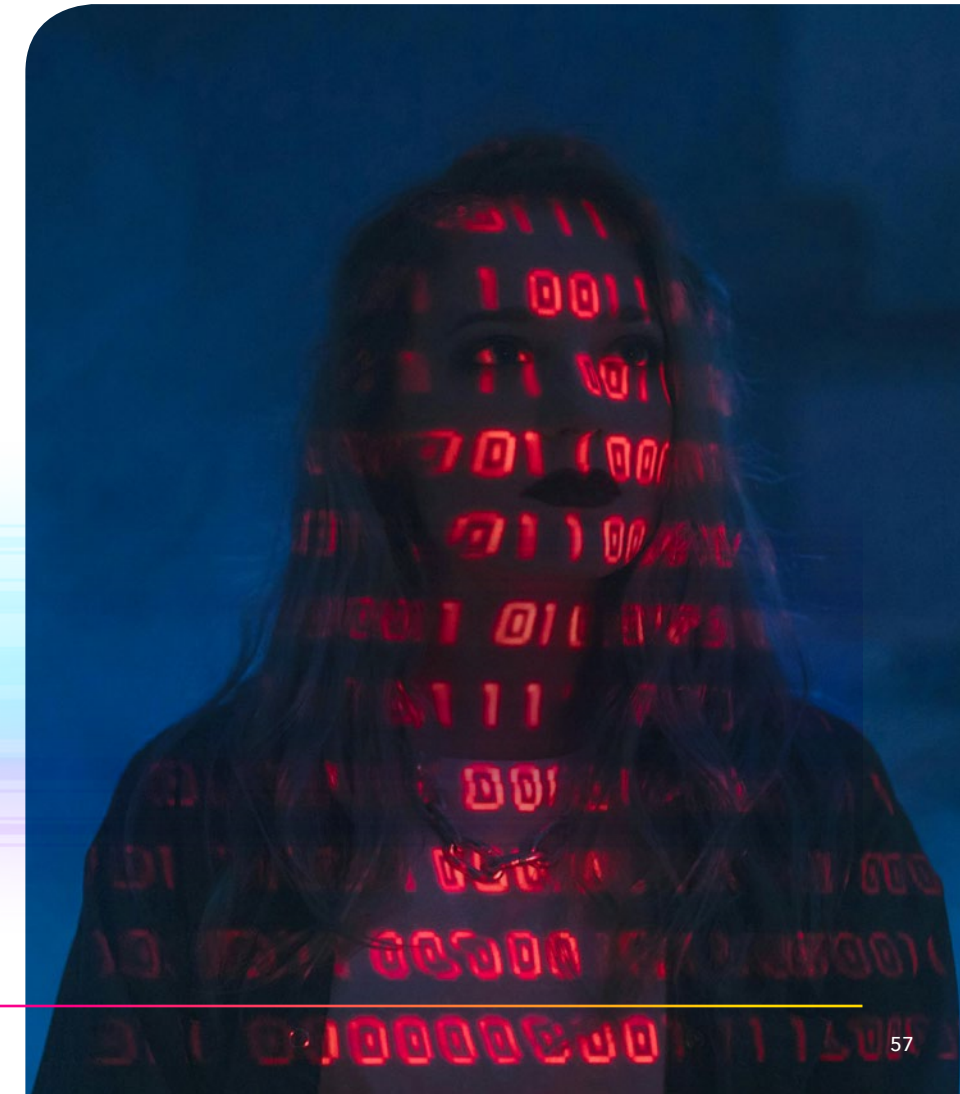
We prioritize safeguarding customer data, strictly adhering to global regulations, industry standards, and company policies. At Vivacom, our Local Cyber Security Officer customizes Group strategies to meet Vivacom’s specific security needs, ensuring a unified approach to protecting digital assets across all levels of operation. This ensures the seamless integration of both global and localized cybersecurity measures.

Vivacom is certified according to ISO/IEC 27701, globally recognized standard for privacy information management.

Our privacy program is built on privacy by design and data minimization principles, fully compliant with the General Data Protection Regulation (GDPR), to protect personal data and reduce privacy risks throughout our operations. Vivacom is certified according to ISO/IEC 27701, which ensures privacy management as an extension to in-

formation security within the organization. Data protection responsibilities are distributed across different functions, ensuring systematic monitoring and compliance.

This integrated approach allows us to maintain the highest standards of data protection and cybersecurity, reinforcing the trust our customers place in us.



Building customer trust through data privacy

Vivacom is committed to safeguarding customer privacy, managing it through an integrated management system and maintaining ISO/IEC 27701 certification to ensure data protection. In 2023, we received 30 substantiated complaints from outside parties, mainly related to third-party fraud such as identity theft. Additionally, there were 7 substantiated complaints from regulatory bodies, with the most common issues being unsolicited marketing communications, third-party fraud, and excessive data collection for identification purposes. Importantly, there were no identified leaks, thefts, or losses of customer data during this period.

Vivacom’s commitment to protecting customer data is demonstrated through our proactive measures and transparent practices. We address concerns in a timely and effective manner, working hard to maintain the trust our customers place in us by ensuring their data is secure.

To enhance privacy awareness, we conduct regular internal GDPR training for employees and provide updates on privacy policies to customers. All new employees undergo GDPR training as part of their onboarding process, followed by annual refresher training for all staff. In 2023 alone, this amounted to 4.801 hours of training. Direct managers are responsible for ensuring that employees complete these training programs, which include specialized GDPR training and information security modules. The Training Department monitors compliance and escalates issues to managers or the Data Protection Officer when necessary. Additionally, privacy policies are regularly updated and communicated externally to ensure transparency.

These efforts reflect our dedication to data privacy and security, reinforcing our commitment to our customers and their trust in us.

10 days is the average number of days necessary to process Data Subject Access Requests

4801 hours of GDPR training for each new employee and refreshing GDPR training for all employees

Cases concerning breaches of customer privacy from 01.01 to 31.12.2023

	Nr Complaints	Type of complaints
External complaints	30	Third-party fraud and mainly identity theft
Complaints received from regulatory bodies	7	<ul style="list-style-type: none"> • 3 cases of unsolicited marketing communication; • 3 cases of third parties’ fraud (identity theft); • 1 case of alleged processing of too much information for identification.
Identified customer leaks, thefts, or losses	0	
Data Subject Access Requests	25	
Data Breaches (classified as such and reported to the Data Protection Authority).	0	

Third-Party Management

Vivacom places a strong emphasis on due diligence and risk management in our relationships with third-party vendors and service providers. To prevent data breaches and ensure adherence to data protection regulations, we conduct comprehensive evaluations of their data protection and security practices. We also implement Data Processing Agreements (DPAs) with all third parties involved in data processing. These agreements clearly define the responsibilities of each party and require specific technical and organizational measures for data protection. This structured framework helps us manage third-party relationships effectively and ensures the security of personal data.

Data Retention and Erasure Practices

Vivacom’s data retention policies are designed to comply with legal and regulatory requirements while minimizing the retention of personal data to only as long as necessary. Personal data processed for contract fulfillment is retained for the duration of the contract and until the expiration of the applicable prescription period. Data processed for tax and financial control purposes is retained in accordance with relevant tax legislation, while data processed to satisfy data subject rights is retained for five years following the submission of a response. These policies help us manage your data responsibly and protect your privacy.

International Data Transfers

Vivacom takes the protection of personal data seriously, especially when it comes to international transfers. We strictly adhere to data protection laws and use intra-group agreements and Standard Contractual Clauses (SCCs) for transfers outside the European Economic Area (EEA). Additionally, we consider Binding Corporate Rules for extra safeguarding, ensuring that our practices align with EU standards for data privacy and security. This approach helps us maintain a high level of protection for personal data, no matter where it's transferred.

Privacy Training and Education

Data privacy and security are core values at Vivacom, reinforced through comprehensive training initiatives. Every new employee receives GDPR instruction during onboarding, and all staff participate in annual updates, totaling 4,801 training hours in 2023. Supervisors are responsible for ensuring training adherence, while the Training Department oversees fulfillment and reports any concerns to the Data Protection Officer (DPO). Vivacom also regularly refreshes and openly disseminates its privacy policies to maintain transparency. This commitment to ongoing education and clear communication helps ensure that data privacy and security remain a top priority across the organization.

Data Subject Access Requests (DSAR), Data Subject Erasure Requests (DSER), Data Breaches

Vivacom strictly follows GDPR guidelines for handling Data Subject Access Requests (DSARs) and Data Subject Erasure Requests (DSERs), with established procedures for timely and appropriate responses to protect data subjects' rights.

In line with Article 30 of the GDPR, the company keeps a comprehensive record of processing activities, documenting all personal data processing to maintain transparency and accountability within the organization.

Risk Management

★ What did we do well?

- We conducted a comprehensive risk assessment across all operations
- We included climate change-related risks and mitigation plans in our risk assessment

Vivacom upholds the mandatory standards set by The Group's risk methodology framework, ensuring a robust Risk Management process that enhances operations and ensures adherence to industry standards and best practices. The risk methodology framework is designed in line with Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework and ISO31000 standards. Climate considerations are also integrated into our strategy, enabling a forward-looking approach that addresses both risks and opportunities, including the transition to a low-carbon economy.

We take a comprehensive approach to risk management, involving local entities and group functions throughout the risk assessment process. The Risk Management & Fraud function governs the Enterprise Risk Management (ERM) framework at the Group level by developing and implementing an integrated methodology, estab-

lishing a risk management policy, preparing regular and ad-hoc risk reports, maintaining and monitoring group and local risk registers, prioritizing risks, overseeing mitigation measures, and guiding process owners in risk identification and assessments. The Risk Management & Fraud function fosters a culture of risk awareness and accountability across the Group, including Vivacom.

Our approach to Risk management

Our risk methodology outlines a structured approach for comprehensive risk identification, assessment, response, and reporting processes, designed to address potential risks to the achievement of the business strategic objectives. Risks are grouped in:



Step-by-step in Risk management at Vivacom

- 

1. Risk identification:
We identify potential risks to Vivacom following a top-down approach that aligns with the Group strategy.
- 

2. Risk assessment:
We assess the likelihood and potential impact of risks, both individually and collectively, to focus management's attention on the most important risks and opportunities, and to lay the foundation for risk response.
- 

3. Risk response:
We prioritize risks based on assessment results, developing and regularly updating mitigation plans with assigned responsibilities and timelines.
- 

4. Monitoring and reporting:
We continuously track progress on risk mitigation and provide annual reports.

Climate Change Scenario Analysis

In 2023, we conducted a risk assessment to evaluate and prioritize the identified risks, enabling management to focus on the most important risks and opportunities, setting the stage for a strong risk response strategy. Special attention is given to risks related to climate change, as it represents one of the greatest global challenges, requiring urgent action to drastically reduce greenhouse gas emissions by 2050 to limit global warming to 1.5°C. Current projections suggest warming may exceed this target, highlighting the need for accelerated efforts to reach net-zero emissions. Climate change introduces considerable financial risks for the global economy, prompting investors, insurers, lenders, and other stakeholders to demand clear reporting on climate-related risks and opportunities. Financial markets require comprehensive, high-quality information on how climate change—including rising temperatures, regulatory policies, and advancing technologies—impacts businesses.

Recognizing these environmental and economic risks, Vivacom, as part of United Group, is strengthening its risk management methodology by embedding climate considerations into our Enterprise Risk Management Framework to better identify, assess, and mitigate climate-related **physical** and **transition** risks and opportunities. Since 2022, we have monitored and assessed both physical and transition risks and remain committed to evolving our methodology to protect our business amid a changing climate.

Physical risks are climate change's direct impacts (e.g., extreme weather, rising sea levels)

Transition risks arise from the shift to a low-carbon economy, affecting regulations, markets, technology, customer trends.

In 2023, United Group, including Vivacom, integrated climate change effects into the risk management process by conducting our inaugural scenario analysis and financial impact modeling, in line with the European Sustainability Reporting Standards (ESRS) and the Task Force on Climate-related Financial Disclosures (TCFD) recommendations.

For our first scenario analysis, we modeled across various scenarios and time frames the financial impact of one physical—costs for repairing or replacing equipment and infrastructure due to river flooding—and one transition risk—failure to decarbonize in line with net-zero targets, resulting in higher exposure to carbon prices risk.

The risk analysis was based on the following scenarios:

- 1. Current policies scenario:** This scenario includes all pledged policies even if not yet implemented. It assumes that the moderate and heterogeneous climate ambition reflected in the conditional Nationally Determined Contributions (NDCs) at the beginning of 2021 continues over the 21st century. Emissions decline but lead nonetheless to 2.6 °C of warming associated with moderate to severe physical risks.
- 2. Net Zero scenario (<1.5°C):** Net Zero 2050 represents the implementation of stringent climate policies and the global take-up of clean technologies that limit global average temperature increase to below 1.5°C. This scenario stresses the company's resilience to the impact of transition risks.
- 3. High Temperatures scenario (>4°C):** High Temperatures represent an overall lack of climate change mitigation globally. This results in a >4°C of global average temperature increase, and a very high increase in the frequency and intensity of extreme weather events. This scenario stresses the company's resilience to the impact of physical risks.

Risk	Scenario comparison		
Transition risks	Current policies scenario	↔ VS ↔	Net Zero scenario (<1.5°C)
Physical risks	Current policies scenario	↔ VS ↔	High Temperatures scenario (>4°C)

Since climate risks have a long-term impact, the analysis timeframes were selected as follow:



Transition Risk

As a technology-driven company, Vivacom is highly dependent on electricity and vulnerable to price fluctuations. A key transition risk is the potential lack of action or resources to implement technological improvements at the pace required for our net-zero strategy. Insufficient decarbonization progress could lead to stagnant or rising emissions and higher costs due to carbon pricing. In a net-zero scenario, increasing carbon costs pose a significant impact. To mitigate this, we are prioritizing a shift to renewable electricity through large-scale solar and wind projects, which, according to our scenario analysis, is essential for reducing the financial impact of this transition risk.

Transition Opportunity and Mitigation

Our mitigation efforts present a major opportunity to advance Vivacom’s net-zero decarbonization goals. By producing and consuming

our own renewable energy, we can not only lower carbon pricing costs but also achieve significant energy savings. We have set an ambitious target to procure 100% renewable electricity by 2027, primarily through large-scale solar and wind projects in Bulgaria. See section Investing in renewable energy projects, for more details.

Physical risk

Vivacom is a major owner and operator of telecommunications infrastructure in Bulgaria. As such faces heightened risk of asset damage from changing precipitation patterns due to climate change. River flooding, particularly under a 4°C+ temperature increase scenario, is expected to have greater impact after 2035 as such events are expected to become more frequent and severe. Flood risk could arise in any future scenario but is most likely under a no-policy scenario. To manage this risk, Vivacom is insured against flood damages and reserves adequate capital for projected costs.

The valuable insights from this climate scenario analysis will be integrated into our long-term business strategy and climate transition plan. Additionally, to enhance our climate risk management approach, we plan to expand the analysis in the coming years to include a broader range of climate-related risks and opportunities.

Risk	Scenario	Potential impact across time horizons		
		Short-term (2023-2030)	Medium-term (2031-2040)	Long-term (2041-2050)
Decarbonization does not occur in line with net zero, resulting in higher exposure to carbon prices	Current policies (no mitigation)	High	Very high	Very high
	Current policies (with mitigation)	Low	Low	Medium
	Net zero scenario (no mitigation)	Very high	Very high	Very high
	Net zero scenario (with mitigation)	Very high	High	Very high
Costs of repairing or replacing equipment and infrastructure increase as a result of flooding	Current policies	Low	Low	Low
	High temperature	Low	Low	Medium

What's next?

- ISO 37001 Anti-bribery management system (ABMS) standard certification
- Achieve a completion rate of over 90% for the training Code of Business Conduct & Ethics
- Maintain the Compliance Program aligned with regulatory standards and international best practices
- Enhancing the Privacy Program by introducing a companywide Privacy Champions Network.

Annexes

GRI content index

Statement of use Vivacom Bulgaria has reported the information cited in this GRI content index for the period 01.01.2023-31.12.2023 with reference to the GRI Standards.

GRI 1 used GRI 1: Foundation 2021

GRI standard	Disclosure	Location and comments
GRI 2: General Disclosures 2021	2-1 Organizational details	ABOUT VIVACOM, p. 5
	2-2 Entities included in the organization’s sustainability reporting	ABOUT THIS REPORT, p. 3
	2-3 Reporting period, frequency and contact point	ABOUT THIS REPORT, p. 3
	2-4 Restatements of information	No restatements
	2-5 External assurance	Annex I. LRQA Assurance Statement
	2-6 Activities, value chain and other business relationships	OUR BUSINESS, p.7; Progress to Net Zero, p. 23
	2-7 Employees	ABOUT VIVACOM, p. 5 People in Vivacom - Employees by gender, p. 46
	2-8 Workers who are not employees	No restatements
	2-9 Governance structure and composition	Management board, p. 12 Supervisory board, p. 12
	2-10 Nomination and selection of the highest governance body	Management board, p. 12
	2-11 Chair of the highest governance body	Management board, p. 12 Supervisory board, p. 12
	2-12 Role of the highest governance body in overseeing the management of impacts	Management board, p. 12
	2-13 Delegation of responsibility for managing impacts	Management board, p. 12; Supervisory board, p. 12; Vivacom ESG Committee p. 13; Local ESG Management team p 14;
	2-14 Role of the highest governance body in sustainability reporting	Vivacom ESG Committee, p. 13
	2-15 Conflicts of interest	Ethics and compliance, p. 53; Supplier Code of Conduct, p. 54 Anti-corruption and anti-competitive policies in practice, p. 55

GRI standard

Disclosure

Location and comments

GRI 2: General Disclosures 2021

2-16 Communication of critical concerns

Ethics and compliance, p. 53

We have established robust mechanisms to ensure that critical concerns are promptly communicated to the highest governance body. Risk & Fraud Management, along with the Local Compliance function, play a key role in this process. Vivacom's compliance system adheres to Group compliance policies and is subject to comprehensive oversight by our Local Compliance and Risk & Fraud function. This function reports directly to the Executive Director of Compliance, Risk & Sustainability, who in turn reports to the CEO and the Board of Directors of United Group. This structure balances the benefits of centralized control and standardization with the flexibility and responsiveness of local operations.

2-17 Collective knowledge of the highest governance body

Programs for upgrading managers' skills, p. 40

2-18 Evaluation of the performance of the highest governance body

No information

2-19 Remuneration policies

Ratio of remuneration of women to men, p. 44

At Vivacom, equal treatment of employees, regardless of gender, age, or other factors, is a core principle in all HR policies, including remuneration.; Our policies and evaluation criteria ensure objectivity in setting goals, measuring performance, and determining compensation.

2-20 Process to determine remuneration

Ratio of remuneration of women to men, p. 44

Compensation is based on the position's specifics, required knowledge and skills, and the employee's qualifications and performance." Salaries are based on the role and individual performance, within budget limits, ensuring fairness.

2-21 Annual total compensation ratio

Ratio of remuneration of women to men, p. 44

As of December 31, 2023, the average income for men and women in the company is equal, with no direct or indirect discrimination. The male-to-female pay ratio is -0.2%, excluding top management salaries.

2-22 Statement on sustainable development strategy

CEO Statement

2-23 Policy commitments

Affordability of services

We also have a long-standing policy of providing discounts on services and devices to make them affordable for everyone.

Ratio of remuneration of women to men, p. 44

At Vivacom, equal treatment of employees, regardless of gender, age, or other factors, is a core principle in all HR policies, including remuneration. Compensation is based on the position's specifics, re-quired knowledge and skills, and the employee's qualifications and performance. Our policies and evaluation criteria ensure objectivity in setting goals, measuring performance, and determining compensation. Salaries are based on the role and individual performance,

GRI standard	Disclosure	Location and comments	
GRI 2: General Disclosures 2021	2-23 Policy commitments	Health & Safety, p. 47; Ethics and compliance, p. 53; Code of Business Conduct & Ethics, p. 54; Integrity Helpline, p. 55; Anti-corruption and anti-competitive policies in practice, p. 55; Due Diligence and Sanctions screening, p. 56; Data Privacy & Cyber Security, p. 57; Building customer trust through data privacy, p. 58 Data Retention and Erasure Practices, p. 58 Vivacom’s policy commitments are publicly available on the company’s website - https://www.vivacom.bg/bg/etika-i-syotvetstvie#tab-nashite-politiki-nashijat-podhod	
	2-24 Embedding policy commitments	Ratio of remuneration of women to men, p. 44; Health & Safety, p. 47; Ethics and compliance, p. 53; Integrity Helpline, p. 55; Anti-corruption and anti-competitive policies in practice, p. 55; Building customer trust through data privacy, p. 58; Privacy Training and Education, p. 59	
	2-25 Processes to remediate negative impacts	Integrity helpline, p. 55	
	2-26 Mechanisms for seeking advice and raising concerns	Integrity Helpline, p. 55 Privacy Training and Education, p. 59	
	2-27 Compliance with laws and regulations	Anti-corruption and anti-competitive policies in practice, p. 55	
	2-28 Membership associations	Memberships, p. 10	
	2-29 Approach to stakeholder engagement	Decarbonizing Our Value Chain, p. 28 Transforming Cities and Businesses for a Sustainable Future, p. 31 Responsible Governance, p. 53	
	2-30 Collective bargaining agreements	Striving for diversity, equality, and inclusion, p. 44 100% of our employees are covered by collective bargaining agreements;	
	GRI 3: Material Topics 2021	3-1 Process to determine material topics	ESG topics selection for 2023, p. 15
		3-2 List of material topics	ESG topics selection for 2023, p. 15
3-3 Management of material topics		The management approach for each topic is disclosed in each relevant section in the report and includes the explains why they are significant.	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Business Sustainability, p. 17	
	201-2 Financial implications and other risks and opportunities due to climate change	Climate Change Scenario Analysis, p. 60-61	
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Network Coverage and Reliability, p. 18 Transforming Cities and Businesses for a Sustainable Future p. 31 - 33	
	203-2 Significant indirect economic impacts	Transforming Cities and Businesses for a Sustainable Future p. 31 - 33	

GRI standard	Disclosure	Location and comments
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Vivacom is dedicated to bolstering local economies and promoting community development through our procurement practices. Throughout the reporting period, we focused on sourcing from local suppliers in our key operational areas.
	GRI 205: Anti-corruption 2016	<p>205-1 Operations assessed for risks related to corruption</p> <p>Anti-corruption and anti-competitive policies in practice, p. 55 At Vivacom a profound risk assessment of the entire operational landscape was performed to highlight areas with a higher risk of non-compliance with particular focus on corruption.</p>
GRI 206: Anti-competitive Behavior 2016	205-2 Communication and training about anti-corruption policies and procedures	Anti-corruption and anti-competitive policies in practice, p. 55
	205-3 Confirmed incidents of corruption and actions taken	In 2023, there were no confirmed incidents of corruption at Vivacom
	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Anti-corruption and anti-competitive policies in practice, p. 55 During the reporting period, we faced two legal actions related to anti-competitive practices, both of which are still pending.
GRI 302: Energy 2016	302-2 Energy consumption outside of the organization	Progress to Net Zero, p. 23
	302-3 Energy intensity	Progress to Net Zero, p. 23
	302-4 Reduction of energy consumption	Progress to Net Zero, p. 23
	302-5 Reductions in energy requirements of products and services	Increasing energy efficiency in data centers, p. 24
	GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions
	305-2 Energy indirect (Scope 2) GHG emissions	Our Progress to Net Zero, p. 23 We compile our emissions inventory according to the Greenhouse Gas Protocol's standards and guidelines, using the operational control method. This includes all relevant greenhouse gas emissions, expressed as carbon dioxide equivalents. LRQA Assurance Statements, p. 63
	305-3 Other indirect (Scope 3) GHG emissions	Decarbonizing Our Value Chain, p. 28
	305-4 GHG emissions intensity	Our Net Zero Journey, p. 22-23
	305-5 Reduction of GHG emissions	Our Net Zero Journey, p. 22; Decarbonizing our electricity mix, p. 27

GRI standard	Disclosure	Location and comments
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Circular Economy and Waste Management, p.29
	306-2 Management of significant waste-related impacts	Circular Economy and Waste Management, p.29
	306-3 Waste generated	Circular Economy and Waste Management, p.29
	306-4 Waste diverted from disposal	Circular Economy and Waste Management, p.29
	306-5 Waste directed to disposal	Circular Economy and Waste Management, p.29
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Responsible sourcing, p. 55
	308-2 Negative environmental impacts in the supply chain and actions taken	Responsible sourcing, p. 55
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	<p>Striving for diversity, equality, and inclusion - New hires, p. 45 "We continue our growth and in 2023 we employed 835 new people with a hiring rate of 19.8%. The majority of our new hires fall within the 20 to 30 age range, highlighting the significance of younger generations entering the workforce." Growth in Vivacom, Vivacom's Programs, p. 40 "Our retention program is crucial to us as it helped us reduce the voluntary turnover rate by 5% since 2022."</p>
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	<p>Employee Wellbeing and Benefits, p. 43 "We ensure that our benefits program is inclusive and accessible to all eligible full-time and part-time employees, regardless of their role or location within the organization. Regular reviews and employee feedback systems allow us to continuously enhance our benefits offerings to meet the changing needs of our workforce. "</p>
	401-3 Parental leave	<p>Employee Wellbeing and Benefits, p. 43 "High retention rate after maternity leave" In 2023, a total of 382 employees took parental leave, from which 378 were women and 4 men. That is out of the total number of employees that were entitled to parental leave which is 4 548. The number of days granted to new moms is 410 days and new dads could get 15 day-leave after the birth. Upon completion of their leave, 57 mothers and 4 fathers returned to work in 2023. Overall, the retention rate of employees that took parental leave is 78%.</p>
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	<p>Health and Safety management system, p. 48 "We maintain a health and safety management system certified to ISO 45001 (formerly OHSAS) since 2013, and we have confirmed our certification every year."</p>
	403-2 Hazard identification, risk assessment, and incident investigation	<p>Health & Safety, p. 47 Integrity Helpline, p. 55</p>

GRI standard	Disclosure	Location and comments
GRI 403: Occupational Health and Safety 2018	403-3 Occupational health services	<p>The functions of occupational medicine services are defined by law. The main functions are:</p> <ul style="list-style-type: none"> - advise and support employers to ensure healthy and safe working conditions - monitoring, analysis and assessment of the health status of employees - participate in the risk assessment process <p>Quality is ensured through the holding of a competition for the selection of a supplier according to the Procurement processes. Information about the service is publicly available on the company's internal portal. Employer does not have access to employee health information. All health information is stored by the occupational health service. Workers who are not employees but whose work and/or workplace is controlled by the organization - the obligations under OSH are regulated by contract.</p>
GRI 403: Occupational Health and Safety 2018	403-4 Worker participation, consultation, and communication on occupational health and safety	Health & Safety, p. 47
	403-5 Worker training on occupational health and safety	Health & Safety, p. 47
	403-6 Promotion of worker health	<p>Employee Wellbeing and Benefits, p. 43 "Additional health insurance for all people" Health & Safety, p. 47 "Regular monitoring and analysis of our employees' health; This year 3.326 of our people underwent annual health check-ups" Health and Safety management system, p. 48</p>
	403-8 Workers covered by an occupational health and safety management system	100% of our employees are covered by the occupational health and safety management system
	403-9 Work-related injuries	Health & Safety, p. 47
	403-10 Work-related ill health	Health & Safety, p. 47
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	<p>Our Trainings, p. 40 Average training hours per employee for 2023 were 40.4h</p>
	404-2 Programs for upgrading employee skills and transition assistance programs	Growth in Vivacom, p. 39-40
	404-3 Percentage of employees receiving regular performance and career development reviews	<p>Improved performance management approach, p. 39 100% of our employees have received regular performance and career development reviews</p>
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Fostering Gender Diversity: Promoting Equality, p 46
	405-2 Ratio of basic salary and remuneration of women to men	<p>Ratio of remuneration of women to men, p. 44 "As of December 31, 2023, the average income for men and women in the company is equal, with no direct or indirect discrimination. The male-to-female pay ratio is -0.2%, excluding top management salaries."</p>

GRI standard	Disclosure	Location and comments
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Vivacom had no incidents of discrimination in 2023.
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Investing in the community, p.50
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Responsible sourcing, p. 55
	414-2 Negative social impacts in the supply chain and actions taken	Responsible sourcing, p. 55
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Building customer trust through data privacy, p. 58

LRQA Assurance Statements



LRQA Independent Assurance Statement Relating to Vivacom's GHG Inventory for the calendar year 2023

Terms of Engagement

This Assurance Statement has been prepared for United Group B V. LRQA was commissioned by United Group B V to assure Vivacom's GHG Inventory for the calendar year 2023, (hereafter referred to as "the Inventory"). The Inventory relates to direct GHG emissions and energy indirect GHG emissions.

Vivacom's geographical boundary includes their sites located in Bulgaria. The main activities of the organization include telecommunications services in Bulgaria, and the GHG emissions have been consolidated using an operational control approach.

Management Responsibility

United Group B V's Corporate Sustainability Team was responsible for preparing the claim, inventory and consideration of ISO 14064-1:2018, and for maintaining effective internal controls over the data and information disclosed. LRQA's responsibility was to carry out an assurance engagement on the Inventory in accordance with our contract with United Group B V. Ultimately, the Inventory has been approved by, and remains the responsibility of United Group B V.

LRQA's Approach

Our verification has been conducted in accordance with ISO 14064-3:2019, 'Specification with guidance for verification and validation of greenhouse gas statements' to provide limited assurance that GHG data as presented in the Inventory have been prepared considering ISO 14064-1:2018, 'Specification with guidance at the organizational level for quantification and reporting of greenhouse gas emissions and removals'.

To form our conclusions the assurance engagement was undertaken as a sampling exercise and covered the following activities:

- reviewed processes related to the control of GHG emissions data and records;
- interviewed relevant staff of the organization responsible for managing GHG emissions data and records;
- verified historical data and records at an aggregated level for the calendar year 2023.



Level of Assurance & Materiality

In accordance with our contract agreement, the assurance was conducted at a limited level of assurance at a materiality of 5% for all categories. The opinion expressed in this Assurance Statement has been accordingly formed.

LRQA's Opinion

Based on LRQA's approach nothing has come to our attention that would cause us to believe that the GHG emissions for direct GHG emissions and energy indirect energy GHG emissions disclosed in the Inventory as summarized in Table 1 below are not materially correct and that the Inventory has not been prepared considering ISO 14064-1:2018.

LRQA's Recommendations

Although the verification has been carried out successfully, in order to achieve a consolidated carbon footprint calculation method focused on more accurate results, it is recommended that United Group B V:

- Consolidate the process for data management by increasing control tools, such as including partial closures at defined intervals that provide reliable information for decision making.

Signed

Dated: 30 June 2024



Silvia Matabuena
LRQA Lead Verifier
LRQA reference number: SGI00002347



Table 1. Summary of Vivacom's, GHG Emissions Inventory 2023

Scope of GHG Emissions	Tonnes CO ₂ e
Direct GHG emissions (Category 1)	5 656
Stationary combustion	525
Mobile combustion	4 635
Fugitive emissions from refrigerants	496
Energy indirect GHG emissions (Location-based) (Category 2)	64 411
Energy indirect GHG emissions (Market-based) (Category 2)	25 080
Location-based and Market-based are terminologies from Annex E of ISO 14064-1:2018.	

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