MTS GROUP
SUSTAINABILITY
REPORT

2024

# INSPIRING A BETTER FUTURE

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# MESSAGE FROM THE CHAIR OF THE ESG COMMITTEE

GRI 2-22

**Dear readers!**

In this era of rapid change, the issues of business sustainability and its impact on social development are becoming increasingly important for all stakeholders. During the reporting period, the MTS ESG Committee actively worked on updating the ESG strategy, analysing and identifying medium-term sustainable development trends. Among the top priorities for the MTS Group remain the implementation of innovative solutions, the development of human capital in digital industries, the the development of a socially responsible employer brand and the fostering of an inclusive corporate culture.

Thanks to the consistent implementation of measures outlined in the ESG strategy, our company is recognised each year among the leaders in industry ESG rankings. In 2024, MTS reaffirmed its top sustainability rating of "AA+" from AK&M and secured leading positions in the ESG Index of Russian Business compiled by RBC and NKR.

MTS continues to strengthen its position as an industry leader in digitalisation by optimising business processes and offering customers modern, high-tech solutions. We have significantly increased the adoption of electronic document management (EDM), making routine operations more efficient and transparent. The implementation of advanced artificial intelligence technologies and large language models has also greatly improved satisfaction among both customers and employees. The company has also launched new cybersecurity services – including Membrana and Membrana Kids – which have already gained market recognition. In addition, the company's anti-fraud solution designed to combat phone scams, Antifraud, detected 3 million fraud attempts and prevented significant losses for our customers.

Employees remain a core value, and the company continues to invest in their development, safety, and well-being. In 2024, MTS allocated RUB 237.4 million to employee training – a 4.9% increase compared to 2023. The company's strong performance in HR is consistently recognised by ratings from RBC, Habr Career, Forbes, and Future Today, with MTS holding leading positions across these platforms. MTS sees investment in human capital as one of the key drivers of sustainable business development.

In 2024, direct investment in environmental initiatives exceeded RUB 253 million. A key milestone was the adoption of the Greenhouse Gas Emissions Management Strategy and the development of climate change scenarios. As part of our responsible approach to natural resource management, we reduced the volume of generated waste by 35.6% compared to the previous year. We also launched an innovative online tool – a digital environmental footprint calculator – enabling users to assess the volume of greenhouse gas emissions attributable to their use of digital devices and online services. In parallel, we delivered training sessions and lectures for employees focused on responsible resource consumption and proper waste handling. The number of environmental volunteers at MTS rose to 900, demonstrating the company's increasing focus on environmental awareness.

At the end of 2024, MTS began a large-scale transformation of the Group's corporate structure. This will enhance our ability to respond effectively to changes in the business environment and new market challenges. MTS remains committed to its chosen social mission – driving social development with MTS's digital tools and innovations. We firmly believe that sustainable development, digital transformation, and responsible management are the only viable paths to long-term resilience and substantial input into social progress.

Sincerely,
Chair of the ESG Committee

# MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

GRI 2-22

**Dear Readers!**

In today's rapidly changing world, issues of social responsibility, environmental protection and corporate governance are becoming key drivers of sustainable development across all areas of business. The MTS sustainability concept is built on balanced management of economic, technological, environmental, labour and social resources. By advancing in each of these areas, we are not only building a successful and competitive business, but also helping to create a safe and supportive environment for our employees, customers and society at large. Even in the face of shifting external circumstances, we remain committed to our obligations towards shareholders, partners, employees and customers.

One of the key initiatives and achievements in 2024 was the launch of a transformation of the Group's business structure. As part of this process, we consolidated our non-telecom business segments into separate legal entities under the management of the subsidiary MTS Ecosystem LLC. We implemented this approach step by step, modernising internal processes and refining the operating model. This will enhance the efficiency of each business vertical, strengthen management transparency, enable tighter control over debt, and increase shareholder value by unlocking the investment potential of the newly formed business areas.

In 2024, the MTS digital ecosystem continued to grow dynamically, bringing together innovative technologies, an expanding partner network, and the digitalisation and automation of processes. Our products and services have become trusted tools in everyday life, helping users to manage their tasks effectively and securely. The 16% year-on-year increase in ecosystem customers – reaching 17.5 million people – demonstrates the strong demand for our services and solutions. Among the leaders in terms of growth were KION, MTS Urent, Zashchitnik, and the MTS Premium subscription.

We are consistently expanding our range of digital products, improving network quality and customer care, and reinforcing the protection of subscriber data. As industry trends evolve, staying competitive means going beyond telecom services to develop solutions in process digitalisation, data security, entertainment and transport.

MTS values the confidence of its investors and remains committed to acting with transparency and integrity. To maintain financial resilience and ensure a high level of dividend payments in the coming years, we adjusted our investment plans for 2025 and adopted a more conservative policy. In 2024, MTS delivered steady growth: the Group's total revenue increased by 16.1%, driven in part by a 6.6% rise in telecom revenue.

Looking ahead, MTS will continue to develop cutting-edge digital technologies and services, making them accessible to all segments of society. We aim to broaden the application of innovation not only to drive business growth, but also to provide tools that support the personal and professional development of our customers. We firmly believe that our products and services will help shape a digital future where technology delivers security, equal opportunities and sustainability.

Sincerely,
SEO of MTS

# ABOUT THIS REPORT

GRI 2-3, 2-4, 2-5, 2-14

We are pleased to present our Annual Sustainability Report – a key component of our long-term commitment to sustainable development and an essential tool for transparent and constructive engagement with all stakeholders.

The Report reflects the interests and expectations of our stakeholders and takes into account relevant trends both in Russia and internationally. This approach enables us to expand the application of our telecom and non-telecom technologies and services, supporting the development of a digital society in Russia and beyond.

Now in its seventeenth edition, the Report presents comprehensive quantitative and qualitative data across all areas of our ESG strategy, along with the results achieved.

This Report covers the operations of the MTS Group for the period from 1 January to 31 December 2024. Unless otherwise specified, all quantitative indicators are reported as at 31 December 2024. The Report was reviewed and approved by the Company's Management Board and ESG Committee, and subsequently published on the official MTS website.

ESG indicators have been consolidated for the most material subsidiaries, affiliates and joint ventures that have a significant environmental, social and economic impact in the regions where we operate. Financial and operational data are presented in accordance with International Financial Reporting Standards (IFRS). The consolidated financial statements include data relating to the Company and its controlled entities.

As part of the Report preparation process, we refined the calculation methodology for certain historical data, which may result in discrepancies compared to previously published figures. All methodological changes are disclosed in the relevant summary tables of quantitative data.

The information for 2024 has been independently verified, covering a range of key ESG metrics. The independent assurance statement is provided on page 120 of this Report.

**The Report has been prepared in line with leading national and international standards and best practices. It is based on key regulatory documents in the field of sustainability reporting, including the following key frameworks:**

1. 2021 Global Reporting Initiative (GRI) standards
2. Sustainability Accounting Standards Board (SASB) standards – Software & IT Services, Internet Media & Services, Telecommunication Services
3. ESG Metrics for Mobile, the GSMA's industry-specific reporting standards
4. Information Letter of the Bank of Russia No. IN-02-28/44 dated 13 June 2023, "On Recommendations for Sustainability Disclosure by Financial Institutions"
5. Order of the Ministry of Economic Development of the Russian Federation No. 764 dated 1 November 2023, "Approval of Methodological Guidelines for Sustainability Reporting"
6. Draft Sustainability Reporting Standard dated 3 May 2024, furthering the recommendations of the above Order of the Ministry of Economic Development of the Russian Federation
7. Additional disclosure rules, requirements, and recommendations for issuers with shares listed on the First or Second Level, approved by PJSC Moscow Exchange, No. MB-P-2024-3132 dated 24 September 2024

# KEY ESG MILESTONES IN THE HISTORY OF THE MTS GROUP 1/2

## 1994–1997

- Establishment of MTS as a company
- Launch of telecom services in the Moscow licence area
- Becoming a nationwide mobile operator with countrywide coverage

## 1998–2003

- IPO on NYSE — increased transparency and improved corporate governance
- Entry into the national markets of CIS countries and launch of operational activities in Belarus
- Listing on the Moscow Exchange (MOEX)

## 2004–2008

- Corporate rebranding (in 2006)
- Strategic partnership signed with Vodafone
- MTS Group's Code of Business Conduct and Ethics adopted
- S&P named MTS the most transparent company in Russia
- MTS became the first and only Russian brand in the BRANDZ™ Top 100 Global Brands
- MTS became the first Russian company to announce nationwide readiness of its 3G network
- In 2008, MTS introduced the practice of publishing annual public social reports.

## 2009–2012

- Launch of retail arm (ZAO RTK)
- Joined the LTE Operators Union
- Obtained frequencies and a federal licence to provide LTE services in Russia, followed by the launch of MTS's own LTE network in Moscow
- Signed an indicative offer with MTS Bank and Sistema to acquire a 25% stake in MTS Bank's authorised capital
- Start of GPON[1] network construction
- Launch of a federal energy efficiency programme aimed at optimising power consumption across telecom network infrastructure
- Launch of the ECO-Telecom project across offices and subsidiaries in Russia and abroad
- Since 2009, MTS has operated the Idea Factory project, designed to support employee-driven innovation within the Company
- Continued implementation of programmes supporting orphanages and boarding schools, including Children's Cinema May, Green Train, and Christmas Trees for Children
- In 2011, the Group's 2010 non-financial report underwent public assurance for the first time
- Launch of Parent+ and The Internet is for All Ages, a projects aimed at improving digital literacy among different generations

1 Gigabit Passive Optical Network is a passive optical network (PON) technology that provides high-speed internet and other communications services via fibre-optic cables. GPON supports data transmission speeds of up to 2.5 Gbps downstream and up to 1.25 Gbps upstream, making it an efficient solution for delivering broadband internet, television, and telephony services.

# KEY ESG MILESTONES IN THE HISTORY OF THE MTS GROUP 2/2

## 2013–2015

- MTS was recognised as the most customer-centric telecom operator according to the Customer Loyalty and Centricity Association (CLIC) ranking
- Adoption of a revised dividend policy by MTS
- Introduction of the new “3D” strategy, focused on Data, Differentiation, and Dividends
- Adoption of the MTS Antimonopoly Policy
- In 2015, MTS was named Russia’s Best Employer by Aon Hewitt, ranked among the top five employers in Russia, and became the telecom sector leader. The Company also won the People Investor award and became a three-time recipient of the HR Brand award.

## 2016–2019

- In 2016, MTS received three national HR awards recognising its employee training and development system as the best in Russia
- Since 2016, all MTS SIM cards have been sold in environmentally friendly packaging
- Entry into the Large-Enterprise Cloud and Big Data Processing Market
- Launch of a Proprietary IoT Platform for Enterprise IoT Deployment and Other Solutions
- 4G network sharing with VympelCom and fewer new base stations built due to joint infrastructure development
- Adoption of a new business strategy through 2022, centered on the development of a digital ecosystem
- Adopted the MTS Corporate Social Responsibility Policy
- In 2017, MTS developed its Environmental Safety and Environmental Protection Policy
- In 2018, MTS launched a new vehicle to support early-stage tech projects – the MTS StartUp Hub corporate accelerator
- In 2019, MTS completed 4G network deployment across all tunnels and stations of the Moscow Metro
- In 2019, MTS supported the launch of regional digital waste management initiatives to promote urban sustainability and environmental safety

## 2020–2023

- In 2020, MTS developed a new ESG Strategy for 2021–2025
- In 2020, MTS launched the Source of Strength initiative, aimed at preserving natural heritage, promoting environmental awareness, and supporting eco-tourism through digital technologies
- Issuance of the first corporate social bonds to finance a project connecting socially significant facilities to the internet across 8 regions of the Russian Federation
- Launch of TrueTechDay and other initiatives aimed at improving digital literacy
- Development of a digital ecosystem for customers as part of MTC’s digital strategy implementation
- In 2020, MTS and its partners launched several R&D labs to drive the development of AI solutions
- In 2021, MTS was awarded the top A+ rating in the annual Corporate Philanthropy Leaders ranking
- In 2021, MTS hosted its first online conference, “Sustainability and ESG: Social Dimension”
- Launch of KION, an online streaming platform
- Corporate rebranding (in 2023)
- Adoption of a Diversity, Equity and Inclusion (DEI) Policy
- Establishment of an ESG Centre (in 2022) to oversee the implementation of MTS’s integrated ESG strategy and coordinate the scaling of ESG practices across the Group
- In 2022, MTS’s social policy was named best-in-class at the ESG Excellence Awards, and the Company’s inclusive culture won the Diversity & Inclusion category at the HR IMPACT Awards.
- In 2023, MTS topped the RAEX ranking of the 50 Russian companies most committed to human rights, diversity and inclusion

## 2024

- IPO of PJSC MTS Bank — increased transparency and improved corporate governance
- Adoption of a revised Code of Business Conduct and Ethics
- Launch of AI solutions for seven industries based on the Cotype Pro 2 LLM[1] model
- Launch of the free “Zashchitnik” (Protector) service to enhance information security for all users
- MTS’ acquisition of the short-term scooter rental service Urent
- Adoption of the Counterparty Code of Business Conduct
- Review and update of the focus areas of the ESG strategy
- Approval of the Greenhouse Gas Emissions Management Strategy of PJSC MTS and identification of climate change scenarios
- Approval of a new dividend policy for 2024–2026

1 A large language model (LLM) is a type of artificial intelligence system capable of understanding and generating human language.

# MTS: COMMITTED TO THE PRESENT AND THE FUTURE

## Telecom 1

MTS is the leading telecom player in Russia

**No. 1** in mobile revenue and subscriber base in Russia

**No. 1** B2B telecom provider in IoT and Private LTE segments[1]

**No. 1** in online SIM card sales in Russia[2]

**No. 2** in the fixed-line services market[3]

**89%** of the population covered by LTE

## Fintech 2

The Fintech vertical develops MTS ecosystem's financial services, with a focus on the rapid growth of retail operations and services for small and medium-sized enterprises

**No. 6** largest credit card portfolio

**No. 14** in retail deposits

**No. 25** in terms of capital

**No. 9** in the national bank ranking based on customer reviews of service quality

**The "Marketplace Business" product** was recognised as the best solution for marketplaces or ecosystems

## Retail Retail Network 3

MTS is the largest telecom retailer in Russia, providing customer service nationwide

**No. 1** among telecom retailers in the 2024 Customer Choice Ranking of Russia's largest retail chains

**No. 2** in the Electronics and Appliances category in the Omnichannel Retail Ranking →

## Media 4

A media holding managing MTS's portfolio of entertainment assets, including the KION online cinema platform, MTS Music streaming service, Stroki e-book service, MTS Label, and MTS Live, which encompasses event production, ticket sales, and a national network of concert venues

**+3.7 RUB bln** annual revenue growth in the MTS Media vertical

**+15%** growth in pay-TV subscribers

**48%** of KION viewers are MTS Premium subscribers

**30** new original productions released by KION in 2024

**+54%** MTS Live Hall venues (Moscow, St. Petersburg, Chelyabinsk, Nizhny Novgorod) are accessible for people with limited mobility and equipped with necessary facilities

## Web Services MWS 5

A dedicated business unit responsible for the development of cloud infrastructure. The MTS cloud ecosystem includes private, public, and hybrid cloud solutions, a suite of consulting and professional services, data centre services, and telecom solutions

**> 5 000** clients run their business using CloudMTS solutions

**+12%** growth in the number of cloud clients

**+31%** YoY growth in total cloud business revenue in 2024

## Investments 6

MTS Investments is a service enabling users to invest in mutual funds[4] and other financial products, as well as trade financial instruments through brokerage services

## Advertising Technologies 7

The advertising vertical focuses on developing advanced AdTech and MarTech solutions powered by Big Data and AI[5] technologies for businesses across all segments

→ For more information on the verticals of the MTS ecosystem, please refer to the 2024 Annual Report

1 APer ONSIDE estimates.
2 As per the IAA TelecomDaily study on the remote mobile services activation market.
3 Source: TMT Consulting, "Omnichannel Retailers Rating 2024". Unless otherwise stated, figures are for 2024, as of end-2024, with growth calculated year-on-year (2024 vs 2023).
4 A mutual investment fund is a pool of assets managed under trust by a specialised asset management company. It is not a legal entity and is established for the purpose of increasing the value of the fund's assets.
5 AI – Artificial Intelligence.

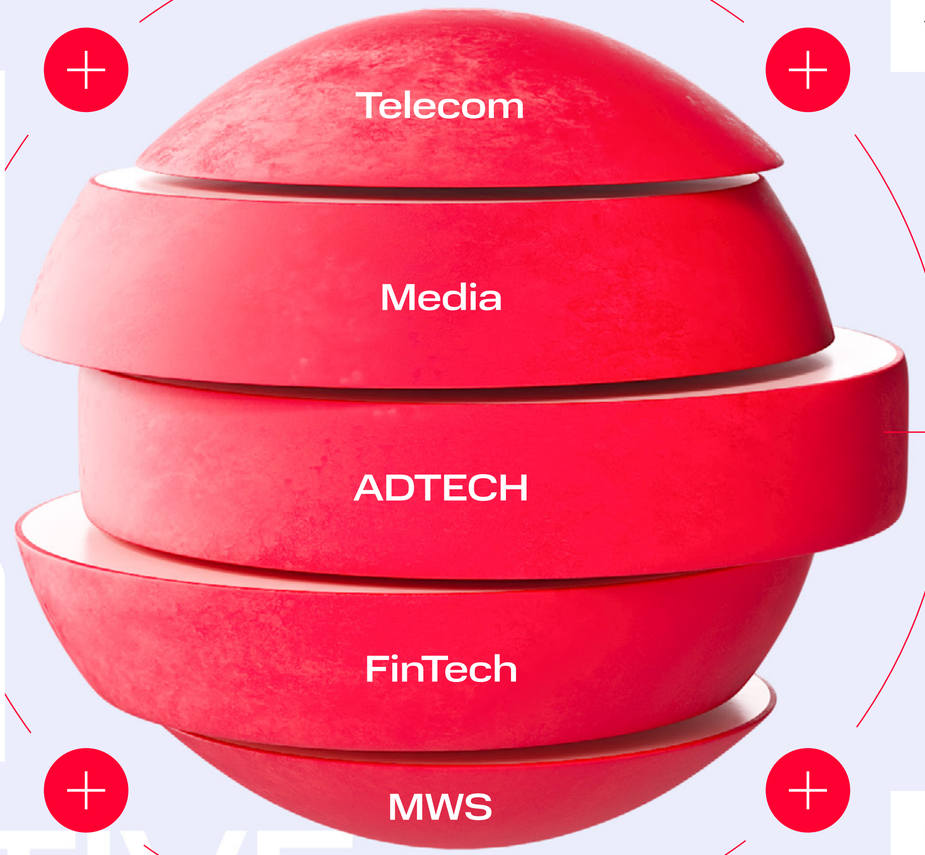
# BUSINESS MODEL

**Investment in Ecosystem Infrastructure and Product Portfolio Development**

developing ecosystem modules, shared mechanics, core competencies, and technologies (e.g., Big Data), as well as digital products (in-house and partner-driven), generates returns through various ecosystem effects.

**The ecosystem provides strategic reduction in retention costs for the telecom business**

churn rate among multi-product ecosystem customers is significantly lower




**The implementation of the ecosystem CLV 2.0 Strategy generates new revenue and profit streams**

ecosystem customers use multiple services, and cross-selling to them is highly efficient due to our primary reliance on the large telecom customer base

**The spin-off and IPO of major business units as part of the transformation into a Group strategy enhances their value and that of the entire Group**

- improved management quality and flexibility through business unit autonomy while maintaining intra-Group collaboration
- attracting external capital to business units (strategic investors, IPOs)
- capital reallocation between business units, including M&A

**Financial Efficiency and New Growth Opportunities in the Core Telecom Business**

even a high-margin but stagnating telecom business retains growth potential – for example, in the B2B segment

CUMULATIVE EFFECT

**Key elements of the MTS business model are mutually reinforcing, creating a cumulative effect that enhances the Group's value**

## ESG BAROMETER FOR 2024 1/4

# FOSTERING THE DIGITAL SOCIETY



### Enabling access to digital services

**>88 MLN**

people covered across Russia and Belarus

### Delivering on our social responsibility commitments

**743 RUB MLN**

↑ up 5.1% YoY

**allocated to MTS charitable and social initiatives in 2024**

### We train IT specialists

**4**

cities where the largest IT conference True Teck Day 2.0 was held: Moscow, Tbilisi, Dubai, Astana and covered over 85,000 viewers online and 3,500 participants offline

**10.25 RUB MLN**

the total prize fund of the True Tech Champ championship

### We involve our colleagues in the sustainable development agenda

**1,882**

employees participated in the training on sustainable development

**26**

lectures were held for employees on sustainable development issues

### We support charity

**79 RUB MLN**

were collected during the 2 years of the MTS

**165,000**

donations from MTS Cashback users

**>900 RUB THSD**

the amount of donations from clients under the Respite program

## ESG BAROMETER FOR 2024 2/4

# EMPLOYEE RESPONSIBILITY



The Company employs

223 employees with disabilities

**64,465**

people, of whom 54% are men and 46% are women

### Promoting Health and Wellbeing

**350.2** RUB MLN

group expenditure on maintaining safe working conditions

**14,863**

employees trained in health and safety

### Supporting Young Talent

**1,467** PEOPLE

completed internships

**530**

interns transitioned to full-time roles

### We are developing volunteerism

**1.9** THSD

employees of the MTS ecosystem are involved into corporate volunteering

**900**

environmental volunteers in the company

### Competitive Compensation

**72,838** RUB

Average salary across MTS Group

### Improving staff skills

**237.4** RUB MLN

↑ 4.9% more than in 2023

were allocated for employee training

**443,517**

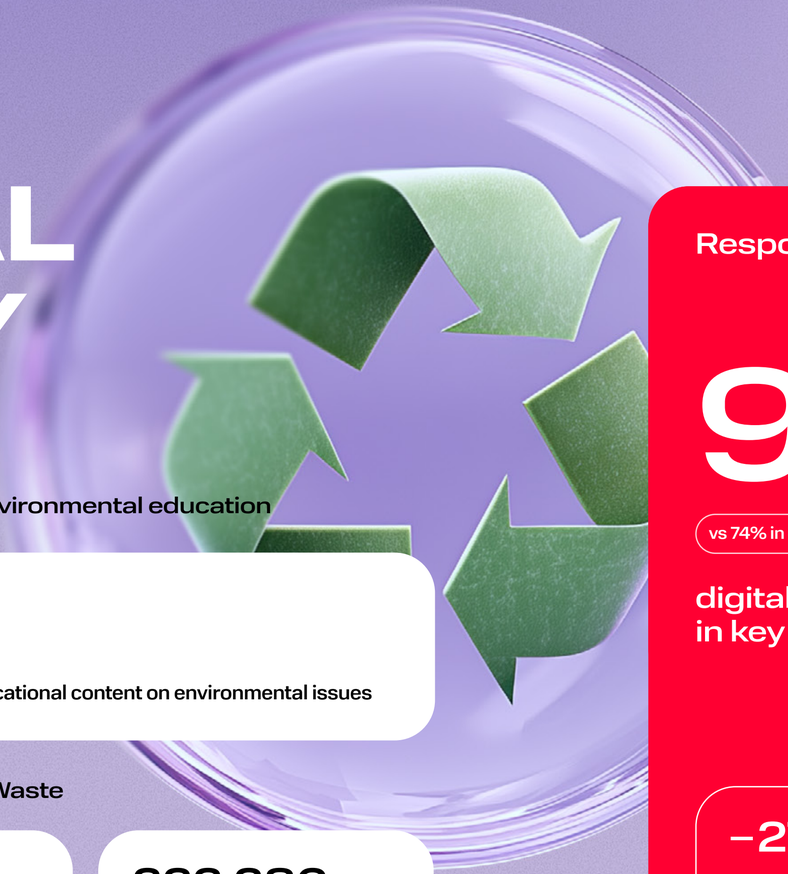
hours of training

**5,671** PEOPLE

the coverage of the MTS Corporate University full-time training platform

## ESG BAROMETER FOR 2024 3/4

# ENVIRONMENTAL RESPONSIBILITY



### Energy Efficiency

**4.4** MLN KWH

saved via efficiency measures

### We are engaged in environmental education

**>2** MLN PEOPLE

are covered by MTS educational content on environmental issues

### Responsible Waste Management

**22**

22 offices across 11 regions are covered by the waste segregation system

**1,550** T

of recyclable waste processed

**4,957** T

↓ –35.6%

reduction in total waste generated in 2024

**46,843** KG

of plastic responsibly recycled

### Reducing Electronic Waste

**26,505** KG

of electronic components sent for responsible recycling

**333,386**

devices – reused through the equipment refurbishment programme

### Reducing Our Environmental Impact

**>253** RUB MLN

was spent by the Group on environmental protection initiatives

### Responsible Resource Use

**93%**

vs 74% in 2023

digital document exchange coverage in key business areas

**–27.1** THSD M³

↓ –7.6% to 2023

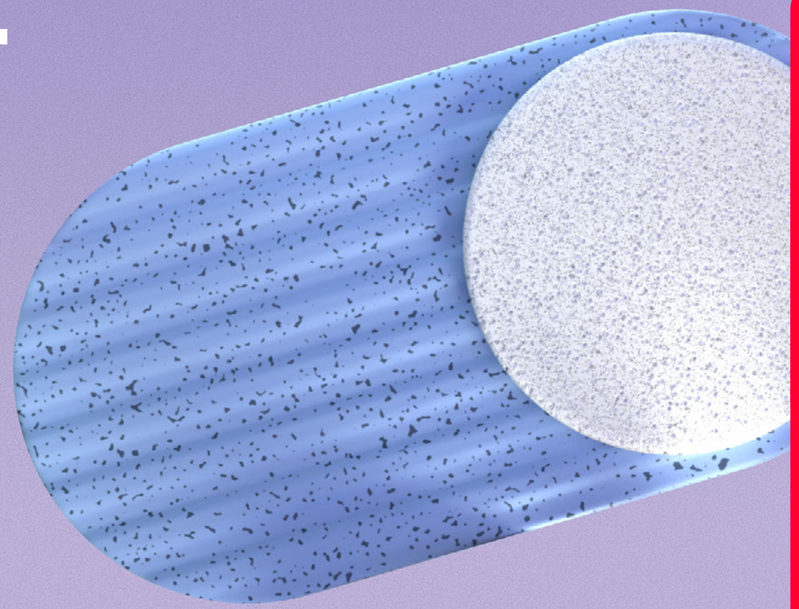
the total volume of water withdrawn has decreased in 2024

**333,386**

devices reused through refurbishment

## ESG BAROMETER FOR 2024 4/4

# RESPONSIBLE BUSINESS CONDUCT



### Upholding High Standards of Corporate Governance

100% of Audit Committee members were independent directors

**55.6%**

Board members were independent directors

**22.2%**

representation of women on the Board of Directors

### Supporting Local Suppliers

**2,400**

individuals completed training on the Counterparty Code of Business Conduct

**99.5%**

↑ up 0.1 pp from 2023

of purchases were made from local suppliers

### Protecting Personal Data

**>30 THSD EMPLOYEES**

received training in personal data protection and processing

**0**

incidents of personal data breaches

### Promoting Strong Business Ethics

**23,527**

employees completed anti-corruption training programmes

### Fostering a Compliance Culture

**85.2 POINTS**

compliance culture score across MTS Group in 2024 based on employee survey results

### Combating Fraud

**3 MLN**

cases of fraud were detected by the internal “Anti-fraud system” of MTS PJSC, which prevented losses in the amount of 817.5 RUB millions

**<10 SECONDS**

takes time to block DDoS attacks from the moment of detection



# SUSTAINABILITY


14 Sustainability Governance

18 The Group's Contribution to the Achievement of the National Development Goals of the Russian Federation and the UN SDGs

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# SUSTAINABILITY GOVERNANCE

Vice President for Sustainable Development, MTS

In 2024, we further integrated ESG principles into our operations to ensure sustainable growth and create value for all our stakeholders.

The MTS ESG Center is central to these efforts, driving the integration of ESG principles into business processes and fostering a culture of sustainability among both employees and external stakeholders.

2024 marked significant progress: we approved a greenhouse gas emissions management strategy, developed new ESG standards and policies, and prioritized ESG-strategy focus areas. We also strengthened collaboration with subsidiaries and expanded employee awareness initiatives. A notable milestone was launching our first ESG awareness survey and hosting ESG Day.

Looking ahead, we will strengthen our corporate sustainability culture by developing partnerships and increasing employee engagement. Our efforts are focused on integrating ESG practices into the corporate culture and the strategic success of the company.



We drive change through technology and people – by backing those who push boundaries and redefine what's possible

## ESG Strategy

GRI 2-2, MER-35

At MTS, our growth is underpinned by the principles of sustainability, reflecting our commitment to minimising environmental impact, fostering social development, and supporting long-term economic progress. We are committed to investing in people – empowering our employees to grow and supporting education across society and the professional community.

We firmly believe that it is people who challenge the status quo that drive progress and transform the world around them. As we develop and advance digital technologies, we also recognise our responsibility to the environment and strive to minimise our ecological footprint.

We have adopted our own ESG Strategy to guide our long-term journey towards sustainability. This strategy forms the foundation of our sustainability agenda and helps us remain focused on four core pillars:

- the development of a digital society
- employee responsibility
- environmental responsibility
- business responsibility

# Key Strategic Focus Areas

We view MTS's ESG Strategy as a living system: common priorities and business principles unite the Group's companies, while each subsidiary retains the flexibility to choose the tools best suited to its specific operating context.

## Building a Digital Society

### Ensuring accessible products and services for all

- Developing digital infrastructure
- Advancing digital service accessibility

### Fostering Digital Community Development

- Implementing regional development and community support programs
- Delivering external IT education programs

## Employee Responsibility

### Human Rights Compliance, Inclusivity and Diversity

- Zero discrimination on all grounds
- Fostering an inclusive culture
- Providing an accessible environment for people with special needs
- Employment of people with special needs, youth, and mature professionals

### Decent and Safe Working Conditions

- Providing a comfortable and secure work environment
- Ensuring social support for employees
- Developing skilled specialists, including in the field of IT

### Volunteering and Social Engagement of Employees

- Creating opportunities for social and creative fulfillment of employees
- Incentive programs to develop corporate volunteering initiatives

## Environmental Stewardship

### Responsible Resource Use

- Advancing electronic document management (EDM)
- Enhancing resource use efficiency
- Engaging employees and customers in the environmental agenda

### E-Waste Management

- Extending the lifespan of in-house and customer IT equipment
- Collecting and recycling e-waste from company and customer sources through partner networks

### Arbon Management

- Calculating and monitoring carbon emissions, disclosing carbon footprint data
- Implementing energy efficiency measures

## Responsible Business Conduct

### Effective Corporate Governance

- Establishing a responsible ESG governance framework
- Managing ESG risks

### Responsible Supply Chain

- Integrating ESG criteria into procurement processes
- Monitoring and collecting ESG data from suppliers

### Information Security Assurance

- Enhancing information security management processes
- Raising awareness in information security

**Focus Topics**[1]

1 Each strategic focus topic encompasses a range of key Group MTS ESG initiatives and projects.

The ESG Strategy helps the Group build stronger business partnerships and reinforces its standing as a responsible market player.



### Expanding Business Partnerships

- fostering partnerships with B2G[1] and B2B[2] clients across MTS's regions of operation
- securing government support and/or preferential financing for infrastructure projects



### Strengthening the Reputation as a Responsible Business

- maintaining active dialogue with stakeholders on ESG-related matters
- improving performance in ESG rankings and participating in industry awards and conferences

## The implementation of the ESG Strategy is built on three key principles

01

### Evolution

The ESG Strategy is regularly adapted in response to internal and external changes, while keeping the Group on course towards its strategic goals.

02

### Resilience

The Group maintains open and transparent dialogue with all stakeholders, including through the publication of its Sustainability Report and an active communications campaign.

03

### Balance

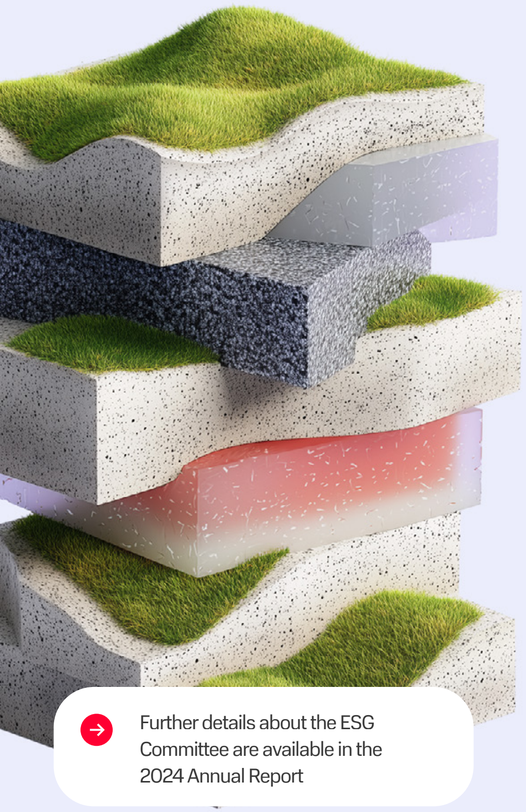
The principles of the ESG Strategy are embedded across all internal business processes. Advancing the sustainability agenda within the Group fosters the emergence of new sustainable initiatives.

1 B2G (business-to-government) refers to a business model in which private companies engage in partnerships with public sector institutions.
2 B2B (business-to-business) is a business model in which a company sells goods or services to other companies rather than to end consumers.

# Governance Structure

GRI 2-9, 2-12, 2-13, 2-24

At MTS, responsibility for sustainability matters is shared between senior management and the heads of relevant departments and business units.



Further details about the ESG Committee are available in the 2024 Annual Report

## ESG Committee

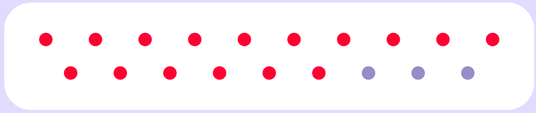
Oversight and coordination of ESG projects during the reporting period was entrusted to the MTS Board of Directors' Corporate Governance, Environmental and Social Responsibility Committee (the ESG Committee), which has been in place since March 2021.

Within its remit, the Committee carried out the following functions:

1. set the Company's strategic priorities for development
2. provided advice to business units and subsidiaries on MTS's ESG agenda
3. took part in shaping strategic initiatives and MTS's sustainability policy
4. oversaw the integration and adherence to ESG principles across the Company's operations
5. assessed the performance of internal units on ESG matters
6. carried out preliminary reviews of key corporate governance and sustainability issues falling within the competence of the Board of Directors
7. prepared proposals and recommendations for the Board of Directors to support decision-making on these matters

## ESG Committee Meetings

In-person meetings Virtual meetings



During the reporting year, the ESG Committee held 16 in-person and three virtual meetings, including joint sessions with the Audit Committee and the Remuneration and Nomination Committee of the Board of Directors.

## ESG Centre

The ESG Centre, established in February 2022, plays a key role in advancing the sustainability agenda.

The Centre's main tasks are to:

1. develop and coordinate the implementation of the MTS Group ESG strategy
2. engage with functional units and subsidiaries across the MTS Group
3. scale up best ESG practices across the various business verticals of the MTS ecosystem
4. prepare and publish non-financial reporting
5. provide expert support to employees in managing a portfolio of commercial products designed to address pressing social and environmental challenges

## A large number of MTS employees actively contribute to the Company's ESG efforts




According to an internal survey, 80% of employees believe MTS should deliver products and services that address meaningful social, environmental and economic issues.

## ESG DAY MTS

At the end of 2024, MTS hosted a landmark event – ESG DAY MTS. The event brought together teams from PJSC MTS and its subsidiaries, with around 40 participants from across the Group laying the groundwork for a more structured approach to ESG.

The event served as a platform for sharing successful sustainability practices, aligning on approaches to identifying high-potential projects, and planning cross-functional initiatives aimed at achieving the Group's strategic ESG objectives.

A core component of the event was a strategic workshop where participants re-examined key ESG priorities and ongoing projects, and explored ways to strengthen the Company's sustainability efforts. As a result of the brainstorming session, six focus areas were identified. These will serve as a basis for short-term discussions around establishing KPIs to measure MTS's contribution to addressing socially significant challenges.

For the first time, ESG initiatives were discussed at the Group-wide level, enabling the creation of a unified sustainability system tailored to the unique characteristics of each business.

# THE GROUP'S CONTRIBUTION TO THE ACHIEVEMENT OF THE NATIONAL DEVELOPMENT GOALS OF THE RUSSIAN FEDERATION AND THE UN SDGS 1/2

MTS Group plays an active role in supporting Russia's National Development Goals through to 2030, as well as the United Nations Sustainable Development Goals (UN SDGs).

These priorities guide our strategic decision-making and underpin our sustainability initiatives.




**17** UN SDGS

MTS Group supports all 17 UN SDGs set out in the 2030 Agenda

**10** PRIORITY GOALS

We place particular focus on twelve priority goals where our core business and strategic ESG initiatives can make the most meaningful contribution

# THE GROUP'S CONTRIBUTION TO THE ACHIEVEMENT OF THE NATIONAL DEVELOPMENT GOALS OF THE RUSSIAN FEDERATION AND THE UN SDGS 2/2

| Russia's National Development Goals | Priority UN SDGs | MTS Group's Contribution |
|---|---|---|
| Preserving population levels, improving public health and well-being, and supporting families<br><br>A comfortable and safe living environment |  | **89%** of employees are satisfied with their working conditions<br><br>**+34%** year-on-year increase in hiring of employees aged 50 and above (vs 2023)<br><br>**>900 RUB thsd** donated by customers via the Respite programme<br><br>urther details are provided in the Digital Society and Employee Responsibility sections |
| Environmental Well-being |  | **4.4 mln kWh** saved through energy efficiency initiatives<br><br>**> 253 RUB mln** spent on environmental protection measures<br><br>**1,549 thsd t** of recyclable waste collected, processed and disposed of at MTS Group facilities<br><br>Further details are provided in the Environmental Responsibility section |
| Digital Transformation of National and Local Government, the Economy and the Social Sphere |  | A range of digital transformation initiatives were implemented during the reporting year<br><br>**+5.5%** increase in LTE coverage<br><br>**+21%** year-on-year growth in MTS IoT subscribers<br><br>Further details are provided in the Digital Society section |

# MATERIAL TOPICS

GRI 3-1, 3-2

In collecting and disclosing information, we are guided by the principles of materiality, transparency and openness. Based on these principles, we carried out a materiality assessment. For the reporting year, the assessment was conducted using a simplified one-stage procedure.

An initial list of 33 potentially material topics was compiled based on an expert assessment of the Company's environmental, social, and economic impact in accordance with GRI 3-1, as well as on topics identified as material in the previous reporting year.

The following changes were made to the list of material topics for 2024 as compared with 2023:

1. The topic "Job Creation and Investment in Regional Economic Development" was split into two distinct topics: "Investment in Regional Economic Development" (G aspect) and "Job Creation in Regions of Operation" (S aspect).
2. The topics "Information Security and Personal Data Protection" and "Protection and Respect for Intellectual Property" were merged into a single topic: "Information Security and Personal Data Protection (including the Protection and Respect for Intellectual Property)".
3. Certain topic names were also revised, while their overall meaning and content remained unchanged (e.g. "Reducing Water Consumption and Managing Water Use" was renamed "Water Use").

To identify the most relevant ESG topics, we developed a dedicated survey. The aim was to assess the materiality of various topics covered in the MTS Sustainability Report by considering their environmental, social and economic impacts – both positive and negative – as well as their current relevance.

To ensure broad engagement, we employed a range of communication channels. These included:

- polls in the Company's Telegram channels and social media accounts
- interactive forms on digital screens in retail outlets
- stories in the My MTS app
- targeted mailings to different stakeholder groups
- publications in the MTS Travel e-magazine
- visibility in the staff news digest and internal corporate portal

**1,625** PEOPLE

**took part in the survey, with MTS employees and customers forming the core audience**

## Respondent Category



| | | | | |
|---|---|---|---|---|
| 75.82% Customers and service users | 20.68% MTS Group employees | 0.43% ESG experts | 0.43% Civil society organisations and NGOs | 0.31% Business partners |
| 0.06% Regulatory authorities | 0.06% Media | 0.06% Rating agencies and analysts | 0.06% Investment community representatives (shareholders, investors, analysts) | 2.09% Other |

According to the survey results, the areas most exposed to both positive and negative impacts included:

- service and product quality
- customer engagement and satisfaction
- employee well-being and social support
- support for digital economic development
- regulatory compliance, and regional economic investment.

All topics received final scores ranging from 3.05 to 3.18. Social and governance-related topics with a final score above 3.15 were classified as material. Topics relating to social and governance aspects that scored between 3.05 and 3.15 were assigned to the "Priority 2" category.

Environmental topics scored below 3 and were therefore ranked by priority in the 2.83–2.91 range:

- Priority 1: 2.90 to 2.99
- Priority 2: 2.89 to 2.80

# Selection of Material Topics 2024

## '23

### ENVIRONMENTAL E

- Climate Action
- Climate Risk Management
- Waste Management

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- Reducing Energy Consumption
- Reducing Water Consumption

### SOCIAL S

- Non-discrimination
- Equitable Access to Digital Infrastructure
- Promoting High-Quality IT Education
- Promoting Remote Work
- Impact of Mobile Technology on Health
- Investment in the Social Development of Regions
- Customer Engagement
- Ethical Use of Artificial Intelligence
- Supporting Digital Economy Development

---

- Occupational Health and Safety
- Employee Wellbeing and Fair Working Conditions
- Employee Development and Training
- Quality of Services, Products and Customer Experience
- Social Support for Employees
- Human Rights Compliance
- Job Creation and Investment in Regional Economic Development

### GOVERNANCE G

- Business Ethics and Anti-Corruption
- Regulatory Compliance
- Information Security and Personal Data Protection

---

- Responsible Partner and Supplier Selection

## '24

### ENVIRONMENTAL E

- Reducing Energy Consumption and Improving Energy Efficiency
- Waste Management and Circular Economy
- Environmental and Awareness-Raising Initiatives

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- Climate Action and Services Supporting Greenhouse Gas Emissions Reduction

### SOCIAL S

- Quality of Services, Products and Customer Experience
- Customer Engagement and Satisfaction
- Promoting Equal Access to Digital Infrastructure, Services and Platforms
- Supporting Digital Economy Development through Telecom Infrastructure Expansion

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- Fair Working Conditions
- Social Support for Employees
- Occupational Health and Safety
- Employee Development and Training
- Flexible Working Arrangements
- Advancing IT Education
- Human Rights Compliance
- Job Creation in Regions of Operation
- Development of Digital Infrastructure Solutions and Technological Innovation (e.g. Smart Homes, Smart Cities)

### GOVERNANCE G

- Information Security and Personal Data Protection (including Protection and Respect for Intellectual Property)
- Regulatory Compliance

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- Investment in Regional Economic Development

# STAKEHOLDER ENGAGEMENT

GRI 2-25, 2-29

MTS Group's stakeholders include shareholders and investors, employees, customers and service users, business partners, suppliers, government authorities and law enforcement agencies, civil society organisations and NGOs, sustainability analysts and experts, and members of local communities.

We are committed to fostering effective and constructive engagement with all stakeholders across the MTS ecosystem, guided by the principles of mutual respect, transparency and accountability.

| Stakeholder Groups | Key Topics | Primary Engagement Channels | Additional Engagement Channels | Key Results in 2024 |
|---|---|---|---|---|
| **Customers and Service Users** | • High-quality services<br>• Fair pricing<br>• Information security and personal data protection<br>• Privacy<br>• Responsible business conduct<br>• Digital economy development<br>• Hotlines and dedicated contact numbers across verticals and business units | • Direct communication<br>• Unified Whistleblowing Hotline<br>• Free short number to contact centre<br>• Official company accounts on social media<br>• Hotlines and dedicated contact numbers across verticals and business units | • Automated service quality surveys and customer call-backs<br>• Service quality audits using the mystery shopper method<br>• Process audits and wait-time monitoring at retail outlets<br>• Customer support teams | • 89%[1] of the Russian population has access to LTE-based services<br>• Number of ecosystem customers grew by 16%, reaching 17.5 million<br>• The Russian telecom market grew by 6.2% year-on-year |
| **Government Authorities** | • Expansion of telecommunications networks and infrastructure<br>• Bridging the digital divide<br>• Digital economy development<br>• Improvement of sector-specific legislation<br>• Smart city development<br>• Enhancing the accessibility of digital services | • Hotlines and dedicated contact numbers across verticals and business units<br>• Publication of corporate reporting<br>• Joint participation in industry and expert conferences, forums and other business events<br>• Participation in government advisory boards and working groups focused on the development and regulation of the telecoms sector<br>• Participation in national development programmes | • Regional-level cooperation agreements | • Participation in ESG Alliance Committee meetings<br>• Contribution to analysis of the Bank of Russia's draft framework on sustainability disclosure indicators with potential for mandatory reporting |
| **Business partners** | • Responsible business conduct<br>• Cooperation and Contract Fulfilment<br>• High-Quality Services for Diverse Customer Segments<br>• Transparency in Procurement Processes<br>• Joint Implementation of Projects in Digital Economy and Socio-Cultural Development across Regions of Operation<br>• Development and Accessibility of Digital Services | • Unified Whistleblowing Hotline<br>• Free short number to contact centre<br>• Hotlines and dedicated contact numbers across verticals and business units<br>• Publication of corporate reporting<br>• Joint participation in industry and expert conferences, forums and other business events | • Supplier updates on procurement procedures and practices<br>• Dedicated procurement support hotline: suppliers@mts.ru | |

1 This result was achieved through the combined contribution of MTS and other telecom operators across the Russian Federation.

| Stakeholder Groups | Key Topics | Primary Engagement Channels | Additional Engagement Channels | Key Results in 2024 |
|---|---|---|---|---|
| **Employees** | • Fair Pay and Social Benefits<br>• Development and Training<br>• Working Conditions, Workplace Health and Safety<br>• Corporate Volunteering and Social Responsibility<br>• Human Rights Compliance<br>• Responsible business conduct<br>• Development and Accessibility of Digital Services | • Unified Whistleblowing Hotline<br>• Official company accounts on social media | • Internal platform “Pulse” and corporate newsletters – 360° engagement surveys<br>• Town hall meetings and direct communication with top management<br>• Official HR social media accounts; feedback tool “MTS Karma”<br>• Corporate Social Responsibility initiatives<br>• Digital employee profiles | • The average salary at MTS Group is 6.8% higher than the national average<br>• Employee engagement increased by 1.1 percentage points compared to 2023 |
| **Suppliers and Contractors** | • Responsible business conduct<br>• Cooperation and Contract Fulfilment<br>• High-Quality Services for Diverse Customer Segments<br>• Transparency in Procurement Processes<br>• Joint Implementation of Projects in Digital Economy and Socio-Cultural Development across Regions of Operation<br>• Development and Accessibility of Digital Services | • Unified Whistleblowing Hotline<br>• Free short number to contact centre<br>• Hotlines and dedicated contact numbers across verticals and business units<br>• Publication of corporate reporting<br>• Joint participation in industry and expert conferences, forums and other business events | • Supplier updates on procurement procedures and practices<br>• Dedicated procurement support hotline: suppliers@mts.ru | • 2,400 suppliers completed training on compliance with the Counterparty Code of Business Conduct<br>• 99.5% of procurement was sourced from local suppliers |
| **Shareholders and Investors** | • Consistently Strong Financial Performance<br>• Development Strategy, including ESG<br>• Information Security and Data Protection<br>• Responsible business conduct<br>• Effective Corporate Governance – Corporate Transparency<br>• Digital economy development<br>• High-quality services<br>• Enhancing the accessibility of digital services | • Official company accounts on social media<br>• Joint participation in industry and expert conferences, forums and other business events<br>• Hotlines and dedicated contact numbers across Group functions<br>• Publication of corporate reporting | • Disclosure of information in the Shareholders and Investors section of the corporate website<br>• Group and one-on-one meetings with analysts and investors<br>• Participation in Russian investment conferences for institutional and retail investors<br>• ESG disclosures<br>• Press releases and material event announcements on the MTS website and in the media<br>• Online general meetings of PJSC MTS shareholders<br>• Register-Online Shareholder Portal – Responding to shareholder and investor enquiries<br>• Communication via the “Pulse” investor social platform<br>• Investor Relations hotline: ir@mts.ru<br>• Shareholder communication channel: shareholder@mts.ru | • Audio and video interviews with MTS senior management, including representatives of Investor Relations, were conducted in partnership with the Moscow Exchange, Russian brokerage firms, and financial bloggers to communicate the Group’s strategic plans to various investor audiences. |

| Stakeholder Groups | Key Topics | Primary Engagement Channels | Additional Engagement Channels | Key Results in 2024 |
|---|---|---|---|---|
| **Local Communities in Regions of Operation** | • Development of Local Communities in Regions of Operation<br>• Funding of Social and Charitable Projects<br>• Implementation of Environmental and Social Projects<br>• Inclusiveness and accessibility of digital services<br>• Education and Digital Literacy Programmes<br>• Digital economy development<br>• High-quality services | • Hotlines and dedicated contact numbers across verticals and business units<br>• Publication of corporate reporting<br>• Joint participation in industry and expert conferences, forums and other business events<br>• Participation in government advisory boards and working groups focused on the development and regulation of the telecoms sector<br>• Participation in national development programmes | • Informal Meetings with Opinion Leaders<br>• Partnership Projects | • MTS Group's spending on social and charitable investments totalled RUB 743 million |
| **Non-Profit Organisations (NPOs)** | • Development of Local Communities in Regions of Operation<br>• Funding of Social and Charitable Projects<br>• Implementation of Environmental and Social Projects<br>• Inclusiveness and accessibility of digital services<br>• Education and Digital Literacy Programmes<br>• Digital economy development<br>• High-quality services | • Hotlines and dedicated contact numbers across verticals and business units<br>• Publication of corporate reporting<br>• Joint participation in industry and expert conferences, forums and other business events<br>• Participation in government advisory boards and working groups focused on the development and regulation of the telecoms sector<br>• Participation in national development programmes | • Grant competitions<br>• Informal Meetings with Opinion Leaders<br>• Partnership Projects | • MTS reaffirmed its top A+ rating in the Corporate Philanthropy Leaders ranking by the Donors Forum, an association of grant-making organisations<br>• MTS social initiatives also received top recognition in the Corporate Philanthropy Leaders awards programme: the Nationwide Inclusive Festival We Will Hear won in the category Best Programme for the Promotion of Inclusion, while the MTS social platform It Concerns Us took second place in the category Best Programme Supporting the Professionalisation of the Non-Profit Sector<br>• Participation in the GSMA project[1] "ESG Metrics for Mobile" (a global organisation unifying the mobile ecosystem), which aims to develop an industry-wide approach to sustainability disclosure for mobile operators worldwide. |

1 The GSMA is a global industry association representing mobile network operators across the world.

# HUMAN RIGHTS COMPLIANCE

GRI 2-22, 406-1

Respect for human rights is a fundamental part of MTS Group's corporate philosophy. We are committed to ensuring equal rights and opportunities for all employees, regardless of location, and fostering an inclusive working environment that values diversity and encourages full participation in all business processes.

MTS Group strongly opposes the use of child, slave or forced labour in any form. We pay particular attention to upholding these principles throughout our telecommunications equipment supply chains and in our relationships with counterparties.

This position is set out in MTS Corporate Social Responsibility Policy, which applies to all companies within the Group.



## Key Human Rights:

1. The right to life, liberty, privacy, and the protection of personal and family confidentiality
2. The right to work
3. The right to a healthy environment
4. The right to education
5. The right to health protection and medical care
6. The right to protection from discrimination

## Unified Whistleblowing Hotline

GRI 2-16, 2-26

To ensure prompt responses to disputes or incidents, the Company provides employees with access to a Unified Whistleblowing Hotline (UWH).



All reports received via the hotline are logged, carefully reviewed, and followed by corrective actions aimed at preventing similar cases in the future. The Company guarantees full confidentiality and protection from retaliation for all employees who submit a report via the hotline.

## Breakdown of Reported Issues



| | |
|---|---|
| 489 Working Conditions | 202 Human rights |
| 43 Economic Security | 32 Conflicts of interest |
| 26 Information Security | 20 Anti-Corruption |
| 10 Intellectual Property | 3 Environmental Protection |
| 107 Other Violations | |

In the reporting year, the MTS UWH received 932 reports. Following investigations, 252 of these cases were fully or partially substantiated. The reports included, among others:

**489**

reports related to labor practice violations, 94 of which were fully or partially substantiated

**202**

reports concerning workplace human rights violations, 67 of which were fully or partially substantiated

All individuals involved in confirmed cases, including their line managers, were invited to one-on-one discussions and required to complete mandatory training at the MTS Corporate University to raise awareness of corporate ethics and respect for human rights.

In the event of a human rights violation, concerns can be reported via the Unified Whistleblowing Hotline, to a line manager.

# SUSTAINABILITY AWARDS AND RATINGS

MER-39, GRI 2-28

MTS's strong commitment to sustainability enables the Company to consistently improve its ESG ratings and reaffirm its position as a leader in the field.

DIGITAL COMMUNICATION AWARDS 2025

## Digital Communication AWARDS-2024

MTS received three awards in the Digital Media & Tools category. The brand media platform of MTS's digital ecosystem was recognised in the Content Marketing subcategory

**>1 mln per month**

unique users
**40%** YoY increase in organic traffic

**Immersive installation**

Immersive installation
For presenting MTS B2B products
Awarded winner in Interactive Content
the project presented ready-made business solutions and introduced MTS's updated visual identity

**The Enchanted Digit**

A New Year's mini-game
for students and graduates
of specialized universities
Winner in the Corporate Digital Game category

**1.4 mln impressions**

total campaign reach

**3.6 thsd**

unique players

**~600**

responses

DIGITAL COMMUNICATION AWARDS 2025

## Digital Communication AWARDS-2024

**4 MTS projects**

won in the Digital Projects and Strategies category
The jury recognised the Company's brand media platform in the Web Media subcategory. In the B2B Campaigns subcategory, MTS received an award for its "Finding a Way Together" initiative showcasing the Company's import substitution solutions

**The recognition programme "MTS League"**

received an award in the Employer & Brand category
The project celebrated employee achievements, **attracting 1,100 applications, 5,000 votes and 84 winners**

**MTS Design Bot**

HR Project Recognized in "Company Recruitment" Nomination
this Telegram-based tool offered a creative way to promote design vacancies at MTS

**75%**

reduction in cost per hire with influx of relevant Middle and Senior-level applicants

AK&M
ИНФОРМАЦИОННОЕ АГЕНТСТВО

## AK&M

**A++**

AK&M reaffirmed MTS's highest sustainability rating – indicating a fair state of sustainable development with a stable outlook

The assessment confirms there is no risk of harm to the opportunities of future generations

**ESG-AAA**

the Company's final rating corresponds to the ESG-AAA level under the ESG rating scale recommended by the Bank of Russia

AK&M
ИНФОРМАЦИОННОЕ АГЕНТСТВО

## AK&M

MTS was recognised in four ESG rankings published by the AK&M rating agency

**3rd place**

Social Efficiency Rating

**2nd place**

Social Responsibility Rating
in the Information Technology category

**11th place**

Social Efficiency Rating
in the Major Holdings category

**95.6 points**

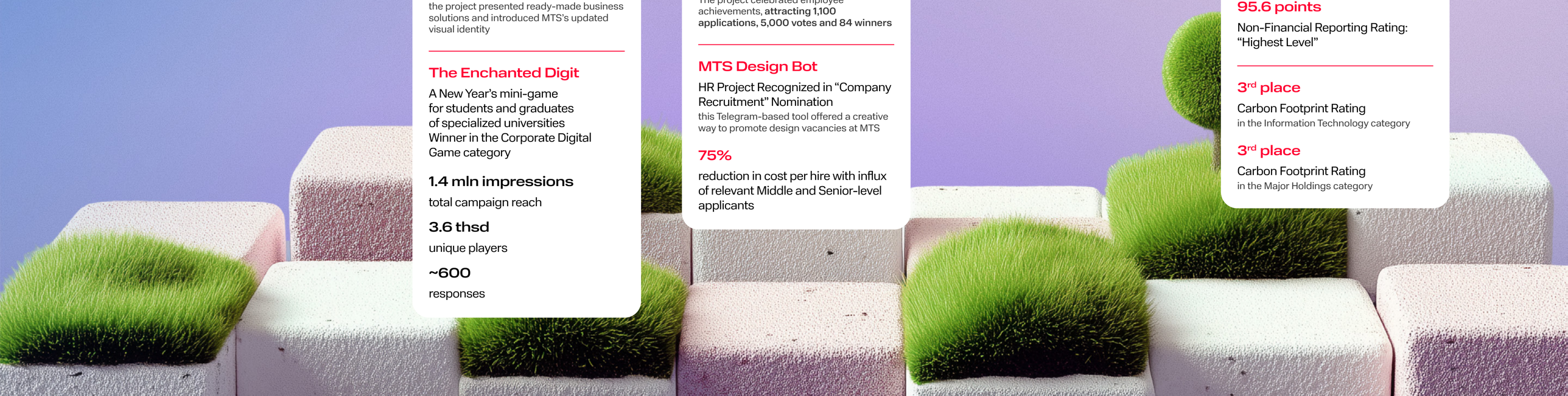
Non-Financial Reporting Rating: "Highest Level"

**3rd place**

Carbon Footprint Rating
in the Information Technology category

**3rd place**

Carbon Footprint Rating
in the Major Holdings category



НРА

## NRA

**18th place**

MTS took the ESG ranking of publicly listed Russian companies in the consumer and non-financial services sectors

АКРА

## ACRA

**AAA (RU)**

the ACRA rating agency reaffirmed MTS's highest credit rating of AAA(RU) with a stable outlook

Expert РЕЙТИНГОВОЕ АГЕНТСТВО

## Expert RA

**37th place**

MTS ranked 37th in the "ESG Transparency: Core Value" ranking

Expert РЕЙТИНГОВОЕ АГЕНТСТВО

## Expert RA

**ruAAA**

Expert RA reaffirmed the Company's credit rating at ruAAA with a stable outlook

Форум Доноров

## Association of Grant-Making Organisations Donors Forum

**A+**

the Donors Forum, an association of grant-making organisations, awarded MTS the top A+ rating in its Corporate Philanthropy Leaders ranking

MTS social initiatives were also among the winners of the Corporate Philanthropy Leaders competition:

**1st Place**

Awarded to the All-Russian Inclusive Festival We Will Hear for "Best Program (Project) in Inclusivity Development"

**2nd Place**

Awarded to the MTS social online platform It Concerns Us for "Best Program for Professionalization of the Non-Profit Sector"

tmt

## TMT Consulting

### Market Leader in Telecom API

MTS subsidiary Exolve, which develops communication solutions for businesses

Per the "Russian Telecom API Market – 2023 Results" study by TMT Consulting

**47%**

Exolve held the largest revenue share

РБК | НКР

## RBC and NCR

MTS was included in the group of ESG Index leaders in the Russian non-financial sector, as compiled by RBC and the NCR rating agency

**ESG**

The assessment reaffirmed MTS's status as a digital company with the highest level of alignment with environmental, social and governance standards



## NCR

### AAA.ru

the highest level of creditworthiness, with a stable outlook

the National Credit Ratings agency (NCR) reaffirmed MTS's credit rating and bond issuances

## ONSIDE

### M2M/IoT Connections

For the third consecutive year, MTS holds the largest market share in **machine-to-machine and Internet of Things technologies**

based on results for 2023 and the first half of 2024

### Private LTE

**publicly announced dedicated LTE network projects** – MTS holds the largest market share among Russian mobile operators

according to estimates by the analytical agency ONSIDE

## HR IMPACT Award

### We Will Hear

The Nationwide inclusive festival was recognised as the winner in the ESG STRATEGY category

## RAEX

### 23rd place

in the Top 50 Companies: Green Energy Transition

### 11th place

in the Top 50 Companies: Supply Chains

### 41st place

in the January 2025 ranking list for the 2023 Sustainability Report

## Forbes

### Platinum Status

MTS Awarded Platinum Status in the Employer Rating
(E – Platinum / S – Gold / G – Platinum)





# DEVELOPMENT OF THE DIGITAL SPACE


31 Ensuring Accessibility of Digital Services and Solutions

36 Network Coverage Expansion

37 MTS Products and Solutions

52 Customer Service

56 Digital Economy Development and Support for Entrepreneurs

59 Digital Tourism and Culture

61 Educational initiatives

As a company committed to social development, we seek to improve the well-being and quality of life for tens of millions of people by fostering an inclusive and supportive environment, backing social and cultural initiatives, and delivering innovative solutions and services for businesses.

**+19%**

↑ YoY

growth in clients using 4+ ecosystem products

**+5,5%**

↑ for 2023

increase in LTE coverage

**+21%**

↑ for 2023

increase in MTS IoT subscribers compared

**82.4 MLN**

mobile subscribers in Russia

↑ +1.3 mln in 2024

**5,000+**

clients growing their business with CloudMTS solutions

**150 THSD**

Urent scooters – Russia's largest scooter fleet

## The UN Sustainable Development Goals



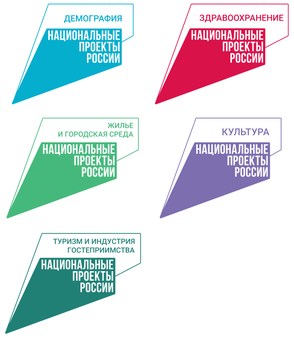

## DisclosedMaterial Topics

- Equitable access to digital infrastructure
- Investment in the social development of regions
- Ethical use of artificial intelligence
- Support for digital economy development
- Non-discrimination
- Investment in the social development of regions
- Development of high-quality IT education

## Key Internal Documents

- MTS Ecosystem Quality and Customer Experience Management Policy, MTS website →
- MTS Social Responsibility Strategy in Regions of Operation

## National Projects of Russia




## Key Initiatives and Achievements in 2024

- Hosting the second True Tech Day technology conference and the second True Tech Champ competition in algorithmic and robotics programming.
- Development of a national IoT standard, MTS website →
- Launch of a free course on digital accessibility, BangBangEducation →
- Launch of a proprietary geospatial platform, MTS website →
- First Master's program cohort in Machine Learning at HSE University, MTS website →

# ENSURING ACCESSIBILITY OF DIGITAL SERVICES AND SOLUTIONS

MER-11

Chairperson of the PJSC MTS Board of Directors

**MTS is a socially responsible business. We address major social challenges through innovative technologies. We develop cutting-edge products and solutions that help expand access to essential services and quality education, reduce social inequality, and support urban infrastructure development in line with the principles of responsible consumption, equal opportunity, human well-being, and environmental care.**

## Management Approach

MTS places a strong focus on making its services accessible to vulnerable groups, including older adults and people with disabilities, with the goal of ensuring equal opportunities for all and improving everyday convenience for every customer.

**MTS designs digital solutions guided by its core accessibility principles:**

### Perceivability

Content can be perceived using technologies that are accessible to the user

### Operability

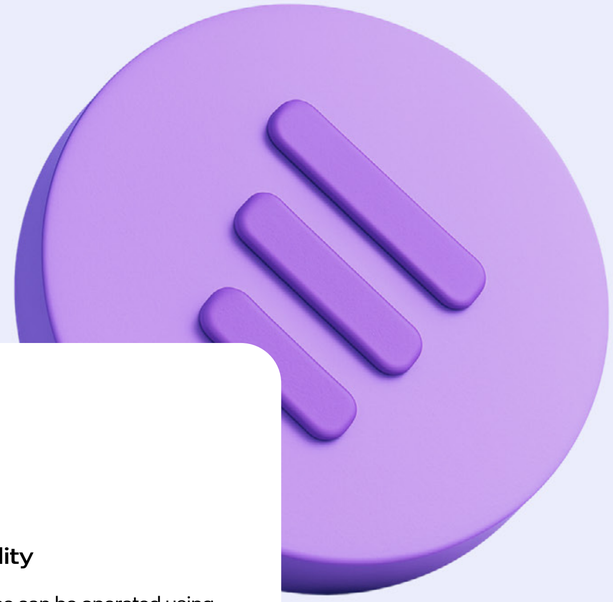
The interface can be operated using technologies that meet the user's needs

### Understandability

Content is understandable regardless of how the user interacts with it

### Resilience

The interface remains accessible across product versions, devices and platforms



We regularly review the quality of our digital products to ensure they are accessible and user-friendly for all categories of users. To effectively adapt our services to digital accessibility requirements, MTS includes experts with different abilities in its testing teams – including individuals who are blind, partially sighted, or hard of hearing. We survey employees with disabilities to understand their involvement in product development and assess their awareness of accessibility practices.

We also work closely with expert organisations focused on inclusion – conducting interviews with persons with disabilities, discussing their user experiences, and identifying their accessibility needs.

MTS shares its expertise and advocates for accessibility practices to be adopted across the Russian IT industry – by developers, designers and product managers alike. We promote the core principles of digital accessibility through our dedicated portal MTS:Accessibility Practices, which provides plain-language guidelines for inclusive product design and showcases real-world examples of accessible solutions.

MTS enhances digital accessibility through a variety of tools, including an in-house library for popular development frameworks. This library streamlines interface design and ensures that every component complies with the international Web Content Accessibility Guidelines (WCAG).

In 2024, MTS launched Granat 2.0, a new UI kit that not only refreshed the visual design of its services and apps, but also ensured compliance with accessibility standards. The updated design system includes calibrated colour contrast, as well as specifications for voice control and dynamic font scaling. The updated services will be available from early 2025.
MTS Bank channel on VC.ru, MTS Design website →

# Fostering Innovation

MTS is focused on making its services simpler and more intuitive for users by continuously pursuing innovative solutions. The Company hosts large-scale hackathons, inviting IT students and professionals to compete in developing digital solutions that enhance quality of life for users from inclusive and underserved groups.

Codenrock website, Izvestia website →

**During the reporting period, MTS held its second ML competition,[1] True Tech Hack 2024, where participants spent nearly a month improving service accessibility for two of the Company's ecosystem units.**

## Track 1

"Enhancing the MTS Live storefront experience for users with special needs"

**Task**

MTS is developing additional features in MTS Live to improve accessibility for families with children, older adults, people with limited mobility or hearing impairments, and other users – helping them to choose venues, purchase tickets, and enjoy events with ease.

## Track 2

"Developing AI-powered voice control for MTS Fintech solutions for users with disabilities"

**Task**

Developing a solution to adapt the interface and expand the functionality of the MTS Fintech app to improve accessibility and usability for people with disabilities.

TRUE TECH HACK 2024

**108**
teams

**53%**
of participants held Junior-level positions

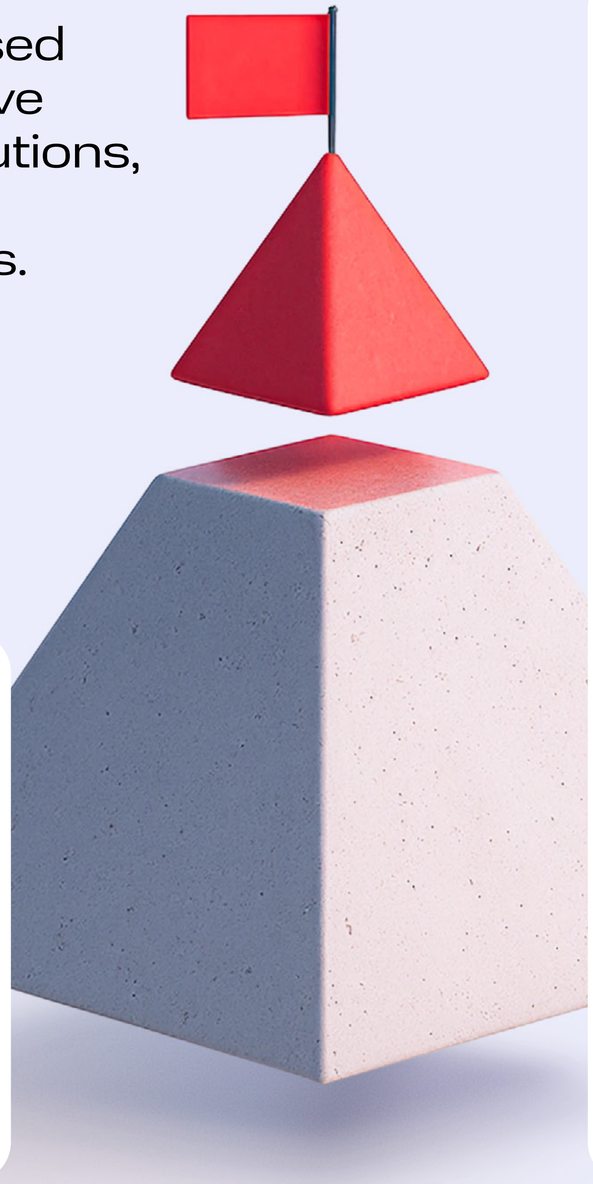
**757**
participants

**1.5** RUB MLN
in total prize money

**94%**
participant satisfaction with expert support

1 The ML competition is as a test of both technical expertise and creative thinking.

# We also held a series of competitions focused on developing inclusive customer service solutions, recognising the most promising innovations.



During the reporting period, MTS partnered with the online design and technology school Bang Bang Education to launch a free course on digital interface accessibility. Aimed at encouraging wider adoption of accessibility principles in digital product design, the course is structured as a series of 10-minute lessons grouped into themed episodes and available for offline viewing at any convenient time.

## “Sistema Hack: Coding Without Limits” Hackathon

MTS and the Sistema Charitable Foundation co-hosted a two-day hackathon as part of the True Tech Hub IT conference “The World of IT from Within” held in Nizhny Novgorod.

Students and IT professionals were invited to demonstrate their creativity and technical skills by working on two challenge tracks:

1. Breaking Communication Barriers – designing a live subtitling system for video conferencing platforms
2. Smart Living – adapting a residential management app to better serve users with special needs. MTS website →

**750,000 RUB**
prize pool

**37**
teams

**380**
applications received

Talks delivered by active team leads from MTS and other companies gave participants valuable insights into accessibility principles and inclusive digital design.

## Clear System Hackathon

The Clear System Hackathon, organised by MTS in 2024, focused on developing an AI-based tool to simplify complex banking language and make it more accessible for people with cognitive impairments, older adults, and speakers of other languages. Participants were tasked with training the application to restructure content by removing complex grammar and abstract phrasing, while focusing on conveying key information clearly.

Teams received two rounds of mentoring from MTS experts, who assessed each project, identified areas for improvement, and provided guidance on aligning with the challenge context and business objectives.

The winning team built an effective transformation algorithm using open-source tools such as FastAPI, Transformers, and Docker. The solution was deployed as a backend service in a Docker container, providing a standardised API for seamless integration with front-end applications. This approach ensured the tool was simple and intuitive for users with special needs. Codenrock website →

Hackathon participants also took part in the employment-focused discussion “My CV – My Job” and attended the HR event One Day Offer.

**375,000 RUB**
prize pool

**45**
teams

**211**
participants

# Accessibility Enhancement Initiatives

In 2024, we continued adapting existing services to the needs of inclusive user groups while also implementing new initiatives aimed at improving service accessibility.

The Voice and Text Interface Centre within the Customer Service Department developed a range of solutions to automate customer interactions across multiple channels, including a voice bot for handling calls and a chatbot for text-based communication.

in 2024

**+6 P.P.**

**increase in overall bot automation rate without decline in customer satisfaction**

## Support for Customers with Speech Impairments

We introduced a keypad-operated IVR system using pre-recorded voice prompts, enabling customers with speech impairments to access answers to frequently asked questions via button-controlled menus

## Improving Access for Customers with Limited Mobility

**by 25%**

the share of requests resolved remotely for customers with limited mobility increased

Key services such as contract reissuance and refund processing can now be completed remotely, reducing the need for in-person visits.

## Service for Users of Legacy Phones

For customers with phones that do not support tone dialling, we enabled voice interaction. In the Moscow market

**95%**

of such users now interact with our voice bot, contributing

**10 p.p.**

increase in customer satisfaction (tNPS)

## Improving Accessibility in MTS Link

In 2024, we successfully integrated the **MTS Link** app and web platform with **screen reader software**, enabling users with visual impairments to participate fully in online events and conversations within the MTS Link ecosystem. When screen reading mode is enabled, all interface elements are voiced, allowing blind and visually impaired users to navigate the service using auditory feedback.

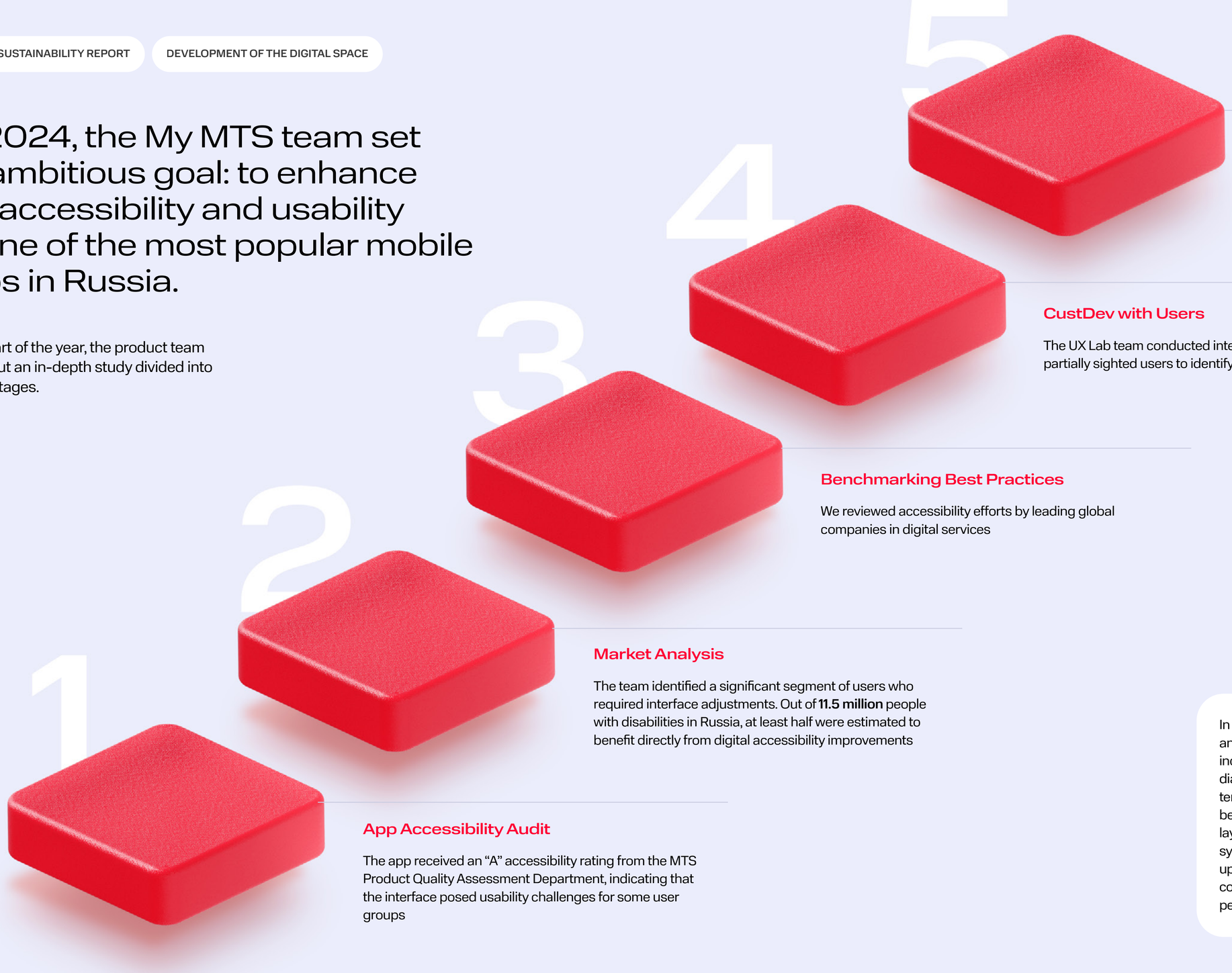
We partnered with the So-edinenie Deafblind Support Foundation to test the new version of MTS Link. Their feedback helped evaluate screen reader compatibility and the app's usability via braille display.

Product Director

**The MTS Link application is a unique product accessible to blind and deafblind users on both desktop and mobile platforms, empowering them to work and communicate. While screen reader integration may go unnoticed by most users, it makes video calls and webinars far more accessible for thousands of people with visual impairments.**

# In 2024, the My MTS team set an ambitious goal: to enhance the accessibility and usability of one of the most popular mobile apps in Russia.

At the start of the year, the product team carried out an in-depth study divided into five key stages.



1

## App Accessibility Audit

The app received an “A” accessibility rating from the MTS Product Quality Assessment Department, indicating that the interface posed usability challenges for some user groups

2

## Market Analysis

The team identified a significant segment of users who required interface adjustments. Out of **11.5 million** people with disabilities in Russia, at least half were estimated to benefit directly from digital accessibility improvements

3

## Benchmarking Best Practices

We reviewed accessibility efforts by leading global companies in digital services

4

## CustDev with Users

The UX Lab team conducted interviews with blind and partially sighted users to identify accessibility priorities

5

## Project Approval and Technical Scoping

The team drafted technical requirements for inclusive interface design and compiled a set of interface artefacts to support development

In the next phase, the team redesigned layout templates and the component library to better meet the needs of inclusive user groups – enlarging heading fonts, refining diagrams, numbers and icons, and tailoring new design templates for iOS and Android systems. Collaborative work between designers and developers also resulted in revised layout structure, added semantic interface elements for system-level screen interpretation, and the creation of new update notifications. In 2025, the ecosystem team will continue enhancing the accessibility and overall performance of the My MTS app. website vc.ru →

# Network Coverage Expansion

MTS is committed to continuously enhancing network capacity, boosting data transmission speeds, and improving overall connection quality for its customers.

The Company's current focus is on expanding 4G mobile coverage through spectrum refarming – reallocating 2,100 MHz frequencies previously assigned to 3G networks for use in 4G (LTE) services. In 2024, MTS fully phased out 3G in Yaroslavl Region, St. Petersburg and Leningrad Region, with a complete nationwide transition to LTE scheduled for completion by the end of 2027. This transition has significantly increased average network speeds from around 1 Mbps to 15–20 Mbps.

During the reporting period, MTS engineers carried out extensive optimisation of the radio access network. The use of an iRAT strategy enabled more efficient software-based management of base stations, improving device interoperability across LTE, UMTS, and GSM networks, as well as between frequency bands within LTE.



As a result, LTE coverage across Russia expanded by an average of 5.5%. LTE signal quality also improved in densely built-up urban areas – including basements, entrances, lift lobbies, and ground floors. In open areas such as parks and remote settlements, base station range was also extended.

In 2024, MTS launched its proprietary geospatial platform for generating and updating digital 3D terrain maps, streamlining topographical analysis through the use of generative AI. Satellite images are fed into a neural network that not only generates 3D object models, but also estimates building height and shape using shadows and wall contours.

This solution enables experts to build more accurate radio coverage digital models that factor in local topography and environmental conditions, improving base station placement decisions. It also contributes to greater efficiency by reducing the time and effort involved in preparing digital models.

**1,500** CITIES

**covered by the new geospatial platform**

MTS website →

**8×**

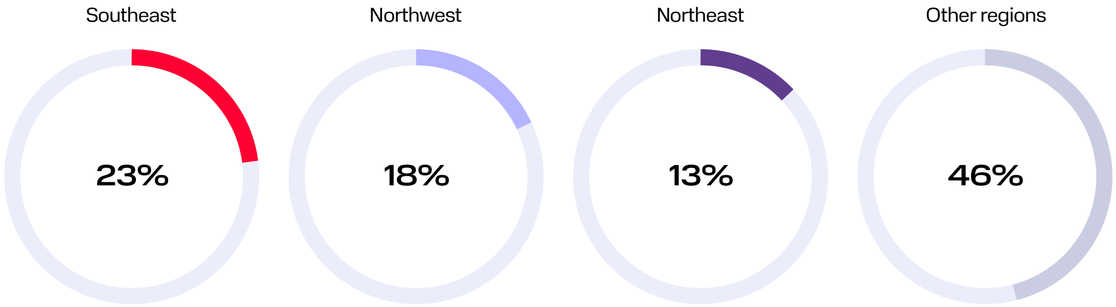
**fastermap update time**

MTS website →

### MTS Improves Internet Speeds in the Moscow Region

We deployed new LTE base stations and upgraded network infrastructure in over 500 suburban settlements, villages, and rural communities across the Moscow Region, improving connectivity for more than 7 million people.

website Iphones.ru →



# MTS PRODUCTS AND SOLUTIONS

## MTS Solutions for Advancing Innovation and Social Infrastructure

A core focus area for MTS is the development of advanced Internet of Things (IoT) solutions – a system of networks where devices communicate without human input – aimed at advancing digital infrastructure across urban environments and industrial enterprises. The MTS ecosystem is a market leader in IoT technologies and Private LTE solutions – standalone mobile networks tailored for specific enterprise and industrial needs. MTS website →



We leverage our proprietary MTS IoT Hub platform to develop products and solutions for a wide range of industries and markets. Powered by an integrated suite of microservices, the platform enables seamless connection, monitoring and management of any IoT-enabled device.

Share of M2M/IoT connections among mobile network operators

41%

Share of MTS revenue from total market income generated by M2M/IoT solutions

40%

Share of dedicated commercial LTE networks provided by MTS, relative to total market volume

57%

Growth in the IoT subscriber base

since 2023

+21%

## National Standard for Cellular and NB-IoT Technology

In 2024, MTS experts contributed to shaping IoT standardisation in Russia by developing a national NB-IoT standard for cellular-based Internet of Things technologies. The standard incorporates best global practices along with MTS's operational expertise gained from deploying IoT solutions across a network of 59,000 base stations.

The MTS working group revised key provisions of the earlier GOST R 59026-2020 and introduced more detailed technical specifications for NB-IoT equipment and data transmission devices.
The updated standard defines:

- full-stack NB-IoT data transmission protocol parameters
- NB-IoT energy-saving modes
- criteria for selecting NB-IoT technology across different industry verticals
- recommended features for NB-IoT subscriber equipment
- messaging models and transmission parameters for NB-IoT networks tailored to industrial, agricultural, healthcare, energy and transport infrastructure use cases

The revised standard enables the scalable deployment of intelligent IoT solutions while taking into account the needs of key stakeholders, including industry regulators, enterprise clients, telecom operators, and system and device developers.



Vice President for Corporate Business, MTS

**The new standard will not only enable the creation of cutting-edge solutions for a range of industries, but also support the integration of NB-IoT technologies with 5G and satellite networks, in line with the Communications Development Strategy to 2030. This will unlock new opportunities for managing smart devices across remote and hard-to-reach areas.**

# In 2024, MTS continued to expand its portfolio of solutions aimed at enhancing urban infrastructure and promoting more liveable cities

## MTS Connectivity in the Moscow Metro

Expanding telecom infrastructure within the Moscow Metro remains one of MTS's strategic priorities.

In 2024, the number of MTS subscribers using services in the Moscow Metro increased significantly year-on-year, with the highest data traffic growth recorded on the city's busiest line – the Bolshaya Koltsevaya Line.

MTS boosted network capacity in the Moscow Metro by deploying multi-band base stations in station lobbies, high-frequency leaky feeder cables in tunnels, and by activating additional LTE 1800 spectrum on the most heavily loaded lines.

The adoption of modern technologies has led to a record increase in data transmission volumes across all metro lines: in October, MTS analysts recorded a value of 6,500 TB, exceeding the monthly internet traffic in some Russian cities.

In September, MTS also launched mobile connectivity and internet access on the first section of the Troitskaya Metro Line.

**+7%**

**growth in MTS subscribers on the Moscow Metro**

**+27%**

**peak growth in mobile data traffic**

**+20%**

↑ in 2024

**increase in total metro data traffic**

## Digital Real Estate Management

MTS and Dispatcher 24, a digital ecosystem for developers and property management companies (part of the Etalon Group), jointly launched a mobile app for managing the digital infrastructure of residential complexes.

Specialists from MTS and Etalon integrated telecom infrastructure, a smart building management platform with security and automation systems, and Etalon's solutions for property managers and residents.

By creating a unified digital environment, the app enables residents to handle everyday tasks via smartphone – from paying utility bills and requesting maintenance services to managing access to residential premises and receiving notifications about building conditions or playground safety. Property management professionals can use the app to monitor all smart building systems in real time – including lifts, CCTV systems and resource consumption controls.

The digital real estate management system has already been rolled out in multiple regions, including residential complexes in Moscow, Vladivostok and Oryol.

We are also expanding cooperation with other developers, with over 30 residential complexes scheduled for digital integration in the coming year.
MTS website →

In 2025, MTS plans to further expand digitalisation to additional residential complexes in Etalon Group's footprint, including developments in

- Moscow
- Omsk
- Novosibirsk

**30+**

residential complexes scheduled for digital integration in the coming year

## Digital Water Utility and Smart Energy Metering

Digital Water Utility is an IoT-based solution designed by MTS to collect and analyse operational data from urban water systems, detect anomalies, and ensure timely corrective action.

### Smart water and heat metering systems help:

1. Track resource consumption with precision, reducing waste and preserving water resources
2. Raise user awareness of consumption levels, encouraging more sustainable water and heat usage
3. Enhance process transparency through smart metering systems that enable companies to collect accurate consumption data, detect faults at an early stage, and provide reliable information to stakeholders
4. Support compliance with environmental protection regulations

In 2024, MTS deployed an IoT-based early incident detection system to enable remote monitoring of thermal networks across 42 municipalities in the Moscow Region.

Smart sensors installed at major heating facilities – including in Krasnogorsk and Orekhovo-Zuyevo – allow dispatchers to monitor water temperature and pipeline pressure in real time and respond promptly to any deviations from operating standards.

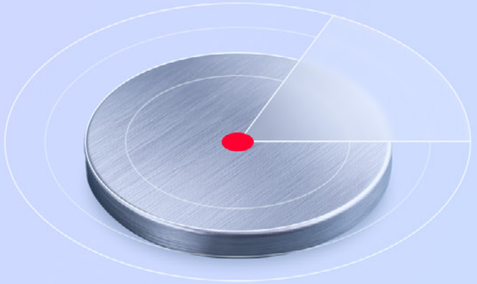
This significantly improves the management of heating and hot water systems, which are critical to over 4 million residents and numerous businesses in the Moscow Region.
MTS website →

In 2024, MTS signed a contract to develop a smart electricity metering system for JSC Novosibirskenergosbyt. Under this large-scale project, MTS will deploy and maintain **86,400 smart meters** in apartment buildings across the Novosibirsk Region – one of the largest energy digitalisation initiatives in Russia to date.

The system enables real-time monitoring of meter status, custom polling configuration, and automatic data transfer to Novosibirskenergosbyt's billing system.
MTS website →

**1.5** RUB BLN
project is valued

## Smart Manhole Monitoring



MTS is continuing the rollout of its smart manhole monitoring system, which uses energy-efficient NB-IoT sensors to instantly alert municipal services when a manhole cover is opened or damaged.

During the reporting period, the project was expanded to Sakhalin, Novosibirsk and other regions, with manhole covers integrated into local smart city systems.

### In total

**150+**

**manholes were equipped with monitoring sensors**

SMART CLICK

× MTS IoTHub



## Search and Rescue Solutions Powered by MTS

To improve efficiency and reduce response time in missing person searches, MTS has developed an integrated solution combining a dedicated Private LTE network with Digital Mobile Radio (DMR) technology for rapid deployment of communication channels.

The use of Private LTE ensures stable operation of communication equipment and navigation tools even in adverse weather and remote areas, enabling search teams to locate missing individuals with positioning accuracy of **up to 50 metres**.

In autumn 2024, the solution was successfully tested in cooperation with the Yakutia Search and Rescue Service – the signal was received from a helicopter flying at a significant distance from the search site. Looking ahead, we plan to adapt the system for use on drones to further expand its operational flexibility.



**40+**

**buses in the Yamal region were fitted with video analytics systems, with plans to expand the rollout in 2025 to additional depots across Yamal and other regions**

## Smart Buses

MTS is equipping city buses with a system for monitoring passenger flow, consisting of IP cameras and IoT sensors that record key metrics such as passenger boarding numbers and fare validations. The data will enable analysts to identify instances of unpaid travel and improve fare compliance. MTS website →

In addition, the system supports:

- Enhanced passenger safety – video footage is securely stored and can be used in investigations of theft, vandalism or emergencies.
- Data-driven insights into route demand and public transport capacity utilisation.
- Optimisation of bus schedules, controller assignments, and fleet type based on route dynamics.

Enabled by the unified MTS IoT Hub platform, the solution is integrated with the Smart Click emergency signalling system, which is accessible to drivers directly via dashboard button.

In 2024, MTS partnered with the Department of Transport and Road Infrastructure of the Yamal-Nenets Autonomous Area to launch a passenger flow monitoring initiative in the cities of Noyabrsk, Novy Urengoy, Gubkinsky and Labytnangi.

# MTS Urent: E-Scooter Sharing for Urban Mobility

In 2024, MTS acquired Urent, a short-term e-scooter rental service, and fully integrated it into the MTS digital ecosystem – including seamless connectivity with MTS ID and MTS Pay. MTS Premium subscribers can now earn and redeem loyalty points for scooter rides.

In the same year, Urent's fleet surpassed 150,000 units with the launch of Urent 2.0 – a next-generation scooter model developed in partnership with Eleven. The model features enhanced stability and smooth handling at any speed thanks to its fork design and pneumatic tyres – making it especially rider-friendly for beginners. Key trip information is displayed on an interactive screen with optional audio feedback for accessibility.

Each Urent scooter is equipped with proprietary IoT modules that enable real-time location tracking and automated speed reduction in designated low-speed zones – such as pedestrian-heavy areas, parks, and waterfronts. Scooters also feature headlights, reflectors, and directional indicators on both the handlebars and rear fender to increase visibility and reduce the risk of incidents. As a socially responsible ecosystem, we aim to foster a strong safety culture among our users and contribute to the development of next-generation urban mobility in close partnership with city authorities.

**Our goal**

is to ensure that e-scooters become a seamlessly integrated and safe part of the city transport landscape – accessible and convenient for all

**In 2024, we launched Urent's Year of Safe Riding, an internal strategy aimed at promoting safe scooter use. As part of the initiative, we:**




- We introduced Safe Riding Guidelines and launched Safe Riding Schools, including special sessions for senior citizens. In 2024, over 15,000 people of all ages received training on scooter safety and traffic rules
- We implemented mandatory traffic rule testing in the MTS Urent app
- Over 30,000 scooters in Moscow and the Moscow Region were fitted with large-format individual ID numbers in compliance with safety requirements set by the Moscow Department of Transport
- We introduced ride activation via MTS ID, enabling age verification and restricting access to minors
- We doubled the number of field consultants monitoring compliance with traffic laws and Urent's service policies

MTS works closely with regional governments and executive authorities to promote road safety. In partnership with Moscow's Traffic Management Centre (TsODD), the Department of Transport, and with the support of the City Duma, we co-developed a training course on safe e-scooter usage. In 2025, we plan to extend our safety initiatives to other regions. MTS Urent and the Administration of Krasnodar adopted a joint action plan to prevent road accidents involving e-scooters. In total, cooperation agreements or regulatory acts governing shared scooter operations – many of them developed with Urent's direct involvement – are in place across 18 cities and regions where the company operates.
Krasnodarskie Izvestia →

A pilot initiative in the federal territory of Sirius enabled local law enforcement officers to patrol using Urent scooters. The service provided specially branded scooters for use by law enforcement officers. In 2025, the service will expand cooperation with city administrations, volunteers, and civic organisations to offer e-scooters for addressing urban social needs.

One of the key initiatives of the Year of Safe Riding was the introduction of a safety and infrastructure contribution – RUB 1 from every ride was allocated to the development of safe urban infrastructure for e-scooter travel and to educational programmes. As part of this initiative, the service funded the creation of over 6,000 designated parking spaces for personal mobility vehicles (PMVs), including both steel rack installations and custom pavement markings.

We Provide Personal Accident Insurance for MTS Urent Users In addition, in 2025, we plan to expand the basic free insurance policy, which applies by default to every MTS Urent ride. The policy will also cover injuries to pedestrians in cases involving Urent scooters, such as collisions. MTS Urent provides accident insurance for all users by default on every ride.  In 2025, we plan to expand our basic free insurance policy to include third-party liability – covering harm caused to pedestrians or other individuals in the event of a service-related incident.

### Since 2023, MTS Urent has partnered with the volunteer search organisation LizaAlert

In 2024, our scooters supported seven search operations in the Stavropol Territory. Volunteers across multiple regions are granted free access to Urent scooters to distribute missing person notices and inspect local courtyards, parks and public areas.



**23 MLN**
registered user accounts

**15,000**
people completed in-person scooter training sessions

**444 RUB MLN**
invested in infrastructure and ride safety since 2022

**~6,000**
PMV parking zones added in Urent's operational cities since 2022

**181 RUB MLN**
allocated to safety initiatives in 2024

**2+ MLN USERS**
completed traffic safety tests in the MTS Urent app

**10**
public awareness campaigns on safe and responsible riding

**6.4 KM**
of new bike lanes introduced through Urent investment in 2024

**3,000**
safety consultants operating across Russian regions

**+46%**
growth in total rides in 2024

**3,541**
no-ride and speed-restricted zones established

**0.0095%**
incident rate across all completed rides

**+26%**
increase in service coverage across Russia

Each 1,000 scooters supports

**30–50**
local jobs across Russian cities

## Advanced Security Technologies to Protect Your Business

Golfstream is a part of the MTS ecosystem that provides integrated security solutions for both individuals and businesses. Its offering encompasses key stages such as equipment installation, monitoring, incident notifications, and rapid response team dispatch.

Client safety is ensured via 24/7 connectivity with the Central Monitoring Station and an SOS button that instantly triggers a response team dispatch. The emergency button is available in the Golfstream mobile app (exclusively for MTS customers), on a wireless alarm keypad, a remote control device, or as a wearable in bracelet or smartwatch format.

Operational efficiency and service quality are enhanced through AI-driven technologies, including:

- Voice analytics to monitor and evaluate interactions between clients and employees.
- A Corporate Client Chatbot that enables fast and automated responses to inquiries.
- The AI-Based Installation Quality Control process enables real-time monitoring of signal integrity, visual compliance with installation standards, and the completeness of closing documentation during service request resolution – including technician and engineer visits.

**150,000**

private properties secured

**200**

cities

**37,000**

commercial properties under protection

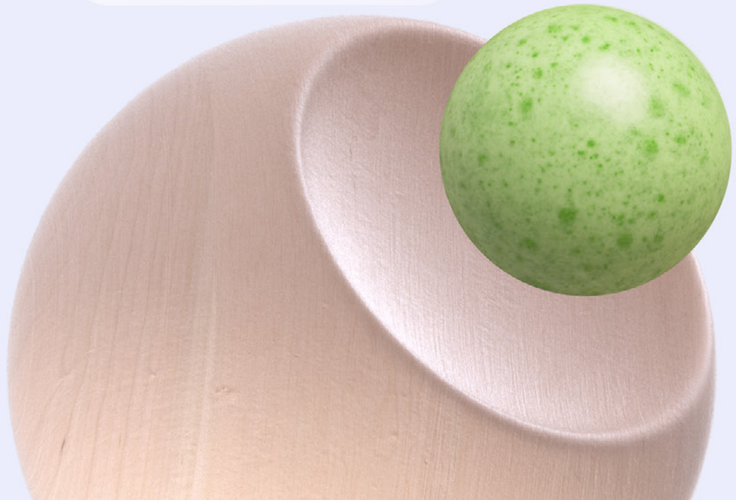
## MTS Solutions for Environmental Protection and Energy Efficiency

MTS continues to strengthen its systems for industrial safety, occupational health and safety, and energy efficiency, while also expanding its focus on environmental monitoring.

IIn 2024, MTS became the first telecom operator to be licensed by the Federal Service for Hydrometeorology and Environmental Monitoring (Roshydromet) to carry out comprehensive environmental monitoring of soil, air and water bodies, including hydrobiological indicators. This authorisation enables MTS to collect data on emission sources, while AI-powered algorithms help forecast pollutant dispersion and deposition zones and notify government agencies and large enterprises accordingly.

**80**

**total number of compact ambient air quality monitoring stations**



## Smart Environmental Monitoring System

MTS offers an end-to-end environmental monitoring solution based on its proprietary platform, the Proactive Environmental Risk Management System.

Leveraging high-tech monitoring stations, the system enables real-time tracking of air quality and forecasting of pollutant dispersion in the atmosphere and deposition in soils – a critical tool for environmental risk mitigation and planning, especially under adverse weather conditions.

MTS is piloting the system in partnership with regional authorities. In 2024, an environmental monitoring platform was deployed by the Ministry of Natural Resources and Environment of the Irkutsk Region in the cities of Irkutsk and Angarsk, both characterised by a high concentration of industrial enterprises.

In the Nizhny Novgorod Region, we expanded the regional environmental monitoring system by increasing the number of compact air quality stations to 80 and launching the first stage of surface water monitoring.

In 2024, MTS partnered with Perm State University to launch a water quality monitoring initiative in the Kizel coal basin. The MTS digital platform leverages parametric buoys with submersible sensors to provide round-the-clock monitoring of water ecosystems, including discharge volume and chemical composition.

Key indicators include:

- pH levels
- conductivity
- turbidity and other physicochemical characteristics

## MTS EnergyTool

EnergyTool is an MTS digital solution that analyses subscriber energy consumption using data from automated electricity metering systems (AMI). The platform applies Big Data and AI technologies to detect abnormal usage patterns across specific segments of the grid.

All system data is visualised on a dedicated digital map, enabling dispatch teams to plan on-site inspections based on real-time analytics.

Key features of the system include:

- detection of electricity theft and crypto mining operations
- monitoring and management of energy from renewable sources, supporting the growth of green energy
- improved accuracy and transparency in electricity accounting, helping optimise energy use, prevent overconsumption, and reduce risks associated with outages, inefficiencies and data discrepancies

In 2024, MTS secured a patent for EnergyTool, its energy consumption analysis system. The solution is designed to bring mining farms into the regulated sector, helping Russian power grid companies adjust consumption to better meet the needs of both businesses and households.

**10+ THSD**

subscribers connected to MTS cloud-based AMI

**100+ THSD RUB**

in savings per meter from theft detection

# MTS Solutions for Business Development

MTS supports business growth by delivering digital solutions that enhance customer engagement, optimise internal processes, and improve service performance. Our solutions are designed to meet the needs of large corporations, SMEs, and individual entrepreneurs alike.

The company's

**3**

**AI portfolio is structured around core development areas**

## AI-Powered Solutions by MTS AI

MTS AI is a dedicated business unit within the MTS ecosystem focused on developing artificial intelligence solutions that automate customer service systems, support security monitoring for commercial and residential properties, and enable advanced video and voice analytics.

MTS AI

**Video Surveillance and Analytics**

**Voice Technologies**

**Products Based on Large Language Models (LLMs)**

## Video Surveillance and Analytics

### TenVision Video Analytics System

- Visitor counting
- Face recognition
- Restricted area intrusion or line crossing detection
- Object detection
- Queue detection
- Heatmap generation

### VisionLabs Computer Vision Products

- Biometric identity verification, including FacePay, smart locks, and missing person detection
- Safety compliance monitoring

**In 2024**, MTS was accredited by the Ministry of Digital Development to work with biometric data. The accreditation enables direct integration with the Unified Biometric System and unlocks a wide range of use cases – from facial payment to access control.

We also showcased the TenVision platform internationally at **InterSec 2024** in Dubai.

In the **reporting year**, VisionLabs developed a real-time fire and smoke detection solution based on video data analysis. The technology can be integrated into any existing enterprise or municipal surveillance system. Vedomosti →

## Voice Technologies

### WordPulse Speech Analytics System

- Monitoring service quality and script adherence
- Identifying customer needs
- Verifying confirmations and reminders
- Forecasting business metrics based on voice data analysis

### Audiogram Speech Synthesis and Recognition Service

- Recognising customer speech and generating bot responses
- Transcribing audio and video content and generating subtitles
- Converting text to speech and vice versa

**In 2024**, Audiogram's high-quality male voice was named among the industry's leading text-to-speech solutions in a study by ICT-Online.

During the evaluation, a focus group of 500 experts assessed seven market-leading solutions and gave Audiogram high marks for its ability to align intonation with meaning and apply stress accurately – significantly enhancing clarity and comprehension. Komnews website →

MTS AI has introduced emotion selection into the Audiogram speech synthesis service. Neural networks can now express five key emotions – calmness, joy, anger, sadness, and surprise – tailored to the needs of call centres in banking, retail, and telecom. This functionality is designed to improve customer satisfaction when interacting with voice bots.

## Products Based on Large Language Models (LLMs)

### Cotype: A Generative Model for Corporate Data

- Automated reporting
- Customer Service and Support
- Marketing content generation
- HR process automation

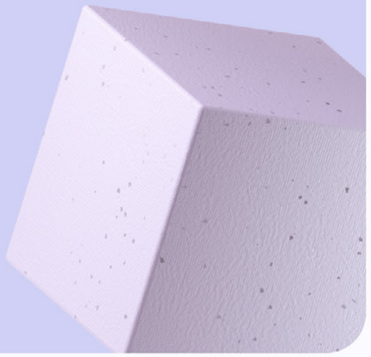
### AI Assistant for Developers Kodify

(Powered by the Cotype LLM)

- Code generation and auto-completion
- Improved developer productivity
- Code analysis and optimisation
- Multilingual programming support
- Flexible and secure deployment

### AI Integration into the Front Platform

To streamline and accelerate product development, MTS integrated its Cotype LLM into the Front Platform – a no-code solution for rapid website and mobile app deployment. The AI model enables employees without frontend development experience to generate website layouts and app frameworks from text prompts – significantly reducing time to market and easing the load on development teams. Habr website →



### Cotype and Kodify: 2024 Updates

In 2024, MTS launched Cotype Pro 2 – an updated version of its LLM tailored to over 100 enterprise use cases. The model can be deployed on a company's internal infrastructure without relying on external servers.

We also introduced Kodify 2 – a next-generation AI assistant for developers, designed for the commercial market, with support for 90 programming languages and a 7-billion-parameter architecture. With Kodify 2, MTS increased the share of AI-generated code from **8% to 15%.**

**+40%**

faster than the previous version of Cotype

**+50%**

more accurate when processing long-form content

## Key Metrics from the Implementation of the Cotype Neural Network and the Kodify Assistant by MTS AI Clients

**+55%**

increase in developer productivity following Kodify implementation, Cnews website →

**−20%**

reduction in payroll costs after deploying Kodify

**−90%**

reduction in time-to-hire after deploying Cotype

**−70%**

decrease in recruiter workload, Cnews website →

**−30%**

fewer HR queries during onboarding after deploying Kodify

**+20%**

increase in employee satisfaction following the launch of GenAI-powered tools

In 2024, **MTS Ads** launched a new professional platform – **Marketolog PRO** – designed to streamline campaign launches in Telegram Ads, enable precise targeting, and optimise media budgets. The solution is tailored for large enterprises and advertising agencies.
The service supports both self-managed and full-service campaign models, with expert support from MTS Ads. Compared to the standard Marketolog platform, **Marketolog PRO** provides enhanced analytics and deeper campaign insights.

**65+ MLN**

**active users of the MTS Marketolog platform**

**250**

**ready-made audience segments based on user interests and intent**

### MTS Marketolog 1

A digital promotion platform offering targeted advertising, messaging, and outreach tools

- SMS, MMS, and RCS message campaigns
- Targeted voice calls based on anonymised databases
- Telegram chatbot builder
- SMS campaigns to users of any mobile operator via own contact list
- Analytics dashboard with detailed marketing performance metrics

### MTS Marketolog PRO 2

Telegram Ads management interface for high-volume campaigns

- Launch ads with banners, video, and GIF animations
- Configure automated strategies to optimise budget allocation
- Competitor ad analysis tools
- Manage hundreds of campaigns through a single dashboard
- Target campaigns using MTS Big Data segments or proprietary contact lists



## MTS Coordinator

MTS Coordinator service is a workforce management solution designed to boost the efficiency of mobile field staff.

In 2024, MTS Coordinator helped improve operational efficiency in healthcare by introducing a smart route planner and a “digital dispatcher” feature, which:

- optimised doctors’ travel routes based on their medical specialisations
- reduced patient wait times
- improved workforce discipline and enabled better shift coverage in emergency situations

The solution was also implemented in the oil and gas sector to support pipeline maintenance, improving coordination among route inspectors and helping define optimal inspection paths.

To enhance usability, we plan to integrate AI capabilities to identify digital data in photographs and recommend available time slots – helping reduce queues and wait times.

**The service has received the following awards:**

**ComNews Awards**

Best Digital Solutions for the Oil and Gas Industry – Best Cloud Technology Project category

**ECOM Retail Week**

Winner in the EdTech – Workforce Development category

**Oil 4.0**

Award for effective digital projects in the oil and gas industry – Human Capital Development category

## MTS GeoEffect

is a suite of four geoanalytics and geomarketing services for business, powered by geotracking and mobile traffic data from across the MTS ecosystem. The solution delivers real-world insights into population profiles, mobility patterns, interest clusters, demand for services and goods, and even dining preferences – enabling businesses to identify emerging trends and tailor products and services to actual customer behaviour.

**CNews Award**

"Best Big Data Solution for Business"

**4×**

**increase in new client acquisition**

**UP TO 150 METRES**

**geolocation accuracy**

**120**

**media mentions and publications in 2024**

**500+**

**population and tourism flow metrics available**

**95+%**

**coverage of the target population in analytics**

### GeoEffect Business

Footfall analysis and customer acquisition for retail locations:

- detailed socio-demographic profiles of current and prospective audiences
- spending categories and volumes across key customer segments assessment
- locations analysis based on:
  - population traffic patterns
  - target customer density
  - proximity to educational and commercial sites or competitor outlets
- optimised site selection for new retail outlets

### Footfall Insights

Analytics on visitor traffic at venues and events:

- visitor profiling by gender, age, employment status, and other attributes
- marketing activity planning tailored to audience profiles
- viability assessment for opening new venues or hosting events in a given area
- impact of external factors on footfall, including:
  - transport accessibility
  - location popularity across audience segments
  - presence of similar venues nearby
- average visit duration and on-site services accessed

### Digital Tourism

Tourism flow and travel behaviour analysis:

- behavioural profiling of visitors, including:
  - region of origin
  - income level
  - gender and age
- assessment of local tourism infrastructure, including accommodation, dining, and transport accessibility
- identification of top-visited locations and hidden points of interest:
  - parks, museums, and family zones
- forecasting regional tourism volumes and return visitor rates

### Digital Citizen

Managing the potential of cities and regions by understanding local populations and improving urban infrastructure:

- infrastructure planning and siting of new public facilities
- identifying resident needs and priorities based on:
  - socio-demographic profiles
  - spending patterns, interests, and income levels
- assessment of investment performance across residential and commercial properties
- assessment of infrastructure load and optimising transport accessibility
- enhancing the overall quality of the urban environment

## MTS.SKAI

Is an integrated six-module IT solution designed to reduce corporate fleet costs and enhance transport safety. The SKAI.Basic Monitoring and SKAI.Fuel Control modules streamline logistics by detecting non-essential trips, inefficient routes, and excessive fuel consumption, while providing automated alerts and analytical reports tailored to selected parameters. These tools can improve fleet efficiency by up to 15%, with fuel savings reaching 30%. The SKAI.Safe Driving and SKAI.Video Analytics modules enhance road safety by monitoring traffic violations and other high-risk driving behaviours.

**15%**

increase in fleet efficiency

**UP TO 30%**

fuel savings

**76%**

revenue growth in 2024

**2x**

number of monitored objects

### SKAI. Basic Monitoring

GPS/GLONASS-based tracking of vehicle location and status

- Real-time location monitoring
- Trip history and stop tracking on digital maps
- Speed limit compliance by road segment
- Scheduled automated reporting
- Customisable event triggers for dispatcher alerts
- Instant email or SMS notifications

### SKAI. Fuel Monitoring

Monitoring actual fuel usage, including refuelling, drainage, and detection of vehicles with excessive consumption

- Monitoring actual fuel consumption
- Logging of refuelling events
- Detection of fuel drainage and high-consumption vehicles
- Consolidated and vehicle-specific fuel reports
- Fuel tracking by engine operation mode

### SKAI. Safe Driving

Driver behaviour and safety assessment

- Monitoring of speed limit compliance
- Detection of unsafe manoeuvres (hard braking, sharp turns, rapid acceleration, suspension impact)
- Driver scoring and safety rating system
- In-driver alerts for unsafe behaviour
- Consolidated and individual safety reports

### SKAI. Video Analytics

AI-powered system for monitoring driver state and behaviour

- Detection of driver drowsiness, distraction, phone use, smoking, eating, and seatbelt violations
- Driver assistance in the event of collision risk, lane departure, or pedestrian hazard
- In-cabin alerts for unsafe behaviour or manoeuvres
- Event archive with video clips and driver risk profiles

## Enhancing Equipment Efficiency with SKAI. Special Machinery

In 2024, MTS developed an integrated hardware-and-software solution built on the SKAI platform, offering high-precision geolocation powered by its proprietary GNSS receiver, Flybox-2.

The solution's key advantage is its ability to collect and process detailed data on the location and performance of machinery, enabling high-precision monitoring and operational analysis across agricultural, industrial, and urban environments. Its centimetre-level accuracy also supports optimised cargo tracking and movement monitoring in the logistics sector.

The system integrates seamlessly with another MTS solution – Mobile Workforce – making the tool easy to deploy in existing workflows. MTS website →

## Remote Medical Screening for Drivers

In partnership with digital document operator Ediweb, MTS introduced a new SKAI-based solution combining remote medical screening for freight and passenger transport drivers with digital trip logs.

To undergo a medical check, the employee needs only to give consent, select the type of examination, and complete authentication. Drivers are able to complete medical checks independently using contactless diagnostic equipment, with no need for a medical professional to be present. The process is fully recorded on video.

The results are generated as a QR code, accessible in a dedicated app, and can be added to a digital trip log or printed on a receipt.

The solution helps reduce the cost of on-site medical facilities and staffing, while also shortening the time required for pre-trip screenings. MTS website →

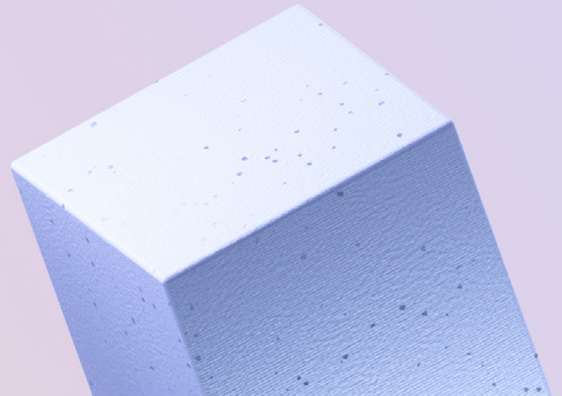
## SKAI. Special Machinery

Operational efficiency monitoring for heavy equipment such as bulldozers, excavators, and diesel generators

- Real-time tracking of machinery location
- Work history and productivity analysis on site
- Logging of active use, idle time, and engine idling
- Reports on utilisation, engine hours, and fuel consumption

## SKAI. Dispatching

- Dispatching service providing incident response and fleet performance analytics for corporate transport
- Preparation of analytical reports and recommendations to improve fleet efficiency



# Information and Cybersecurity Solutions

In today's information-rich and advertisement-saturated world, the ability to distinguish valuable content from malicious or misleading material is increasingly vital. MTS supports its customers in avoiding fraud schemes that continue to evolve year after year, while also helping protect against unwanted content.

## CICADA8

CICADA8 is an external threat monitoring platform designed to detect vulnerabilities, data leaks, and phishing resources.

Mimicking hacker behaviour, the system enables real-time control over external security perimeters, helps eliminate shadow IT assets, and safeguards the digital perimeter.

In 2024, we enhanced the platform with a new "Brand Protection" module capable of detecting and blocking phishing websites across multiple domain zones, as well as identifying pages impersonating the company's brand.

Additionally, the system is trained to monitor negative mentions in media and social networks.

**160,000**
IP addresses scanned weekly

**2 RUB BLN**
in mitigated cyber risks

## Defender Service

The AI-powered service for blocking spam calls includes free anti-spam and anti-fraud features such as:

- Caller ID – identifies the caller category and owner
- Data breach check – detects leaked personal data and their source
- Number lookup – provides details about any phone number

Paid features include:

- Spam call blocking
- Real-time fraud call alerts
- Fraud insurance coverage

In 2024, all free features of the Defender service became standard for all MTS subscribers. The paid version of the service was also expanded to include a new feature – "Safe Call" – providing real-time alerts about potentially suspicious calls.

MTS also collaborates with the search and rescue organisation LizaAlert, providing subscriber geolocation data with user consent when the Defender service is active.

**18+ MILN**
service users

**UP TO 1.5 RUB MLN**
in insurance payouts

**674,714,422 MINUTES**
saved from unwanted calls

## Membrana Service

In 2024, MTS launched Membrana – a digital protection and cyber hygiene tool designed to safeguard users from a wide range of online threats.

- Blocking of spam and fraudulent calls
- AI-based call assistant with smart redirection for critical calls
- Ad blocker and SMS filter
- Customisable call handling rule
- Data leak monitoring
- Secure VPN
- Tracker blocking

In mid-August 2024, we launched beta testing of Membrana Kids in Moscow and St. Petersburg, a service aimed at ensuring children's safety online. The service enables parents to:

- protect children online by filtering web content
- filter incoming calls for safer communication

In late 2024, Membrana Kids received a Runet Prize in the category "Children's Internet and Family Values".

**14.8 MLN**
web tracking attempts blocked

**10,000+**
incoming calls blocked

**10 MLN**
attempts to access ad websites blocked

**924,000**
attempts to access malicious websites blocked

# CUSTOMER SERVICE

Director of Customer Service, MTS

2024 marked a year of active innovation and automation across our customer service operations. These advancements enabled us to improve both the speed and quality of service, while fostering more transparent and environmentally responsible processes. By enhancing the customer experience, we also reduced operational costs and environmental impact – strengthening business resilience and our positive contribution to society.

High-quality customer service is a key driver of MTS's business success and has a direct impact on customer loyalty. Customer satisfaction and loyalty are at the heart of our ecosystem strategy, and we continuously work to improve the customer experience.

Each year, we track customer satisfaction using the Net Promoter Score (NPS), and assess customer experience with specific products, services, and interactions through tNPS – a transactional loyalty metric that reflects users' willingness to make repeat purchases or continue using the product.

**2024 marked a milestone year for MTS customer service, with AI technologies and in-house solutions driving gains in both customer and employee satisfaction.**

### Customers rated us higher (tNPS)

**64%**

↑ previously 60%

voice service satisfaction

**55%**

↑ previously 50%

chat

**71%**

↑ previously 70%

MTS ecosystem stores

### Average chat issue resolution time

**768 SECONDS**

↑ –12%

issue resolution time

### Fewer reasons for repeat contacts

**83%**

↑ +2%

first-contact resolution rate for chats

**85%**

leading contact center performance metric



# Customer Service

### Automation of Customer Request Processing

Automated 33 internal processes, speeding up request handling by 10 times.

### Enhanced Diagnostics and Incident Response

The My MTS app now features service self-diagnostics, on-demand specialist calls, and personalized recommendations, reducing support tickets by 20%. Mobile internet diagnostics via voice assistant, Telegram support, and premium features for Premium tariff plans improved user convenience. A new failure analysis system cut error-related complaints from 16,000 to 1,700 per month.

### Growth in Mobile, Home Internet & TV

For business clients, we launched a unified service platform that resolves issues on first contact, increasing satisfaction by 6%. The InetCore system now auto-fixes problems, and enhanced blockage management boosted efficiency by 38%.

### AI and Speech Analytics Implementation

The WordPulse speech analytics system processes over 300,000 calls daily and has helped increase loyalty on technical issues by 10%.

### Advancement of Chatbots and Voice Assistants

Chatbots became more efficient with Generative AI, increasing satisfaction by 10%. Voice bots mastered new speech technologies, delivering economic benefits.

### Operator Workspace Modernization and Copilot Integration

Operators now use a custom workspace, reducing average handling time by 130 seconds and increasing employee satisfaction by 55 p.p. AI-powered Copilot[1] assists in generating on-brand content.

### Knowledge Base and Content Management

The knowledge system accuracy and speed increased by 10%, while article usefulness on support.mts.ru grew by 8%.

### Online Services and Digitalization

- E-document adoption rate grew from 66% to 86%.
- Customer service speed via the My MTS portal increased by 10%.

### Boosting Employee Engagement

The Operator Tips project enables employees to increase their income by up to 25%. This serves as a motivation to improve service quality, thereby raising customer satisfaction levels.

### Enhanced Customer Experience

In mobile and home internet services, we launched an omnichat[2] platform (+7% productivity gain) and a call monitoring system with speech analytics (-12% errors). The integration of Green Dot expanded self-service options, providing customers with new tools to manage their equipment.

**In 2025, our focus will be on the large-scale development of AI, large language models (LLMs), and advanced data analytics to enhance service quality.**



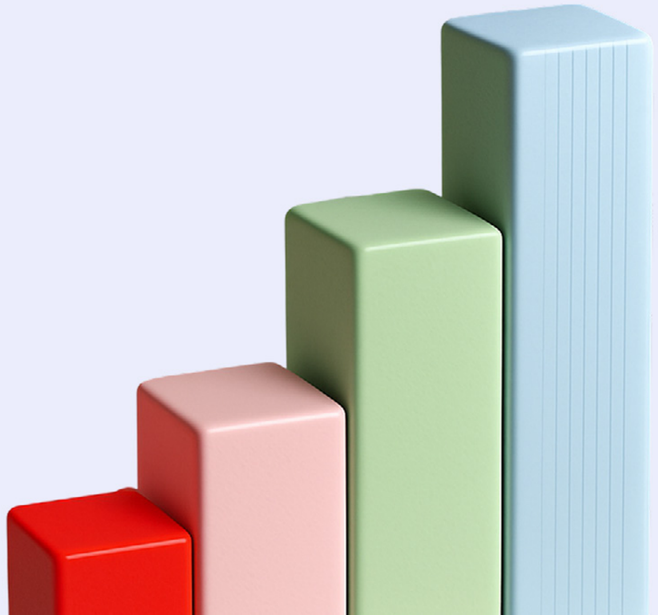
1 The Copilot system is an MTS-developed solution based on proprietary artificial intelligence and machine learning technologies. It assists operators in composing texts aligned with the company's approved style.
2 Omnichat is an online platform for chat operators, developed in-house by MTS.

# Enhancing Customer Service Quality

MTS improved service quality for B2B clients by integrating the low-code ELMA business process management system into its IT infrastructure.

The solution streamlined B2B sales by consolidating products into a unified digital environment, reducing response times and case processing periods, and optimising deal setup in IT systems – resulting in a 10 percentage point increase in conversion.

The platform supports the full sales and CVM campaign cycle – from automated business case modelling to voice bot-driven product and tariff recommendations – all without direct manager involvement.



**+5 P.P.**

**increase in B2B client satisfaction**

**10×**

**reduction in response time**

One of the key priorities for the customer experience team in the reporting year was improving product quality through cross-functional collaboration. We expanded the number of products monitored through quality metrics, helping to identify growth opportunities.

**165 PRODUCTS**

**monitored using quality metrics**

**2.75×**

**increase in product coverage by quality metrics compared to 2023**

We also expanded the number of products collecting user feedback, giving product teams greater insight into quality and enabling improvements in user experience.

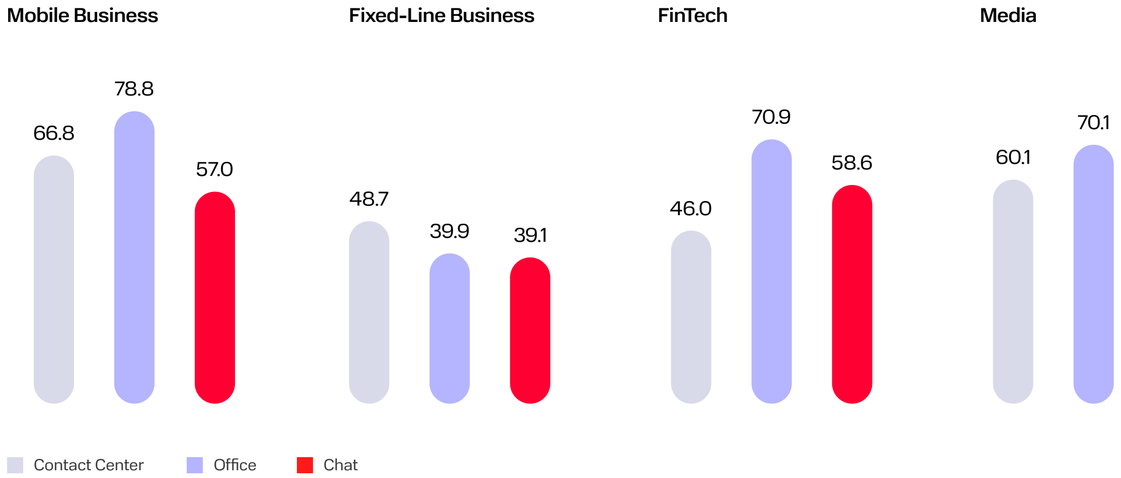
**147 DIGITAL STOREFRONTS**

**collecting customer feedback**

**6×**

**increase vs 2023**

## Operator tNPS loyalty index in 2024




In 2024, we introduced new formats to strengthen MTS's capabilities in customer journey design and management – including the launch of Prozharka, an internal project featuring collaborative workshops where cross-functional teams of designers, service specialists, and product experts analyse major customer journey cases in detail.

Over the course of the year, we conducted more than 30 in-depth customer journey studies across MTS's core products. These resulted in tangible product changes that contributed to improved customer satisfaction levels. Customer journeys were mapped for 14 strategic service areas, and voice bot surveys were launched to assess customer sentiment at the point of contact. The response rate for these voice surveys was 6 percentage points higher than for traditional IVR. Customer satisfaction increased by 10 percentage points following the switch.

We also developed non-intrusive research tools, including ML models capable of predicting tNPS and FCR scores with 90% accuracy. This enabled an 18% reduction in survey load at customer points of contact.

In 2024, the development of alpha and beta testing tools remained a priority, with efforts focused on enhancing tool performance and user engagement. Particular attention was given to overhauling the tester incentive system and enhancing the functionality of the automated testing platform for tariff plans and services.

## Enhancing Service Performance with Process Mining

MTS and Infomaximum, a provider of business analytics solutions, launched a joint initiative to analyse customer service processes and enhance service quality using Process Mining technology.

A key benefit of Process Mining is its ability to provide a complete, end-to-end view of how customers interact with different service channels, including:

**Digital Self-Service Tools**

- My MTS app
- Voice bot
- IVR

**Agent-Assisted Channels**

- Contact centre
- Retail outlets
- Customer back office

This enables more accurate customer journey tracking and allows the Company to address service bottlenecks in real time. For example, Process Mining revealed that a lack of error messages in the "Promised Payment" feature within the My MTS app was leading to unnecessary contact centre calls. After updating the app's interface and error prompts, support workload was reduced by 12%. Cnews website →

The Voice Bot and IVR teams now use Process Mining to identify why customers escalate certain queries to live agents. Adding missing voice bot scenarios helped improve GROSS by 5–10%.

# DIGITAL ECONOMY DEVELOPMENT AND SUPPORT FOR ENTREPRENEURS

## MTS StartUp Hub

MTS operates the MTS StartUp Hub – our centre for innovation and investment – which serves as a gateway into the MTS ecosystem for technology-driven startups looking to scale. The Hub's core areas of focus are venture investment and commercial partnerships.

The MTS StartUp Hub also includes a dedicated venture fund that invests in early-stage startups (Rounds A+/B) that hold strategic relevance for the MTS ecosystem.

In 2024, we revised the fund's strategy through to 2026 in response to shifts in the Russian IT and investment landscape. The updated approach calls for increased risk appetite and greater diversification. The fund will now pursue two investment tracks:

1. Mature-stage startups.
2. Early-stage and seed-stage projects, with opportunities for co-investment alongside other market players, including syndicates and venture funds.

MTS is committed to fostering an enabling environment for small and medium-sized enterprises (SMEs) across the country by launching a range of digital accelerators for entrepreneurs. We offer expertise, resources, and training, supporting startups throughout their growth journey.

**5 MLN $**

**maximum investment per startup**

MTS STARTUP HUB

**9,000+**

**startups screened by MTS StartUp Hub**

**26**

**startups scaled their business with MTS StartUp Hub**

**90+**

**solutions implemented using MTS infrastructure since the launch of MTS StartUp Hub**

By 2026, we plan to invest in around 40 projects across different stages – up to 10 mature-stage ventures and up to 30 at the seed and early stages. Interfax website →

**9**

**venture deals completed since the launch of MTS StartUp Hub**

**1.5 RUB BLN**

**revenue of the venture fund's portfolio companies in 2024**

**1+ RUB BLN**

**total deal value**

**2.2 RUB BLN**

**revenue of MTS StartUp Hub portfolio companies in 2024**

### Areas of collaboration at MTS StartUp Hub

- Future M&A opportunities
- Long-term strategic partnerships or commercial engagement
- Equity participation prior to IPO

MTS StartUp Hub contributes to sustainable economic development by scouting for environmental and social impact projects each year.

In 2024, MTS StartUp Hub actively supported the nationwide inclusive festival We Will Hear, aimed at developing technologies to improve the quality of life for people with hearing impairments.

## In spring 2024, MTS StartUp Hub reviewed 49 projects and selected 10 finalists

**Information and Navigation System for People with Hearing Impairments and Limited Mobility**

a hardware and software solution that facilitates access to transport infrastructure for individuals with disabilities

**OpovestIltel**

a mobile application designed to alert people with hearing impairments using an alternative method of public warning in specific situations that may pose a risk to the user

**Computer-Based 3D Sign Language Translator**

a machine translation technology converting spoken Russian into Russian Sign Language (RSL)

**VIBIC (smart bracelet for people with hearing impairments)**

an innovative wearable device that lets users perceive music and critical alerts through vibration feedback

**Centre for Communication Technologies**

user-friendly IT solutions for people with hearing impairments

**Surdoclass**

an educational platform enabling deaf and hard-of-hearing individuals to acquire new knowledge and skills

**Varwin**

a VR simulator designed to help people with disabilities adapt more quickly and safely to everyday life situations

**"Let's Be Friends"**

a series of sign language programmes (10+ minutes each) for deaf and hard-of-hearing children

**"We Hear You" service**

a dedicated bot-based support module with a 3D avatar that provides bidirectional translation between RSL (Russian Sign Language) and Russian, integrated with online psychological counselling platforms

**Online Platform for Deaf Professionals and Clients**

an inclusive and supportive digital space designed for users with hearing impairments

**3 WINNERS**

received mentoring and advisory support from MTS StartUp Hub, along with platform product grants from MTS Marketolog and MWS

# Business Accelerators

Business accelerators help early-stage companies fast-track their growth and scale their operations by providing access to knowledge, resources, and opportunities for successful development. For participating teams, acceleration at MTS offers a chance to launch a paid pilot project, validate their solution using the Company's infrastructure – including access to its customer base and sales channels – and receive legal support.

To date, MTS has hosted ten corporate accelerators, including three held in 2024 with investment opportunities of up to RUB 500 million.

**10** CORPORATE ACCELERATORS

Including three in 2024

**cumulative total**

**500** RUB MLN

**total investment amount**

## MTS Blockchain Accelerator

### Focus Areas

- FinTech services
- Hardware for distributed ledger access
- Property registration and ownership transfer solutions
- Cybersecurity for data and infrastructure

### Additional Focus Areas

- Solutions to enhance the MTS ecosystem
- High-potential blockchain investment products
- Blockchain solutions supporting ESG initiatives

**14** participants

**3** finalists

## MTS Client Services Accelerator

- Intelligent customer communication systems
- Simulation tools for onboarding call centre and retail staff
- In-store traffic analysis and data digitisation tools
- Solutions to improve customer experience and optimise online and offline service channels
- Automation and robotics for contact centre operations

**6** participants

**4** pilot projects

## MTS Travel Accelerator

- Solutions for hoteliers
- Digital storefront solutions
- Solutions for travellers

**8** participant

**3** pilot projects with the Bronevik.com platform

## MTS and the Autonomous Non-Profit Organization Digital Economy: Joint Efforts for Regional Digital Transformation

The Autonomous Non-Profit Organization Digital Economy (ANO Digital Economy), co-founded by MTS, serves as a platform for public-private dialogue. It unites business and government efforts to create solutions for digital governance, information infrastructure, cybersecurity, artificial intelligence, and digital technologies. A key initiative, the "Digital Development of Regions" program, aligns federal and regional objectives, launches new digital projects, and focuses leadership on solving core transformation challenges with the business community.

MTS's participation in ANO enables the company to present its digital transformation solutions to regional authorities and businesses across economic sectors, social services, and public administration, including urban development, utilities, transportation, logistics, industry, import substitution, and artificial intelligence.

In 2024, MTS experts spoke at and presented digital solutions across multiple regions, including Ryazan Oblast (Digital Boost for the Central Federal District), Amur Oblast, Stavropol Krai (Digital Boost for the North Caucasus Federal District), Omsk Oblast, Republic of Dagestan, Republic of Buryatia, Karachay-Cherkess Republic, Republic of Altai, and Khabarovsk Krai.

# DIGITAL TOURISM AND CULTURE

The development of MTS digital tools continues to enhance the travel experience, making it more engaging and convenient. Modern technologies also support the preservation of local history, helping to promote cultural heritage and attract more visitors.

We remain focused on developing digital audio guides and digitising historical sites and museum exhibitions using AI technologies.

**100+**

audio guides covering historical sites

**48**

regions of Russia

## Volga Stories by MTS

We continued to expand our digital initiative Volga Stories, a project celebrating the cultural and historical heritage of the Volga region and aimed at promoting river cruise tourism. The series explores local traditions, customs, folklore, key events, and notable figures linked to the history of Russia's most iconic river.

In 2024, two new free mini audio plays were added to the Volga Stories collection. Developed in collaboration with local historians and cultural experts, the productions explore the legends of the Volga shores and bring to life the historical spirit of cities such as Astrakhan and Rybinsk through over 20 heritage-rich locations.

Head of Social and Charitable Programmes Centre

**MTS is committed to developing digital solutions for independent travel, offering tools that enrich the tourist experience and provide meaningful insights into regional identity. All travel content is available through the MTS Travel digital guide, which visitors automatically receive via a welcome SMS upon entering the region.**

## Personalised Travel Experiences with MTS Travel

In 2024, MTS introduced personalised content in its digital travel guides for subscribers.

Personalisation algorithms automatically adapt to user preferences based on key factors such as income level and presence of children, which have a strong influence on travel patterns. Travellers are offered one of six tailored recommendation sets, including attractions, leisure spots, cafés, and restaurants, across top destinations such as the Samara, Nizhny Novgorod, and Kaliningrad regions, and the Republic of Tatarstan.

Following the launch, average content engagement time increased from 3 to 5 minutes.

MTS website →

## MTS Attracts International Travellers

In 2024, MTS Travel launched a partnership with GlobalDMC, an international hotel and travel services booking system. As a result, foreign travel agencies and tour operators can now book hotels across Russia and the CIS through the MTS Travel inventory. Through this partnership, hotels connected to Bronevik.com – the platform behind MTS Travel – can attract international guests, increasing average spend and boosting sales of additional services.

MTS website →

## Preserving Cultural Heritage

Recognising the importance of protecting historical and cultural assets, MTS actively supports initiatives aimed at preserving the cultural heritage and national identity of Russia's diverse ethnic communities.

In 2024, we continued to integrate AR and VR tools, enabling users to visualise scenes from books and explore stories across time and space. We released the ethnographic comic series Legends of Buryatia Come Alive and Legends of the North Come Alive, bringing to life folktales from Buryatia and the peoples of the Far North. The stories are available in both Russian and local indigenous languages.

Many of the tales had never been published before. Thanks to AR technology, we were able to introduce audiences across Russia to ethnic folklore, support the study of national languages through a virtual phrasebook, and bring folkloric characters to life.

Presented in print, digital and audio formats, the project ensures broad accessibility and appeals to both younger and older audiences.

Our project partner, the Looky social network, developed themed neural avatars allowing users to embody legendary folkloric characters.
BF Sistema website, MTS website →

In partnership with Hero4Hero and regional education ministries of the Russian Far East, we hosted Russia's first online graphic novel-style history lesson via MTS Link. The lesson commemorated the 211th anniversary of Admiral Gennady Nevelskoy's birth. Historians shared stories with schoolchildren about Nevelskoy's Amur expedition aboard the Baikal, his conflict with Foreign Minister Karl Nesselrode, the discovery of Amur River's navigability, and other key moments in Far Eastern history. MTS website →

### We donated to libraries in the Amur Region

# 400+

**copies of the graphic novel "Nevelskoy: Fruits of Imagination"**

as part of the joint initiative by MTS and the Primorye-based artist group Hero4Hero. Augmented reality technologies brought the Far East explorer's story to life.



### MTS Restores Historical Architecture

MTS completed a major sociocultural project in Krasnodar, restoring the historical appearance of an ecosystem-owned building housing a telecom retail outlet.

The project restored the façade of the cultural heritage site – the Avyedov Merchants' House – reinstating lost decorative and architectural features.

A team of architects and historians worked to bring the building's exterior as close as possible to the vision of its original architect, whose design dates back to 1914.

Inside the building, we curated an exhibition showcasing archival photographs from different periods of the building's history and offer visitors a free guided audio tour of the property.
MTS website →

# EDUCATIONAL INITIATIVES

MTS's educational initiatives form a comprehensive learning platform covering a wide range of stages and focus areas. They help both children and adults gain a solid foundation in the digital world, develop advanced innovation skills, improve digital literacy, and shape the future talent pool of MTS.

## Introducing Schoolchildren to Technology

We help young students explore the world of information technology through career guidance events – even for primary school pupils – as well as by supporting exam preparation, university admissions, and organising educational festivals.

In 2024, we delivered two major educational projects for schoolchildren – Codiland and Virtuality – engaging more than 12,000 primary and secondary students and their parents. Through these initiatives, children gained valuable insights into the evolution of technology and the professions of the future.

Further details on the Codiland and Virtuality projects are available in the subsection Corporate Volunteering and Social Engagement of Employees

## MTS Generation M

Generation M is Russia's largest educational platform for developing children's creativity in the digital environment, created by the MTS digital ecosystem.

The platform enables young talents to gain hands-on experience with digital technologies in a creative setting. Participants take creative courses supported by IT tools and led by experienced instructors and professionals in the arts, tech, and creative industries, helping them develop essential soft skills. Generation M provides a gateway to practical, real-world applications of digital tools in the creative sector, offering participants a chance to explore careers in high-demand creative fields. The Generation M programme has been recognised by the UN as a leading global initiative contributing to the Sustainable Development Goals. In 2024, educational courses on the platform garnered 10 million views, with 10,086 participants earning course completion certificates.



**7** EDUCATIONAL TRACKS

**launched on the Pokolenie M platform leveraging MTS's ecosystem capabilities in 2024**

1. Digital entrance exams for GITIS hosted on the MTS Link platform
2. Web design school in collaboration with MTS Digital
3. Digital fashion course developed with RTK and MTS AI
4. New music lab powered by MTS Label and MTS Music
5. IoT course introducing the Internet of Things
6. Generative art exhibition at the State Russian Museum with CloudMTS
7. Content creation school in collaboration with NUUM

In spring 2024, the platform launched an educational programme teaching students the fundamentals of neural networks and how to use them to create generative art. Participants gained practical skills in applying AI as a creative assistant for exploring and producing digital artworks.

The programme culminated in a generative art exhibition at the State Russian Museum featuring student artworks inspired by classical artists, co-created with an MTS-developed neural network.

The MTS AI scanned over 10,000 user-submitted drawings via chatbot and independently curated an art exhibition featuring contributions from nine Russian regions.

Educational IoT courses were also launched for preschool and primary school children, including Smart City, Smart Healthcare, Smart Home and Smart Store. Children are introduced to the world of IoT through characters from the animated series The Fixies, who demonstrate how devices can interact autonomously through simple, engaging examples.

A second round of the web design school was launched for school students with varying levels of web development experience. Students learned the basics of web development, explored tools such as Tilda and Figma, while more advanced participants studied responsive design, interactive elements, and the Readymag platform. The 11-lesson course included lectures and a practical challenge: independently creating a website for an MTS product.

A distinctive feature of the Generation M platform is its combination of education and regional youth development with a strong charitable component. All participant activity on social media and the Generation M website is converted by MTS into charitable donations, which are used to fund medical treatment for children with serious illnesses. To date, the initiative has raised over RUB 24 million, supporting the treatment of 86 critically ill children.
MTS website, CNews website →

In the reporting year, MTS, together with other members of the AI Alliance, developed an educational guide for Year 5–6 pupils. The textbook introduces the fundamentals of neural networks, shows how AI can help solve practical problems, and explores the real-world applications of AI technologies. The guide has been approved by the Russian Ministry of Education, and several schools have already begun integrating it into their curricula.

Another key format for raising awareness among children and their parents about online safety is a series of online courses hosted on MTS platforms. In partnership with the Sistema Charitable Foundation, MTS experts conducted a nationwide open-access online lesson titled “Cybersecurity” for secondary school students and their parents, focusing on future technologies and career paths. MTS speakers shared practical advice on safe internet use, insights from real-life projects, and an overview of future careers, as well as conducting interactive quizzes to reinforce the learning experience.

MTS is a co-founder of the Alliance for the Protection of Children in the Digital Environment, alongside other major technology companies.

The Alliance aims to foster a safe and supportive digital space for children – where they can explore, learn digital literacy skills, and engage with others online without exposure to harmful or illegal content. As part of the Alliance’s initiatives, MTS hosted cybersecurity lectures at the Safe Digital World education marathon in Perm in April 2024.

**5**

**experts from MTS AI contributed to the development**

**3**

**AI technologies were described in detail by MTS AI experts**

## Supporting University Students

**Partnerships with universities are a key element of MTS’s approach to talent development and driving scientific and technological progress across the ecosystem.**

We collaborate with the country’s leading universities to help develop the skills of future IT professionals by providing educational and research institutions with a broad range of MTS tools and solutions. The MTS ecosystem offers a wide range of internship opportunities across various fields, including IT, and ensures that the experience does not disrupt students’ studies. Interns are free to choose their weekly working hours to fit their academic schedules.

Further details on our internship programmes are available in the Recruitment and Onboarding subsection

### Lift to the Future Internship Programme

Lift to the Future is a nationwide career guidance platform developed by the Sistema Charitable Foundation with the support of the MTS ecosystem, aimed at enhancing career opportunities for people of all ages.

As part of the programme, MTS launched a targeted internship initiative in 2024 across its technical and telecommunications divisions, designed for final- and pre-final-year university students. Participants gained hands-on experience in scheduled maintenance of indoor and outdoor radio subsystem equipment, emergency response operations, field-based network quality assessments, and the development of coverage improvement recommendations.

**202** STUDENTS

from 79 regions across Russia

**took part in the programme**

In the reporting year, we expanded our engagement with academic institutions by signing a cooperation agreement between MTS Link and Kazan Federal University (KFU). The partnership is aimed at fostering joint training programmes to prepare highly qualified professionals for the IT industry. Through this initiative, MTS Link supports talented KFU students by offering IT-focused internships and employment opportunities. MTS experts are also invited to the university as guest lecturers and take part in state certification commissions.

## Master's Programme in AI Research and Entrepreneurship at HSE University

MTS is strengthening its strategic partnership with the Higher School of Economics (HSE) to advance research and education in machine learning and artificial intelligence.

In September 2024, the inaugural cohort of students was admitted to the new master's programme in AI Research and Entrepreneurship.

The programme is designed to equip future professionals with the skills needed to apply cutting-edge AI technologies in business and to develop innovative products using advanced machine learning and deep learning techniques. HSE website →

**The programme offers future specialists a wide range of valuable features:**

1. close integration with the industry: the teaching staff includes practising MTS professionals
2. strong focus on applied learning across modern AI disciplines
3. foundation for both research and entrepreneurship, with training built around real-world MTS case studies

**Students will also gain the expertise to:**

1. design and implement innovative AI products and solutions
2. work with large language models and generative neural networks
3. apply computer vision and natural language processing tools
4. launch their own AI start-ups

**522**

students trained across programmes

**30**

study places sponsored by MTS



First Vice-Rector, HSE University

**Artificial intelligence is becoming a foundational technology across all sectors of the economy and a key driver of national digital development. This joint master's programme between HSE and MTS offers students a unique opportunity to gain a high-demand profession and build their own businesses. Having established an MTS-affiliated department within the Faculty of Computer Science last year, launching this programme marks a natural progression in our fruitful partnership.**

# Developing and Upskilling IT Specialists

Continuous learning is becoming one of the key requirements for IT professionals to remain in demand and competitive in the labour market. To support their growth, MTS offers educational courses and organises creative events that are open to all.

## MTS Teta Data Analyst School

MTS Teta launched a dedicated Data Analyst School  Open to a broad audience – from school pupils and university students to working IT professionals and parents on parental leave. The key entry requirement is motivation and a desire to develop skills in data analytics, machine learning, and IT.

Over the 10-month course, students explore how to build ML models across core use cases such as recommendation systems, fintech, and advertising. In addition to classical machine learning, the curriculum includes deep learning, Spark, and big data processing techniques. Participants learn to translate business tasks into data science problems, test and formulate hypotheses, and gain proficiency in SQL and Python.

The programme is delivered entirely online, featuring two sessions per week with practical casework and tutor-led feedback. Students also receive access to MTS's proprietary data cluster for hands-on experience with large-scale datasets. In 2024, MTS launched the second intake of its Data Analyst School.

**Total Selected for the Programme:**

**52**
participants

**28**
auditors

**MTS AI also launched a free course on natural language processing (NLP) for entry-level developers and university students**

**The course is delivered by the Head of NLP and covers the following topics**

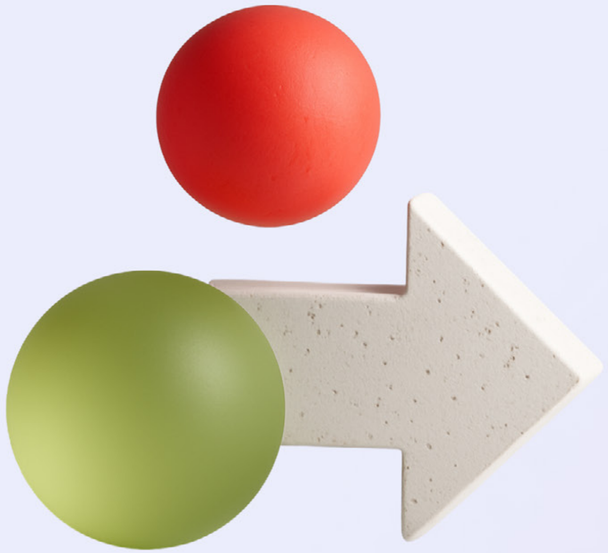
1. introduction to large language models, including open-source models such as Llama and Mistral
2. word2vec models
3. recurrent and convolutional neural networks
4. transformers

**3.5** MONTHS
duration of the MTS AI course

**10**
lectures and seminars

**31** PARTICIPANTS
completed the programme

MTS actively fosters the development of an external community of developers and IT experts to support industry advancement and knowledge sharing. Since 2023, the True Tech community has brought together IT professionals from a wide range of companies, regions, and sectors to exchange expertise and generate new ideas.



**25,000+** MEMBERS

by the end of 2024, the community had grown

## True Tech Day

True Tech Day 2.0 was the largest IT conference organised by MTS, held for the second time in spring 2024.

The main theme for 2024 was the intersection of science and technology. Participants explored emerging scientific fields and how fundamental discoveries can be translated into practical business applications. Discussions also covered the role of R&D in business and the career outlook for IT specialists in academic environments.

**4 cities**

Moscow, Tbilisi, Dubai, Astana

**7 focus areas**

main track, architecture, big data, AI, change management, product management, and cybersecurity.

**5 educational tracks**

Main, Development, AI/ML, Cloud, Science

**85,000+**
online viewers

**50**
expert talks

**3,500**
offline participants

## True Tech Hack

True Tech Hack is a hackathon where participants compete to solve socially significant challenges related to MTS products.

**In 2024, the hackathon featured two key tracks:**

Enhancing customer experience for users with special needs

Developing AI-powered voice control solutions for people with disabilities

Further details on True Tech Hack 2024 are available in the subsection Ensuring Accessibility of Digital Services and Solutions

## True Tech Champ

True Tech Champ is a major IT competition for school pupils, university students, professionals, and winners of national and international programming contests.

**In 2024, the competition received Bema! awards in the field of event marketing and integrated communications:**

**1st place**
Best Business Event

**1st place**
Best Online Project

**3rd place**
B2C Brand Customer Communications

**True Tech Champ features two tracks:**

**Algorithmic Track**

solving algorithmic challenges

**Robotics Programming**

programming micromice to race through mazes

**12,500**
registered participants

**10,250,000** RUB
total prize pool

**12,500**
finalists

**6**
winners in the algorithmic track

**3**
winners in the robotics track

## Sistema FEST IT Festival in Tomsk to Promote IT Competencies

In April 2024, MTS held the socio-cultural Sistema FEST in Tomsk, supported by the Sistema Charitable Foundation and Tomsk State University. The festival brought together over 650 in-person participants and more than 1,000 online attendees for educational, career guidance, and cultural activities.

The highlight of the main festival day was the MTS True Tech Hub at Tomsk State University, which hosted the business and educational programme, including open discussions “Touching Technology” led by MTS’s top IT experts.

Practical IT skills were put to the test at the MTS hackathon “Clear System: Make the Complex Clear”, where 40 teams worked on solutions to simplify complex or specialised banking texts for inclusive audiences, including individuals with cognitive impairments, the elderly, and non-native speakers.

**650+**
in-person participants

**1,000+**
online attendees

## MTS, Russian Academy of Sciences, and Sistema Foundation Competition for Young Scientists

A competition for young scientists, launched to mark the 300th anniversary of the Russian Academy of Sciences (RAS), is run by the Sistema Charitable Foundation and RAS with support from the MTS digital ecosystem, the Federal Service for Intellectual Property (Rospatent), and leading Russian technology companies.

The competition aims to support innovative scientific developments and cutting-edge research in priority sectors of the economy, including chemicals, agriculture, pharmaceuticals, electronics, energy, and digital technologies. In 2024, 16 winning scientific projects from 9 Russian regions were selected from 347 submissions across 45 regions.

The competition not only recognised and supported emerging scientific talent, but also helped participants build practical knowledge of intellectual property protection. Rospatent experts delivered a dedicated seminar series covering patenting principles and strategies for securing research outcomes.

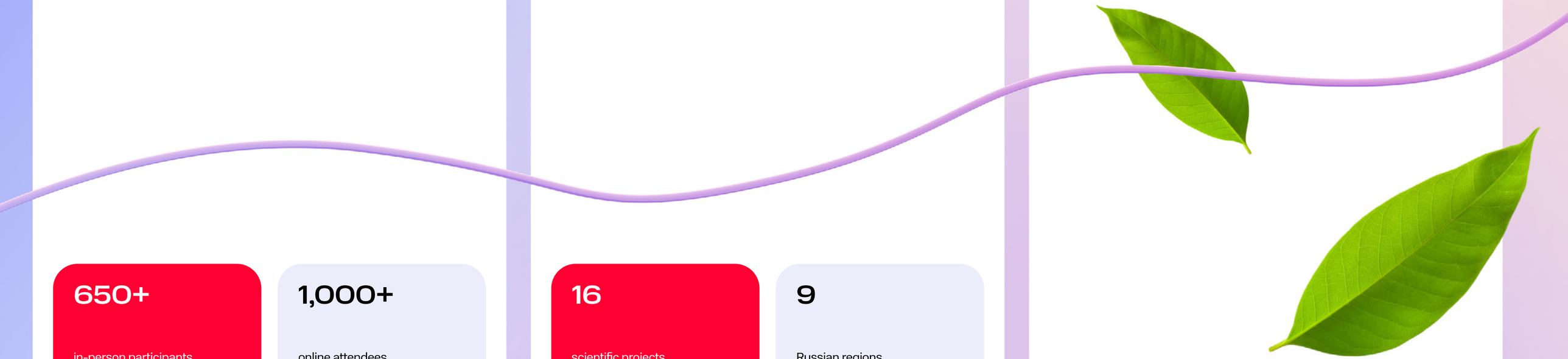
**16**
scientific projects

**9**
Russian regions

## MTS Platform 2024 Conference

In 2024, MTS hosted the MTS Platform conference for the second time at the MTS Live Hall, unveiling new digital solutions and services from across the ecosystem. The event was staged as a multimedia show, enhanced by innovative stage design and kinetic effects.

The first part of the conference focused on how MTS products are transforming daily life, the privileges available to users, the ways in which the Company protects against fraud and harmful content, and the new opportunities for communication powered by artificial intelligence. In the second part, participants were introduced to MTS’s latest digital solutions in the entertainment sector, learning about tools for creating original releases and the conditions for monetising user content.





# ENVIRONMENTAL RESPONSIBILITY


70 Responsible Resource Use

72 E-Waste Management

73 Development of Electronic Document Management

75 Climate Change

77 Energy Efficiency and Energy Saving

78 Environmental Awareness and Engagement

# 253+ RUB MLN

was allocated by the Group to environmental protection initiatives

## The UN Sustainable Development Goals

## National Projects of Russia

## Key Initiatives and Achievements in 2024

- Adoption of the Greenhouse Gas Emissions Management Strategy by PJSC MTS
- Identification and development of climate change scenarios
- Conducting a sensitivity analysis of climate-related risks

## Disclosedm material topics

- Energy consumption reduction and energy efficiency
- Waste management and circular economy
- Environmental protection and environmental awareness initiatives
- Climate change mitigation and services aimed at reducing greenhouse gas emissions



# Management Approach

GRI 3-3

In responding to environmental and climate challenges, MTS successfully transforms them into drivers of sustainable business growth.

By introducing innovative green technologies, promoting educational and environmental awareness initiatives, and encouraging conscious lifestyles among employees and customers, we contribute to the achievement of the global Sustainable Development Goals. We are focused on building an ecosystem in which environmental responsibility forms the foundation for long-term development.

Matters related to environmental protection, ecological responsibility and safety, as well as the review and approval of the Company's sustainability reporting, fall within the remit of the ESG Committee under the Group's Board of Directors.

Within the MTS Group, the ESG Centre and the Working Group on Carbon Management and Responsible Finance are responsible for operational activities related to the development of ESG initiatives and the preparation of sustainability reports.



## Environmental protection

and the responsible use of resources are integral to the MTS Group's ESG strategy through to 2026, which sets out the following key environmental priorities:

- Responsible Resource Use
- E-Waste Management
- Carbon management

## Key documents on environmental protection

1. ESG Strategy
2. Environmental Policy
3. Industrial and Consumer Waste Management Standard
4. Environmental Safety and Protection at Administrative Facilities Policy
5. Strategy for Greenhouse Gas Emissions Management

## "Ecology" Compliance Program

MTS runs the "Ecology" Compliance Programme, aimed at ensuring adherence to Russian environmental protection legislation. Its implementation is overseen by the Department of Business Ethics and Compliance in cooperation with relevant operational units.

As part of the programme, an environmental risk matrix has been developed to significantly reduce the likelihood of the Company being fined. To keep the matrix up to date, information on changes in environmental legislation is reviewed and updated through quarterly monitoring.

## ESG Centre's Functional Expert Group "Ecology"

- Preparation of non-financial reporting on environmental responsibility and safety
- Integration of environmental principles and monitoring systems into business processes and projects
- Development and implementation of environmental programmes, partnerships, and educational projects
- Ensuring compliance of business processes with environmental standards and regulations, and representing the Company in environmental awards and competitions

## Working Group on Carbon Management and Responsible Finance

- Implementation of strategic cross-functional projects and programmes aimed at adopting best practices in carbon management and environmental responsibility
- Development and implementation of the Greenhouse Gas Emissions Management Strategy of PJSC MTS (hereinafter referred to as the "Strategy"), and assessment of climate-related risks facing PJSC MTS
- Development and implementation of environmentally significant projects aimed at embedding sustainability principles and environmental responsibility into the business processes of companies within the MTS ecosystem

## The Environmental Protection Group of PJSC MTS and the environmental teams of the Group's subsidiaries

- Monitoring compliance with environmental protection laws
- Development of programmes focused on environmental safety and responsible use of natural resources

# RESPONSIBLE RESOURCE USE

## Key Figures for 2024



**93 %**

74% in 2023

adoption of electronic document management across key document workflows

**133 MLN**

sheets of paper were saved as a result of using electronic document management

**66,558**

paper envelopes were saved as a result of using electronic document management

**1,550 T**

of recyclable materials were collected and transferred to certified contractors for recycling and environmentally sound disposal

**22**

offices across 11 regions are covered by the waste segregation system

**–4,957 T**

–35,6% in 2023

reduction in total waste generated was recorded

**–225.6 T**

–34.3% in 2023

less office paper was purchased in 2024

**–27.1 THSD M³**

–7.6% in 2023

reduction in total water withdrawal was recorded in 2024

1 Refurbishment is the process of restoring previously used equipment – primarily electronic and technological devices – and returning it to operational condition. This process helps minimise dependence on imported components and significantly reduces the cost of purchasing new equipment.

2 Conditional access modules for TV, broadband internet access equipment, smart cards for TV set-top boxes, the set-top boxes themselves, and other related equipment.

### Result of equipment refurbishment

**55,157 KG**

of plastic was reused

**333,386**

devices were reused as a result of equipment refurbishment[1]

**30,488 KG**

of electronic components[2] were reused as a result of equipment refurbishment

GRI 3-3, 303-1, 303-2, 306-1, 306-2

The MTS Group adopts a responsible approach to managing natural resources by implementing practices aimed at their efficient use and the environmentally sound handling of waste.

This approach is formalised in the Standard on Production and Consumption Waste Management at PJSC MTS.

**According to this document, MTS's waste reduction efforts include the following**

- Maintaining a rational approach to natural resource
- Implementing separate collection of recyclable materials and transferring them to partners for disposal using the best available technologies
- Promoting responsible waste management practices within the MTS Group
- Alignment with the ESG Strategy focus areas of Responsible Resource Use and E-Waste Management

**The following results were achieved in the recycling of specific waste categories:**

**33.6 T**
of scrap computer equipment and switching equipment

**7,124 KG**
of small electronic devices

**67.3 KG**
of mobile phones

**26.3 T**
of used batteries and accumulators

## Life Cycle Laboratory Project

**~1,550 T**
of secondary raw materials were collected at MTS Group facilities and handed over to certified contractors for recycling and environmentally sound disposal in 2024

The Life Cycle Laboratory is one of MTS's flagship environmental initiatives, designed to embed circular economy principles and responsible resource use into the Group's day-to-day operations.

Since 2020, MTS has been implementing the Group-wide sustainability project Life Cycle Laboratory, which supports the introduction of a waste segregation system across the MTS Group. In 2024, the expansion of the project led to a significant increase in the volume of secondary materials sent for recycling.

**264 KG**
of plastic caps

**600 KG**
of fiberglass waste

**1,466 KG**
of plastic bottles

**125.5 T**
of waste paper

**4,000 KG**
of ABS plastic

**100 KG**
of glass cullet from CRT monitors

**13.8 T**
of office furniture

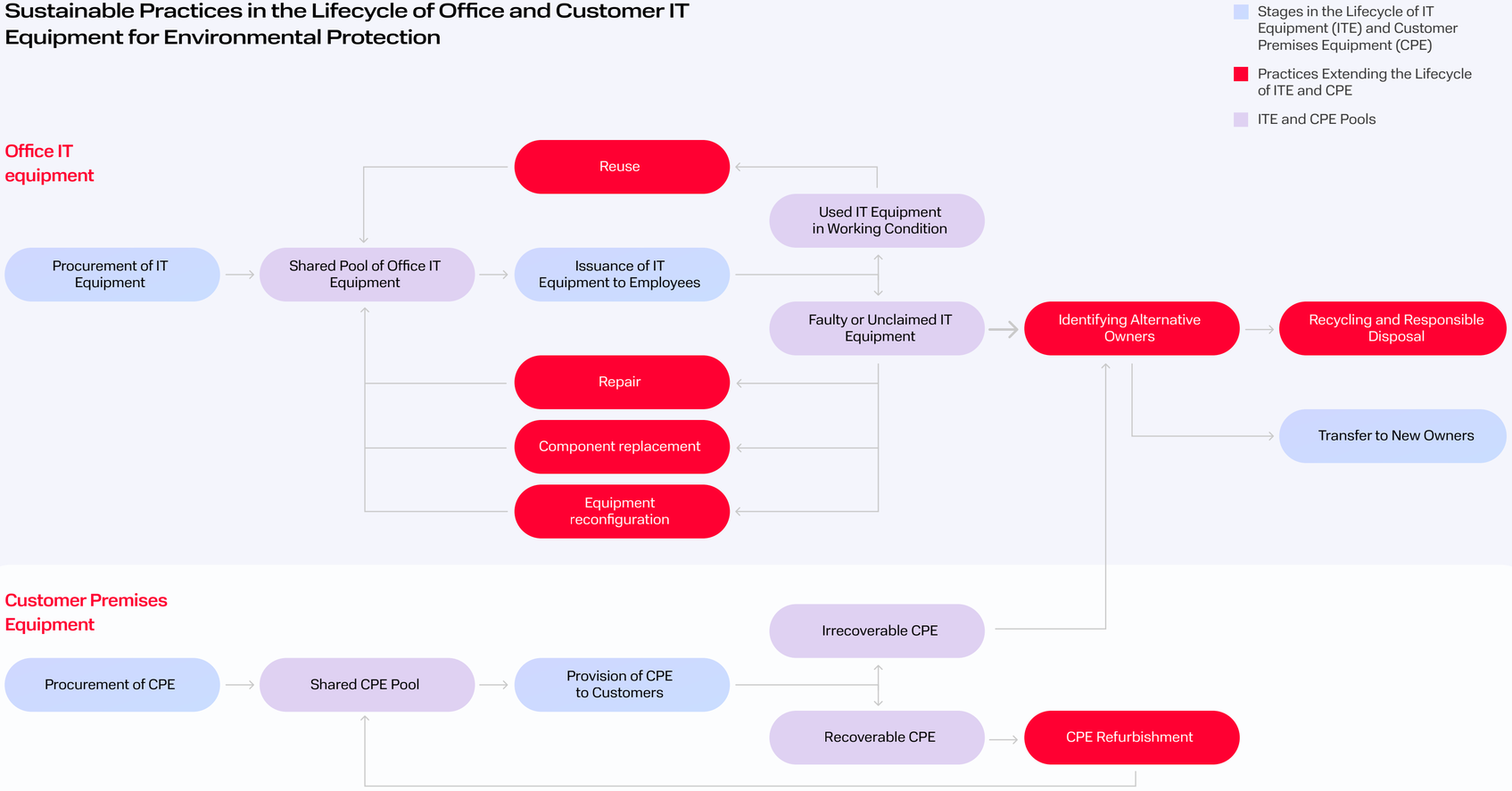
**27.3 KG**
of aluminum

# E-WASTE MANAGEMENT

GRI 3-3, 306-1, 306-2

MTS Group has implemented a system for handling used telecommunications equipment and established cross-functional working groups to manage electronic waste in line with circular economy principles.

## Sustainable Practices in the Lifecycle of Office and Customer IT Equipment for Environmental Protection




## Customer Equipment Refurbishment Program

In 2024, MTS Group, in partnership with SuperWave,[1] once again carried out the customer equipment refurbishment programme aimed at extending the lifecycle of electronic devices and reducing environmental impact. The programme helps reduce the costs associated with purchasing new equipment and enhances the accessibility of digital services for customers. The programme's development is an integral part of embedding circular economy principles into MTS's operational activities.

The programme encompasses the full refurbishment cycle: equipment collection, technical diagnostics, restoration, software updates, and mandatory quality control.

**333.4 THSD**

of equipment were refurbished in 2024 as part of the initiative, preventing the generation of 55 tonnes of plastic waste and 30 tonnes of electronic waste

**46,843 KG**

of plastic were recycled

**26,505 KG**

electronic components were recycled

1 Superwave Group is a leading Russian holding company specialising in high-tech equipment. It has been operating since 1992. The company specialises in the distribution of computer, printing, and telecommunications equipment, systems integration, project-based manufacturing, and refurbishment. The company's in-house production facilities and service centre provide a full range of services for corporate clients. Superwave is actively implementing ESG principles, with particular emphasis on environmental responsibility and sustainable business development. Further details are available on the company's website. Superwave website →

# DEVELOPMENT OF ELECTRONIC DOCUMENT MANAGEMENT

GRI 3-3, 306-2

In 2024, the Company continued to actively develop and scale up the electronic document management system, extending its use beyond internal processes to include the operations of its subsidiaries.

MTS has established six specialised working groups to coordinate the transition to electronic document management (hereinafter referred to as EDM). These working groups hold regular meetings to address tasks related to each area of document management. The implementation of the electronic document management system at MTS enhances the Group's operational efficiency, relieves employees of a significant volume of routine tasks, and enables substantial reduction in material consumption.



**6 WORKING GROUPS**

**coordinating the transition to e-document management**

## Status of EDM implementation across key document management areas

| Key focus areas | Document management component | EDM Adoption Rate in 2024 | Change Compared to 2023 |
|---|---|---|---|
| B2C clients | Customer Registration Form | 83% | +18% |
| | Complaints and Service Requests | 85% | +27% |
| | Invoices for fixed-line telecommunication services | 87% | +12% |
| B2B clients | Supporting documents for service completion | 97% | +6% |
| | Customer contracts | 76% | +60% |
| | Complaints and Service Requests | 98% | +98% |
| Suppliers | Contracts | 83% | +8% |
| | Settlements | 87% | +7% |
| Internal accounting documents | | 86% | –2% |
| Documents related to HR processes | HR documentation at subsidiaries | 71% | +41% |
| | HR documentation at MTS | 93% | +66% |
| Outgoing mail | | 90% | EDM was implemented in 2024 |

# 2024 E-Document Management Initiatives and Focus Areas

In 2024, a series of initiatives were implemented to integrate EDM into the operational processes of MTS Group and to raise awareness among employees, contractors, and customers about its widespread adoption.



## B2C clients 1

- Electronic signing for SIM card registration
- Electronic signing of service documents within the franchise and dealer channels
- Electronic signing of contractual and service documents by foreign B2C customers

## B2B clients 2

- Dashboard on new activations, with employee-level details
- Changes to the employee performance evaluation approach to support EDM implementation
- Customer guide to the transition to EDM

## HR 3

- Employer's electronic signing of any document in EDM
- Migration of mass HR operation documents to electronic document management
- Discontinuing employee acknowledgements of orders and eliminating unnecessary order issuance
- Platform for tracking onboarding[1] progress and monitoring document signing

## Counterparties 4

- Enhancement of the regional information system portal for counterparty interactions related to primary documents and contracts of LLC RTK and technical lease agreements of MTS.
- Ability to submit primary documents directly via the SBIS EDM operator
- Enhancement of LegalDoc for electronic signing of tripartite agreements and incoming contractual documents within the EDM system

## Other 5

- Development and automation of a unified dashboard to monitor the transition to EDM across all key areas
- Definition and approval by the Management Board of the approach to shaping the target EDM landscape
- Implementation of tools for flexible routing of document dispatches to the priority EDM operator, enabling a reduction in licence procurement costs

1 The onboarding process involves introducing a new employee or client to the organisation, its products, and services.

**–17%**

↓ to 2023

**paper-based document management costs decreased In 2024**

Initiatives to implement EDM help reduce the MTS Group's costs associated with paper-based document management. In 2024, tariffs for printing, mailing, and other equipment maintenance rose significantly; however, paper-based document management costs decreased by 17% compared to 2023. The Company aims to achieve an additional 18% cost reduction by 2025.

# CLIMATE CHANGE

GRI 3-3, 305-1, 305-2, 305-3, 305-4, MER 20

The Company integrates carbon management principles into its ESG strategy, discloses annual data on direct and indirect greenhouse gas emissions, and implements measures to reduce them.

In 2023, a draft Greenhouse Gas Emissions Management Strategy (the Carbon Strategy) was developed to enhance the efficiency of GHG emissions management. In 2024, the Strategy was approved along with the corresponding roadmap. As part of its Greenhouse Gas Emissions Management Strategy, the MTS Group implements technological solutions to minimise its own carbon footprint and helps clients manage their climate impact.

## Key Figures for 2024

**35.8** THSD T $CO_2$ EQ.

Scope 1 GHG emissions

**805.665** THSD T $CO_2$ EQ.

Scope 2 GHG emissions

**2.62** $CO_2$ EQ./ MLN RUB

**GHG emissions intensity coefficient**

**1,000.28** THSD T $CO_2$ EQ.

Scope 3 GHG emissions

**2.28** T $CO_2$ EQ.

Scope 4 GHG emissions

**Reducing the carbon intensity of PJSC MTS by**

**60%**

by 2030 compared to 2021

**is a key target of the Carbon Strategy**

# Climate-Related Risks

MTS recognises the potentially severe consequences of global climate change and considers climate-related risks to be material to its business activities. Accordingly, since 2024, work has been underway to update, identify, and assess physical and transition climate-related risks.

**In 2024, the following key steps were taken in developing the climate-related risk identification system for the MTS Group:**

- Climate change scenarios have been defined to guide the risk assessment process
- Time horizons for risk assessment have been established: short-term (2028), medium-term (2031), and long-term (2050)
- A sensitivity analysis was conducted on three asset types – data centres, offices, and base stations – to assess their exposure to physical climate-related risks
- A sensitivity analysis was conducted on the company's processes and operations with respect to transitional climate-related risks, categorised by regulatory, technological, market, and reputational factors
- An extended register of physical and transitional risks relevant to the MTS Group has been compiled

## Physical and Transition Risks Relevant to the MTS Group

### Physical risks

- Hurricanes and severe cyclonic events
- Floods and flash floods
- Atypical air mass displacement causing abrupt and significant temperature shifts
- Wildfires

### Impacts of Risk Realisation

An increase in the intensity and frequency of adverse climate events may lead to a higher number and greater scale of disruptions in MTS's technical infrastructure, which in turn would result in increased operating and capital expenditures.

### Transitional risks

- Introduction of a carbon tax, changes in the energy policy of the Russian Federation, and adjustments to the regulatory framework
- The need to modernise network and IT infrastructure to enhance energy efficiency and reduce the carbon footprint
- Changing stakeholder attitudes
- Changes in consumer behaviour
- Other

### Impacts of Risk Realisation

Transitional climate-related risks may lead to increased operational costs due to the need to comply with new carbon regulations, energy efficiency standards, and sustainability requirements, as well as the need for investment in upgrading the ESG reporting system.

Increasing stakeholder pressure raises expectations for climate accountability and transparency, while changes in consumer behavior may reduce loyalty if the company fails to demonstrate its commitment to sustainability.

**The intensification of adverse climate trends may result in the following impacts:**

- More stringent requirements for thermal insulation of buildings and technical infrastructure facilities (capital expenditures)
- Increased demand for air conditioning in data centres and base stations (capital and operational expenditures)
- Increase in construction costs (capital expenditures)
- Implementation of active and passive fire protection systems (capital expenditures)



# ENERGY EFFICIENCY AND ENERGY SAVING

GRI 3-3, 302-1, 302-4

## Key Figures for 2024

**4.4 MLN KWH**

saved as a result of energy efficiency initiatives

MTS operates in line with both Russian and international standards, including GOST R ISO 50001:2023, aimed at limiting the growth of energy consumption and reducing specific electricity usage.

**2,160.6 MLN KWH**

total electricity consumption in 2024

## Key Focus Areas and Initiatives for Energy Efficiency within the Carbon Strategy

### Energy efficiency initiatives for offices

- Replacement of air conditioning systems
- Reconstruction of the emergency lighting system
- Modernisation of lighting systems
- Reconstruction of lighting networks in offices and other premises
- Replacement and modernisation of split systems in technical facilities

### Energy efficiency initiatives for base stations

- Complete decommissioning of 3G infrastructure at LTE2100 + UMTS[1]
- ESG solution implemented at RAN sites under Greenfield (new construction) projects

### Heat efficiency improvement measures

- Improvement of thermal insulation for walls, floors, and attics
- Insulation of window frames and installation of heat-reflective film on windows in common areas
- Installation of automatic radiator regulators (at least 50%)
- Installation of aerators (to reduce hot water consumption) and light sensors
- Replacement/adjustment of window and door hardware

### Vehicle emissions reduction initiatives

- Expanding internal car-sharing initiatives
- Fleet renewal with compact cars
- Timely vehicle maintenance to keep fuel consumption at optimal levels
- Logistics optimisation

### Energy efficiency initiatives for data centres (DCs)

- Transition to energy-efficient cooling systems

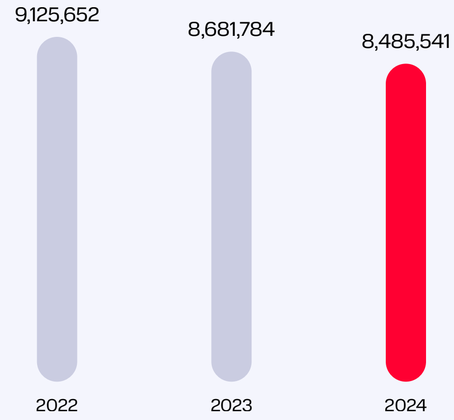
1 Universal Mobile Telecommunications System (UMTS) – a cellular communication technology.

Offices and data centres are among the key assets of the MTS Group, serving as the foundation for the implementation of energy efficiency programmes.

A key element of improving energy efficiency within the MTS Group is the implementation of centralised and regional energy-saving programmes. These programmes are developed annually by the Corporate Centre and MTS branches and subsequently executed within designated timeframes. Completion of planned activities serves as a key performance indicator (KPI) for branch managers, highlighting the strategic importance of this initiative for the company.

Implementation of energy efficiency measures enabled the Group to significantly reduce overall energy consumption, which decreased by 2% in 2024 compared to 2023.

### Total energy consumption in the MTS Group, GJ



# ENVIRONMENTAL AWARENESS AND ENGAGEMENT

One of the core components of MTS's ESG strategy is the implementation of digital environmental education and volunteer initiatives targeting a wide range of stakeholders. These projects are developed by the dedicated functional group "Ecology". The group prepares lectures and interactive materials, facilitates workshops, and supports participation in environmental initiatives.

## Key Figures for 2024

**>2 MLN PEOPLE**

reached by MTS's educational and environmental awareness projects

**129**

environmental posts were shared via internal communication channels

**900**

employees volunteered for environmental initiatives



### MTS Digital Environmental Footprint Calculator

In June 2024, MTS launched an innovative online tool – the Digital Environmental Footprint Calculator – designed to promote greater environmental responsibility among digital technology users. This tool helps users estimate their individual contribution to greenhouse gas emissions resulting from the use of digital devices and services, such as smartphones, laptops, cloud storage, and streaming platforms. The calculation is based on a questionnaire that covers the number and types of devices used, duration of use, and digital habits, including methods of internet connectivity. The calculator provides a quantitative estimate of annual greenhouse gas emissions and generates personalised recommendations for reducing environmental impact, such as extending device lifespan, optimising the use of cloud services, and recycling electronic equipment.

## Board Game: Digital Technologies for Ecology

In 2024, a board game was developed in which players move around the game board using cards featuring various MTS digital technologies, services, and devices. The game serves as an effective tool to promote environmental awareness among employees. Through the game, participants engage with educational materials that clearly demonstrate how digital products and services contribute to efficient water and energy use, waste reduction, and lower greenhouse gas emissions, encouraging active efforts to minimise environmental impact.

## Tree Planting

In 2024, MTS planted over 40,000 cedar seedlings across 13 hectares of forest in the Altai Republic as part of a reforestation initiative.

Additionally, with support from the Sistema Foundation, MTS employees carried out a compensatory tree planting project involving fir and pine trees in the Chelyabinsk, Voronezh, and Kurgan regions. A total of 14,750 trees were planted.

**40,000**
cedar saplings

**14,750**
spruce and pine trees

## The first inclusive online lesson: “What is an Eco-Footprint and How Digital Technologies Help Reduce It”

In March 2024, MTS held the first inclusive online lesson for Russian schoolchildren, focused on the eco-footprint and the role of digital technologies in reducing it. The lesson was delivered as an online game featuring the mascots Ekoneshka and Econolik, ensuring accessibility and engagement for children with diverse educational needs. Through an interactive approach, participants learned about key environmental terms such as “ecological footprint,” “Earth Overshoot Day”, and “biocapacity”, as well as the importance of balancing resource consumption with the planet’s regenerative capacity.



The lesson received positive feedback from educators and environmental experts and was highly praised at the 9th All-Russian Conference on Environmental Education, “Education-2030. Learning and Taking Action”.

## Lectures

As part of our environmental awareness and engagement efforts during the reporting year, lectures on waste segregation and the implementation of IT solutions for environmental protection were held

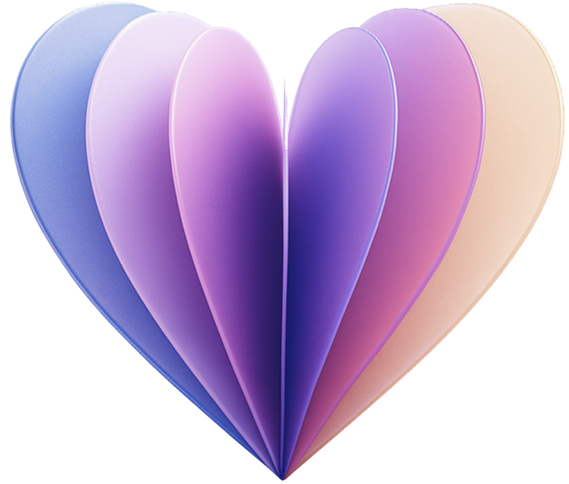
**250**
participants in the waste sorting lecture

**112**
participants in the lecture on implementing IT solutions for ecology

## Clothing Customisation Workshop

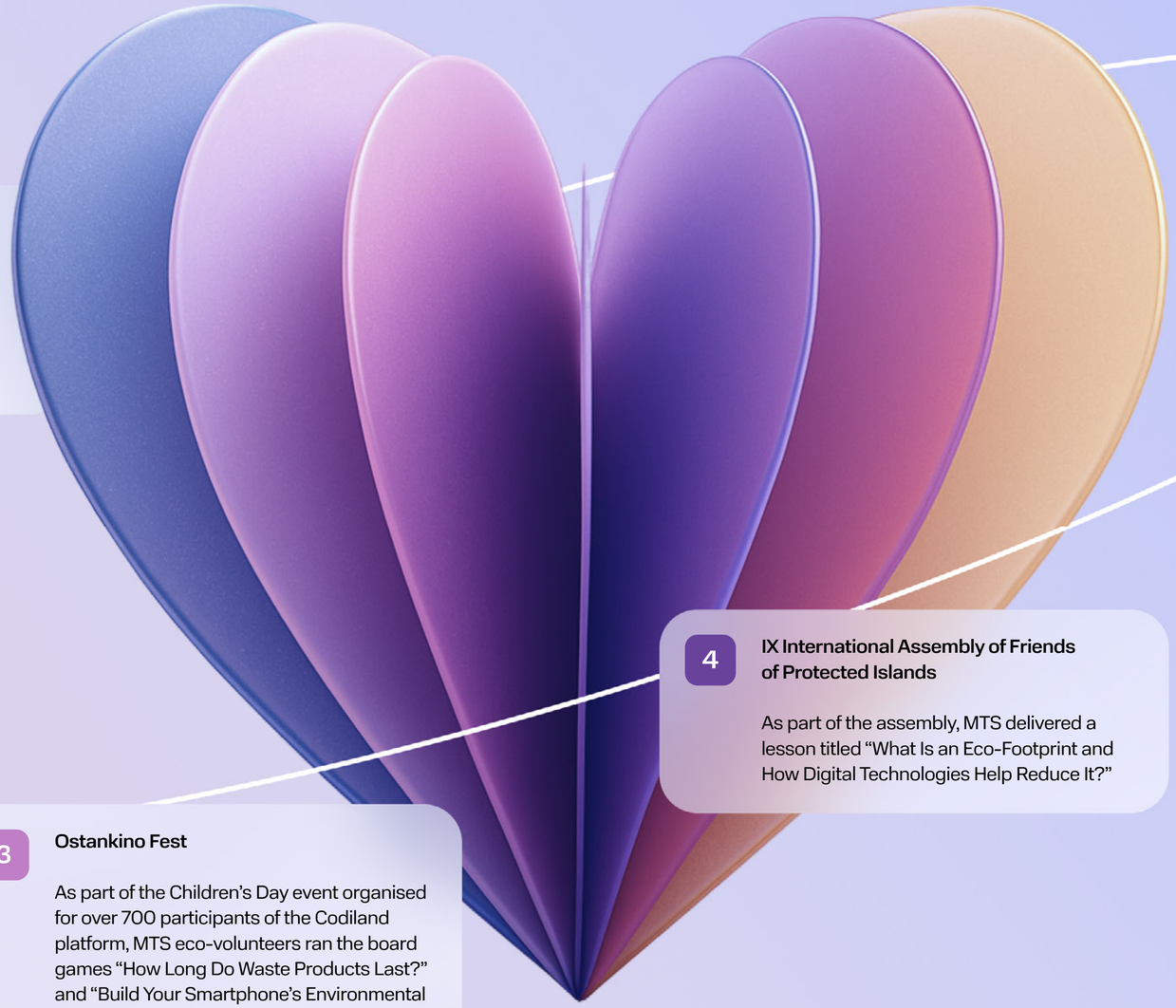
Responsible use of goods helps reduce resource consumption and minimise environmental impact – a principle strongly supported at MTS. As part of the Company’s environmental education programme, a clothing customisation workshop was organised for employees, enabling participants to give a second life to old garments and extend their lifespan. This approach not only reinforces the culture of sustainable consumption but also demonstrates how creativity can be a tool for environmental responsibility. The MTS initiative combines environmental responsibility with practical benefits, inspiring mindful changes in everyday life.

## The Get Inspired Project



In 2024, the company began developing the internal corporate eco-education project Get Inspired, focused on promoting environmental care and resource conservation through modern digital technologies. The project is scheduled to launch in early 2025 and aims to inspire employees to take active steps towards sustainable development and nature protection, while raising awareness of the importance of responsible consumption in daily life. A dedicated portal will feature tasks, expert lectures, links to useful articles, and eco-habit trackers. Additionally, the project will include tours to eco-centres, children’s drawing competitions, and a chatbot for item exchange.

# MTS volunteers actively participated in environmental activities during the reporting year



1 **Eco-Workshop: “The Digital Footprint of a Smartphone” and the Game “How Long Do Waste Products Last?”**

MTS employees conducted the eco-workshop and game at four venues, engaging over 1,000 participants in total.

2 **The 11th Nationwide Nature Festival “Pristine Russia”**

At the Tretyakov Gallery venue, during a themed day, MTS corporate volunteers ran two eco-themed board games aimed at fostering environmental awareness.

3 **Ostankino Fest**

As part of the Children’s Day event organised for over 700 participants of the Codiland platform, MTS eco-volunteers ran the board games “How Long Do Waste Products Last?” and “Build Your Smartphone’s Environmental Footprint”.

4 **IX International Assembly of Friends of Protected Islands**

As part of the assembly, MTS delivered a lesson titled “What Is an Eco-Footprint and How Digital Technologies Help Reduce It?”

5 **“Siberian Perspective” Sustainability Development Summit**

At the summit, MTS volunteers from the Krasnoyarsk branch actively contributed to creating an eco-trail, painting fences, planting flowers, improving the grounds, and running board games.

6 **Poneslos Eco-Marathon**

MTS eco-volunteers participated in the Poneslos environmental marathon, where they ran two eco-themed board games.



# EMPLOYEE RESPONSIBILITY


83 Our People

90 Inclusion and Diversity

94 Decent and Safe Working Conditions

100 Charity and Employee Social Engagement

Our employees are MTS's most valuable asset. We are committed to creating an environment where our employees feel supported and inspired, can perform productively and confidently, pursue personal growth, and contribute to the development of our brand.

**89%**

employee satisfaction rate

**18+%**

↑ to 2023

increase in the employment of people over 50 compared

**223** EMPLOYEES

with disabilities

**85%**

employees completed a performance evaluation

**350.2** RUB MLN

in Group expenditures on workplace safety

**0**

workplace fatalities

**64,465**

people are employed by MTS



## The UN Sustainable Development Goals




## National Projects of Russia

ДЕМОГРАФИЯ НАЦИОНАЛЬНЫЕ ПРОЕКТЫ РОССИИ

ЗДРАВООХРАНЕНИЕ НАЦИОНАЛЬНЫЕ ПРОЕКТЫ РОССИИ

## Disclosed Material Topics

- Occupational Health and Safety
- Employee Wellbeing and Fair Working Conditions
- Non-discrimination
- Human Rights Compliance
- Employee Social Support
- Employee Development and Training

→ Additional information on our human rights compliance approach is available in the 2022 and 2023 Sustainability Reports

## Key Initiatives and Achievements in 2024

- Testing managers for compliance with inclusivity principles
  MTS website →
- Inclusive festival We Will Hear
  MTS website →
- Launch of new internship programmes for students and employees with limited work experience
  MTS website →

## Key Internal Documents

- Code of Business Conduct and Ethics →
- Diversity, Equity and Inclusion Policy →
- MTS Charitable Activities Policy
- Occupational Health and Safety Management System Policy

# OUR PEOPLE

Vice President of Human Resources

**In a highly competitive market, we focus on developing MTS as an employer brand, maintaining a strong corporate culture and implementing new wellbeing programmes. We are committed to supporting our employees and offering them meaningful professional experiences through cross-functional project work and the development of horizontal career trajectories**

## Management Approach

GRI 3-3

In line with its HR strategy, MTS continues to evolve its approach to human capital management by expanding digitalisation and automation across HR processes, fostering safe and supportive working conditions, offering competitive pay, and enabling employees to grow both professionally and personally. MTS's consistently strong performance in leading employer rankings reaffirms the Company's standing as a trusted HR brand.



**The Forbes Ranking**

Platinum status in Forbes' ranking of Russia's Best Employers

**The RBC Ranking**

The second group in the RBC Ranking of Russia's Best Employers

**The Habr Career Ranking**

4th place among large employers in the Habr Career ranking of Russia's top IT employers

**The Changellenge Platform**

Best Employer in Telecommunications in the 2024 Best Company Award ranking

**Future Today Employers Ranking**

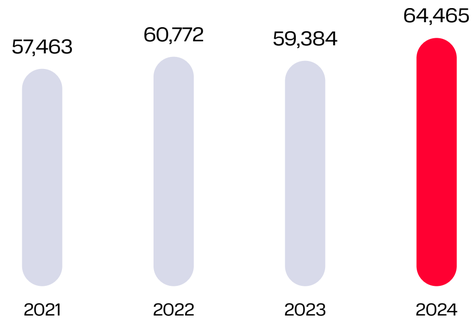
Top 15 in the Most In-Demand Employers category according to Future Today

# Workforce Composition

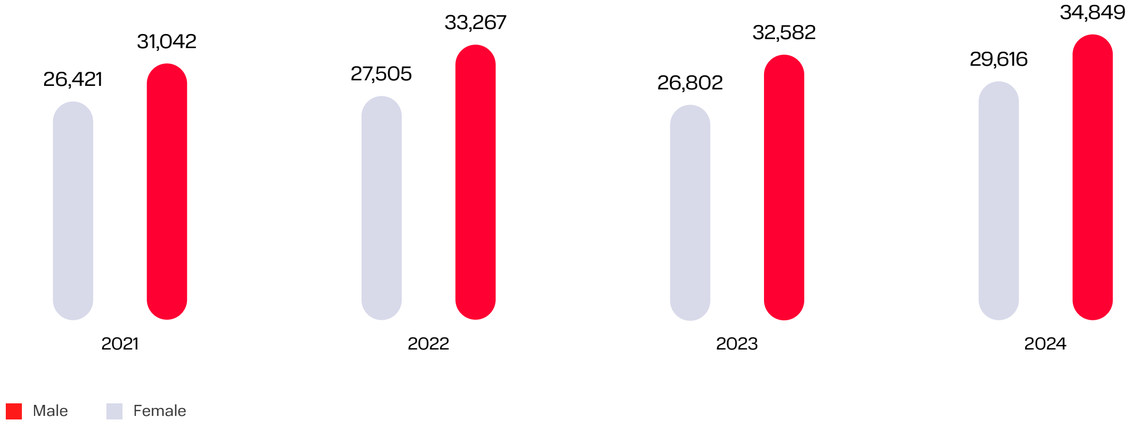
GRI 2-7, MER-25

In 2024, the MTS team comprised 64,465 employees, reflecting an 8% YoY increase. We actively invest in young talent: one in three employees is under the age of 30. Meanwhile, one in ten employees is a professional over the age of 50, highlighting the inclusivity of our ecosystem. This year, 752 experienced professionals from the older generation joined our team.

## MTS employee headcount, 2021–2024




## Gender breakdown of employees, 2021–2024



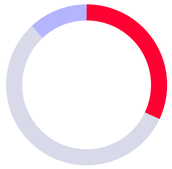

## Key Employee Diversity Indicators

### Gender



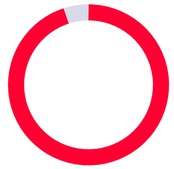
54% Male
46% Female

### Age



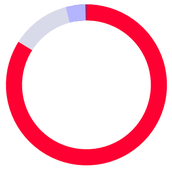
32% Under 30
56% 30–50
12% Over 50

### Contract Term



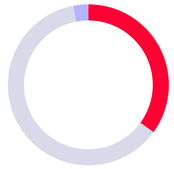
95% Permanent
5% Fixed-term

### Category



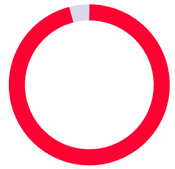
84% Specialists
12% Junior Managers
4% Middle Managers
0.2% Senior Managers

### Geography



35% Moscow
62% Russian Regions
3% Other Countries

### Work Arrangement



95% Full-time
5% Part-time

# Recruitment and Onboarding

GRI 401-1

In 2024, 34,392 talented professionals joined the MTS team, with more than 65% of them being young talent under the age of 30. We are building an environment where fresh thinking and drive fuel innovation.

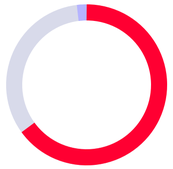
## New employees broken down by gender and age group

### Gender



49% Male
51% Female

### Age



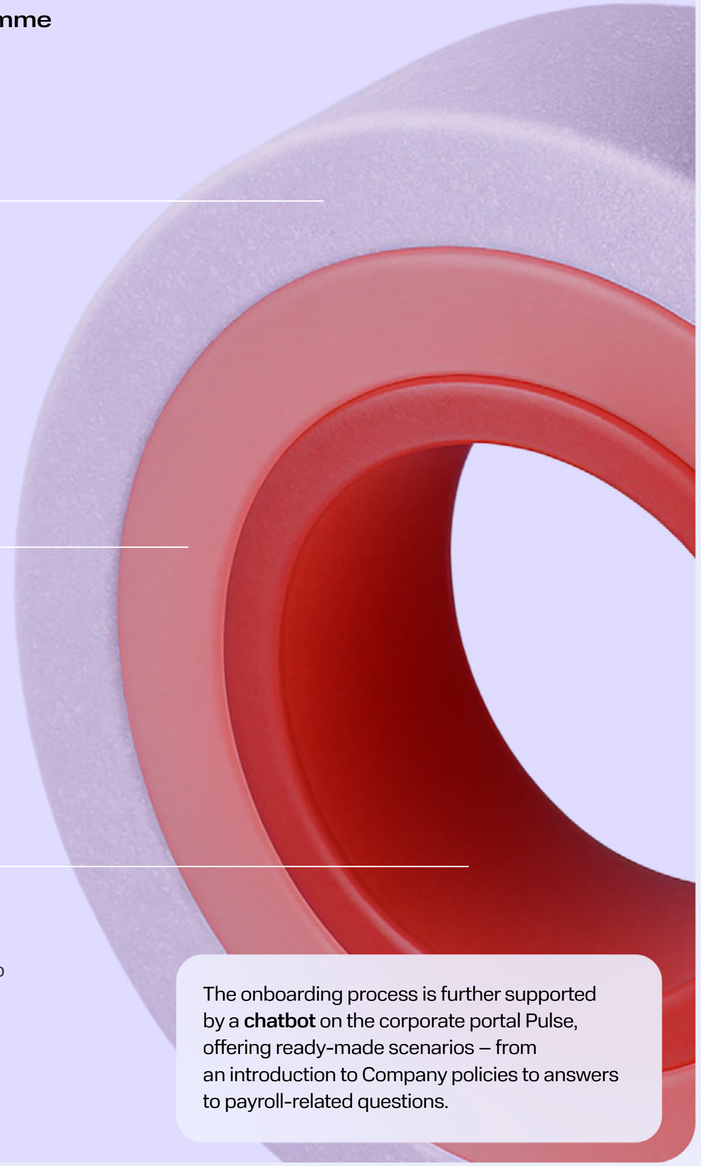
65% Under 30
33% 30–50
2% Over 50

## Every new hire undergoes an onboarding programme that includes:

**Mentoring**
personalised guidance by an expert to immerse new hires in the internal processes of the ecosystem

**Buddy system**
providing emotional support and assistance with integration into the Company culture

**Welcome on Board chat**
networking with colleagues who are currently on probation and those who have already completed it



The onboarding process is further supported by a **chatbot** on the corporate portal Pulse, offering ready-made scenarios – from an introduction to Company policies to answers to payroll-related questions.

## Amigo Mentoring Programme

In May 2024, we launched the Amigo mentoring programme for all MTS employees. This initiative not only accelerates the onboarding of new hires but also offers mentors the opportunities to develop leadership skills, fostering a culture of mutual support and collaboration – which is especially valuable for newcomers. The organisers received 1,400 applications, of which only 500 were accepted.

Mentor requirements are simple: their roles and responsibilities should be similar to those of the mentee, which makes it possible to select mentors from different project teams.

We have also developed a set of mentor guidelines outlining how to structure the learning process, offer support, and help new hires integrate.

Feedback from a programme participant

I am well acquainted with the role of Amigo – I have previously trained employees at other companies. I engage in mentoring to improve my own skills and am fully committed to investing my efforts in supporting and training employees because I see the impact it makes. Support during onboarding enables employees to perform their tasks with greater confidence and deliver better results. At MTS, I have already helped three of our colleagues settle in.

MTS Career VK Group →

## We also organise a series of onboarding corporate events:

### Induction: Welcome to MTS! – a weekly event attended by every new hire

We cover all the practical nuances that are important to employees in their first days – from the Company's organisational structure and onboarding track to salary and Voluntary Health Insurance.

### Welcome Day – a monthly 90-minute meeting for the entire ecosystem

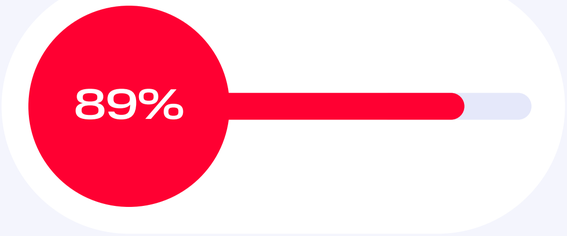
We introduce the ecosystem and its products, present corporate culture, learning and development opportunities, and invite MTS vice presidents to share the Company's growth strategy.

### The Magic of Rapid Onboarding. Workshop for Managers – a series of training workshops for MTS managers

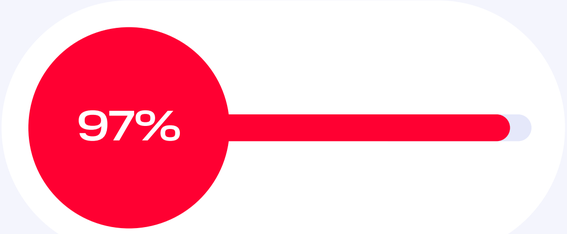
We present tools that facilitate effective onboarding of new specialists and help our managers strengthen their soft skills when working with junior colleagues.

## We also assess employee satisfaction with onboarding processes

In 2024, the onboarding satisfaction rate was




Satisfaction of Non-HR Employees with Onboarding Processes in 2024




## The ecosystem actively employs the following methods to attract new professionals:

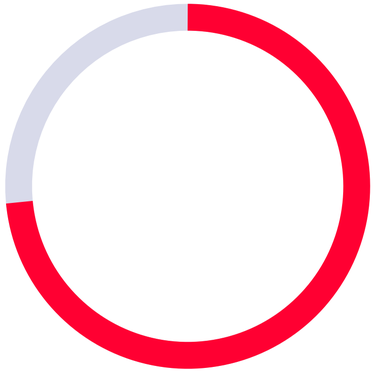
- Expansion of paid internship programmes
- Development of partnerships with universities
- Job fairs
- Special projects, quizzes, hackathons, and case championships

## The Company's goal is not only to attract talented professionals but also to retain them within the ecosystem.

In the reporting year, 36% of interns were hired as full-time employees at MTS. To increase the number of motivated and talented professionals, we developed new internship programmes during the reporting period. These programmes target both candidates with no prior work experience and professionals seeking to broaden their skills and potentially join the MTS team in the future.

## Key Metrics of MTS Internship Programmes in 2024

### Number of Interns Hired by MTS



1,467 Total interns

530 Interns hired

## MTS Internship

### MTS Leader

final-year students and professionals with at least one year of work experience

- Development of leadership skills in project management and in managing B2C and B2B products within the MTS telecom division
- Opportunity to transition to a full-time position as a product or project manager
- Cross-functional rotations and an individual learning track
- Duration: 1 year, delivered in a hybrid work format

### MTS PRO

final-year students and professionals with at least six months of experience in analytics

- Development of digital skills and core competencies in product, financial, and business analytics based on real-world case studies
- Opportunity to transition to a full-time position as an analyst
- Individual learning track
- Duration: 1 year, delivered in a hybrid work format

### MTS Start

students and entry-level specialists

- A classic internship programme for all key business areas within the MTS ecosystem
- Duration: from 0.5 to 1 year, with a minimum of 20 hours per week

## "MTS Day" Open Career Fairs

MTS organises open job fairs called MTS Day, including events tailored for senior candidates, applicants with disabilities, and those with no prior work experience. In 2024, 5,800 people from 9 Russian cities participated in the MTS Day events.

## MTS – Telecom Employer of the Year 2024

MTS was recognised as the Best Employer in Telecommunications in 2024 by the Best Company Award ranking, compiled annually by Changellenge – an employer branding platform. The ranking is based on an online survey of students and high-potential young professionals, reflecting their perceptions of the country's top employers.

**8,000+**
student participants

**40**
universities Russia

**200+**
companies

According to analysts at Changellenge, the most attractive sectors for young professionals remain IT (39%) and banking (32%). The key factors influencing their choice of employer include company stability and reliability, competitive salaries, work-life balance, and the openness of colleagues and management.

CNews website →

## MTS continues to strengthen its collaboration with the country's leading universities

In partnership with academic and scientific institutions, we train in-demand professionals across a wide range of fields – from machine learning engineers to marketers and economists. During the reporting period, we signed scientific, technical, and educational cooperation agreements with R.E. Alekseev Nizhny Novgorod State Technical University and Kazan State Medical University. As part of these partnerships, we intend to develop internship programmes for students and implement joint educational and research projects with the involvement of MTS experts.

## MTS Jobs

We continue to develop the MTS Jobs platform to engage with candidates and the labour market, and also run the Telegram channel MTS Jobs Official, which focuses on digital and IT specialisations.

**767 %**
↑ to 2023
increase in responses on the platform compared

**44 %**
↑ to 2023
growth in platform visits compared

**15 %**
↑ to 2023
growth of the Telegram channel audience compared

# Motivation and Engagement

We are committed to fostering an environment where employees feel empowered to pursue innovative ideas and continuously develop their skills. To support this, we conduct annual employee engagement surveys aimed at gathering open and honest feedback.

**+1 P.P.**
↑ to 2023
increase in employee engagement compared

**42,852**
employees participated in the engagement survey

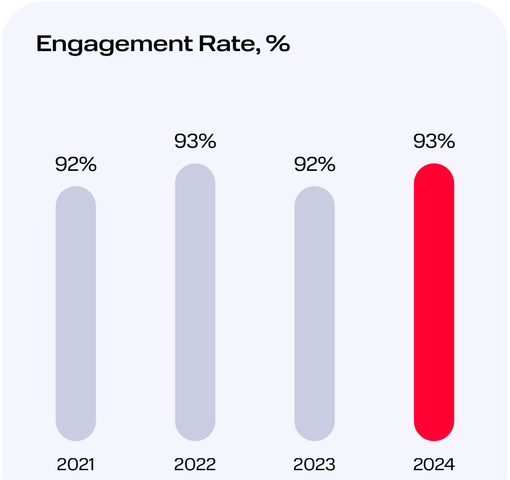
In 2024, together with top management, we hosted a special episode of the corporate podcast Gentle March, where we expressed appreciation for our collaboration and the warm, supportive atmosphere within the team.

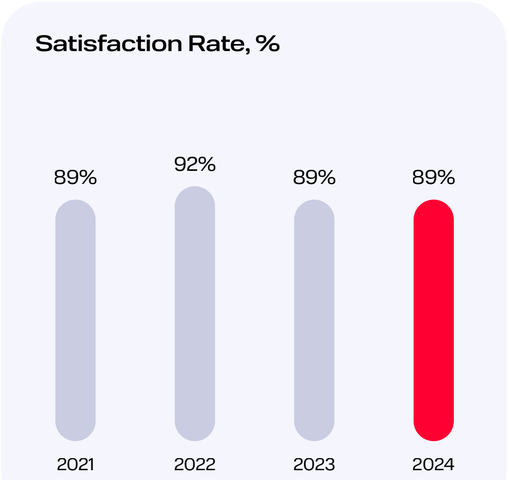
**10,772**
feedback submissions via MTS Karma

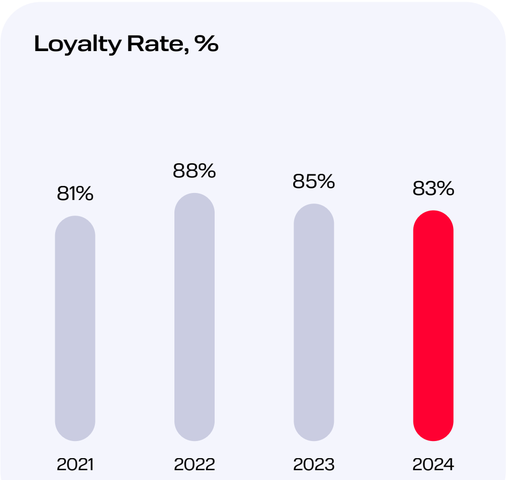
**6,715**
participants in the broadcast

MTS VK Group →

## Employee satisfaction and engagement survey results for 2024



We believe that the contribution of our professionals to business growth should be fairly and meaningfully rewarded. Therefore, we maintain competitive salary levels and recognise employee achievements, ensuring equal compensation for both men and women.

**72,838** RUB

is the average salary of professionals across the MTS Group

**121.5** RUB BLN

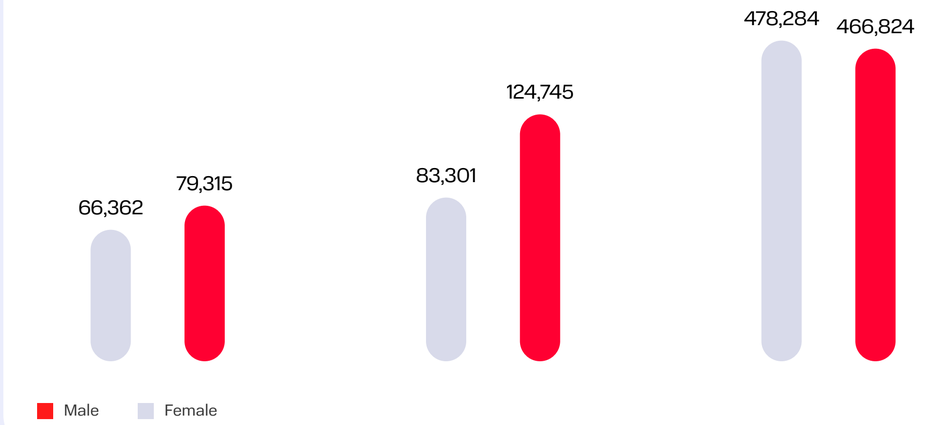
payroll expenses of the MTS Group

# Average monthly salary across the Group, RUB

GRI 202-1, MER-26

We annually assess the quality and effectiveness of our employees' performance using the automated performance management system (APMS) By the end of 2024, over 85% of MTS employees completed the performance appraisal. Performance appraisal results guide the refinement of individual development plans and help shape employees' core competencies.

Additionally, we regularly conduct 360-degree assessments to collect peer feedback on employee performance.






## Recognition from the MTS League

The MTS League recognition programme, which continued in 2024, is evolving alongside our team. The unified digital platform of the programme enables employees to nominate projects or individuals for peer recognition and awards from MTS.

Winners are selected by an expert jury through open voting – but behind each nominee are fresh ideas and innovative solutions that challenge convention and drive the Company forward.

The awards ceremony marked the conclusion of the 2024 recognition programme:

**8,000+**

votes cast for the nominees

**1,300+**

applications received in 2024

**124**

winners

# INCLUSION AND DIVERSITY

Head of the Centre for Social Responsibility, Diversity and Inclusion

**Inclusion is not merely a trend – it is a strategic imperative for business. At MTS, we recognise that diverse perspectives and the unique experience of each employee strengthen our team and open up new horizons for innovation. Inclusion is a driver of sustainable development and long-term competitiveness in the market.**

## Inclusive Environment and Equal Opportunities

GRI 3-3

We recognise the value of socio-cultural diversity and ensure equal opportunities for all employees regardless of nationality, gender, age, or religion.

MTS has established a Centre for Social Responsibility, Diversity and Inclusion, which is responsible for promoting an inclusive corporate culture grounded in the principles of equality. Moreover, since 2021, MTS has implemented its Diversity, Equity and Inclusion Policy, which has been adapted across all Group subsidiaries.

Line managers, recruiters and HR specialists undergo targeted training under the programmes Inclusive Leader and Inclusive Recruitment and Onboarding of Underrepresented Groups. These programmes are designed to develop inclusive communication skills and effective interaction with people from underrepresented groups, as well as to support their recruitment and integration into the workplace. An online course on inclusive communication and awareness is also available to all MTS employees. In the reporting period, 1,050 employees completed training programmes on inclusive culture.

### Employee Guidelines

The Centre for Social Responsibility, Diversity and Inclusion has developed special guidelines to help employees interact comfortably and respectfully with colleagues with disabilities. Eight simple rules promote inclusive, open, and considerate communication across the team. MTS VK Group →

MTS does not tolerate any form of discrimination The Company is committed to ensuring that all employees feel comfortable at work, regardless of their individual characteristics. Ahead of the World Anti-Bullying Day on May 4, together with the NO Bullying programme team, we launched a 19-question test featuring various workplace scenarios to help identify signs of bullying within the team.

After completing the test, participants receive recommendations on how to distinguish workplace bullying from a conflict of interest, how to respond to bullying – whether as a witness, manager, or victim – and how to prevent discrimination.

**8,680** PEOPLE

completed the test in 2024

For employees who have experienced or witnessed bullying, the NO Bullying programme's support hotline is available at

**8 800 500 44 14**

MTS conducts an annual survey on inclusive workplace culture, with 12,700 employees participating in 2024.

**97%**

**of employees are willing to work on the same team with members of inclusive groups, without exception**

**93%**

**of employees feel respected at work**

**75%**

**believe that career opportunities are equal for all employees**

**93%**

**associate the development of an inclusive culture with overall business success**

During the reporting period, we continued to implement corporate events and initiatives aimed at fostering an inclusive culture. These included the development of a new employee inclusivity assessment, the Silver Digit digital literacy championship for senior employees, and the We Will Hear festival for people with hearing impairments.

## Inclusion Test – the New Business Ethic

The Company has developed a tool to assess the level of inclusive culture. The test comprises 15 questions and helps evaluate managers' commitment to inclusivity principles, as well as identify instances of discrimination against employees and potential candidates – including individuals with disabilities or health conditions, those without prior work experience, or aged 50 and above. Test participants also receive recommendations for books and films that help deepen their understanding of diversity, equity and inclusion. MTS website →

**500+**

managers participated in the testing

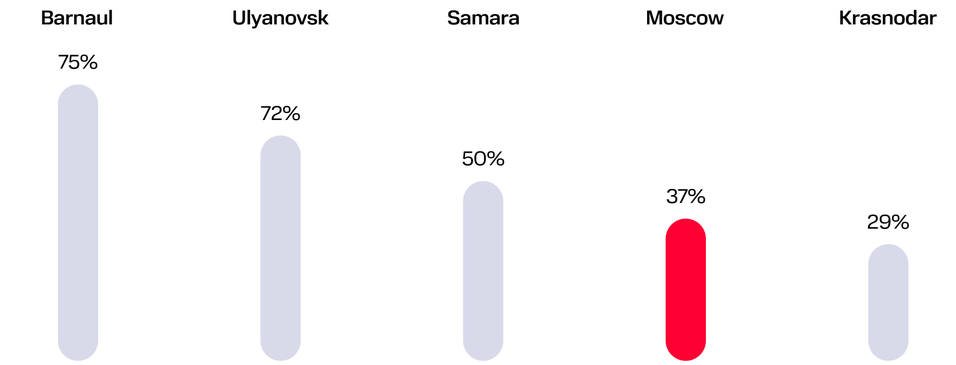
**97%**

are aware of the issue of discrimination

To support an open and accessible corporate culture, MTS has established an inclusive recruitment system. Key elements of this system include the MTS Jobs career website, which not only offers a wide range of vacancies but also eliminates bias in the selection process, enabling candidates with diverse backgrounds to find suitable opportunities.

Since 2023, the MTS Hello remote recruitment and preboarding system has allowed new hires to complete all required documentation online, making the hiring process accessible to all, regardless of their physical condition or location. In 2024, MTS Hello was highly praised by the jury of the Crystal Pyramid HR Awards, taking 3rd place in the Technology Solution of the Year category.

**In 2024, we identified the Top 5 cities for remote recruitment through MTS Hello. Remote hiring was most common in Barnaul, where 75% of new employees were onboarded remotely.**




Source: MTS VK Group

**8,900+**

unique visitors per month

**1,100+**

internal users

MTS serves as a partner of the National Championship of Professional Skills for People with Health Limitations, Abilympics.
The ecosystem team supports winners in relevant skill areas and participates in job fairs, positioning MTS as one of the leading employers of people with disabilities – as of 2024, 50 championship graduates have joined the Company.

## Silver Digit Received Recognition

The Silver Digit digital literacy championship for older adults, organised by MTS, was recognised as the country's best social project, winning the Corporate Projects award at the 12th Best Social Projects of Russia programme.

The project aims to teach people over the age of 50 how to use digital technologies effectively, introduce them to new services, enhance their standing within the community, and provide opportunities for professional growth. The initiative involved not only MTS employees but also their relatives and friends.

Over the course of 10 days, participants attended online lectures on big data, artificial intelligence, and the Internet of Things, learned how to create personal websites, and explored lifestyle and entertainment services such as MTS Travel, MTS Music, and KION.

At the finale, all participants completed a creative digital quest focused on digital services and solutions.

**200,000**
media reach

**10**
winners

**50**
participants during the reporting period

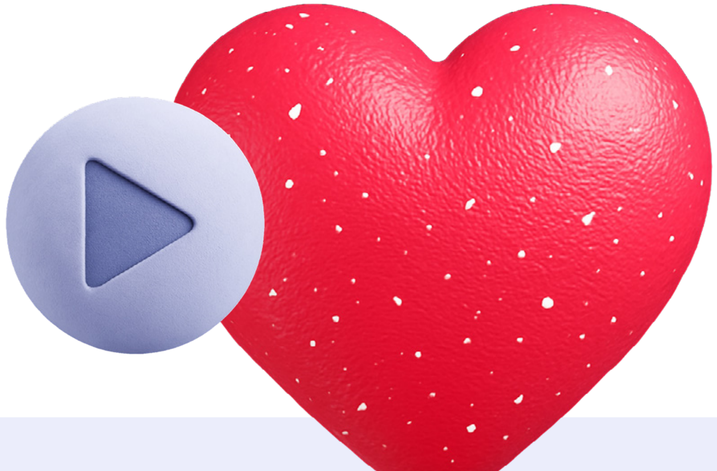
## Inclusive Festival We Will Hear

The Nationwide Inclusive Festival We Will Hear, held by MTS in 2024, was recognised as the winner in the ESG Strategy category. The festival also took first place in the Event of the Year awards in the category Best Event in CSR and Sustainable Development.

Experts highly praised the project's focus on the key issues of social integration and employment for people with disabilities. Among the highlighted initiatives was the promotion of a corporate culture focused on inclusivity.

The festival aims to promote technological innovations that enhance quality of life and support the social integration of people with hearing impairments, while also raising awareness among society and the business community about the challenges faced by people with special needs.

The festival programme was rich and diverse, featuring a job fair for people with special needs, office tours at MTS, a public film screening with translation into Russian Sign Language, and a round table titled Inclusion and Business: Listening to Each Other, attended by representatives of non-profit organisations and experts in technology and inclusive business solutions. A key event of the festival was a competition for innovative projects and ideas aimed at developing solutions to support people with hearing impairments.



**2,000**
offline participants

**300**
vacancies from the ecosystem

**1,100**
applicants

**100**
applications for the competition from 24 regions of Russia, 2 winners

**14**
films translated into Russian Sign Language and available on KION

**120**
MTS volunteers

## Educational Project Pathway to a Career with MTS

The annual Pathway to a Career competition for students and young professionals with disabilities aims to create equal opportunities for young people with disabilities and help them overcome barriers to employment and career advancement.

As part of the project, we also organise tours for children from social care institutions.

**12**
cities

**16**
participants employed across various businesses

**Pathway to a Career**

**576**
participants in 2024

**77**
finalists

**16**
tours organised for orphaned children



# DECENT AND SAFE WORKING CONDITIONS

## Occupational Health and Safety

GRI 3-3, GRI 403-1, 403-4, 403-5, MER-27, MER-29

We are fully committed to maintaining a safe and comfortable working environment, with particular attention to areas where our employees are exposed to physical processes and operational risks.
The Company operates an occupational health and safety management system that complies with national legislation and is certified to ISO 45001, covering 100% of MTS employees.

We strive to integrate safety issues into our corporate culture and enhance employees' personal responsibility for maintaining safe working conditions. In 2024, the MTS occupational health and safety team developed a new unified online course covering all key current topics. To raise employee awareness of workplace hazards, we also developed and held an occupational health and safety quiz game inspired by the methodology of the Jeopardy! programme.

In addition, more than 2,000 MTS employees completed the remote video training course Safety Culture.

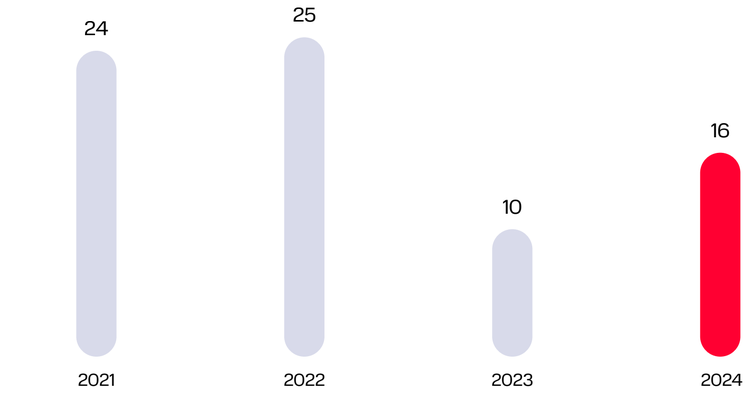
**14,863**

employees completed occupational health and safety training

**350.2** MLN

spent on occupational health and safety in 2024

### Injury Trends at the Company, 2021-2024




GRI 403-9

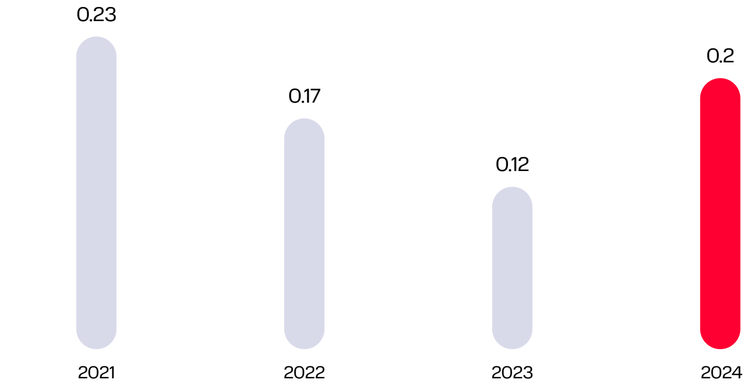
Unfortunately, during the reporting period, 9 of our colleagues sustained minor injuries. At the same time, while the total number of injuries increased compared to 2023, their severity declined.

### Injury Breakdown, 2024



| | |
|---|---|
| 11% | Damage resulting from unlawful acts by third parties |
| 12% | Lack of protective equipment |
| 22% | Falls on level surfaces |
| 55% | Falls from height or between levels |

### LTIFR Trends, 2021–2024



# Employee Social Support

MER-28

The MTS employee benefits package offers a broad range of provisions – from Voluntary Health Insurance (VHI), outbound travel insurance, corporate transport, and access to sports facilities to subsidised travel for employees on leave in the Far North, rental housing support, and backing for interest-based clubs.

At MTS, our approach to fostering a comfortable environment and enhancing employee satisfaction is built around widely recognised dimensions: emotional, financial, physical, professional, and social wellbeing, as well as a supportive workplace setting. In 2024, advancing our mental health initiatives, we launched a pilot project offering access to an onsite psychologist available at the office. Initial statistics confirmed high demand for the initiative, with around 70% of employees seeking support for relationship difficulties with partners, parents, or children.

As part of the corporate social initiative It Concerns Us, we launched a series of support sessions titled A Balm for the Soul for MTS employees, addressing the social issues that matter most to them. The sessions covered topics including caring for elderly ill relatives, supporting animal shelters, managing anxiety, and helping loved ones. During the reporting period, we held 13 support sessions featuring invited external experts, with over 5,000 MTS employees participating.

## Employee Benefits Package for the MTS Group

| Physical wellbeing | Social wellbeing | Financial wellbeing | Supportive work environment and hybrid work format | Emotional wellbeing | Professional wellbeing |
|---|---|---|---|---|---|
| VHI | Financial assistance | Benefits Cafeteria Programme | Hybrid work format | SportUp sports programme | Corporate University |
| VHI for family members | Top-up sick pay | Best Benefits | Shared workspaces | Useful resources and training activities | Corporate library |
| In-house doctor | Gifts for children | Employee discounts | Tea, coffee, dining and snack areas in the office | In-house psychologist | External professional courses, training sessions, and masterclasses |
| On-site massage services | Accident insurance | Discounted family communication plan | Corporate mobile communication | Interest-based clubs | |
| Sports activities | Paid leave | Payroll programme | BYOD equipment compensation | | Language training |
| | Support for employees with children | Client Handover | Car Sharing and Corporate Taxi Services | | |
| | Volunteering | | | | |

Another innovation introduced during the reporting year was the establishment of interest-based clubs within the Company. To date, over 2,000 employees have taken part in the MTS Debate Club, launched as part of the professional development programme. The club's popularity was evident from the outset, with around 1,500 registrations following the announcement. The new club helps participants strengthen their skills in argumentation, improvisation, and public speaking, while also learning effective techniques for handling objections.

The focus of physical wellbeing programmes is on disease prevention. In 2024, as part of the Voluntary Health Insurance programmes, employees gained access to a new option – a complimentary health check-up. This includes consultations with specialised medical professionals who are rarely covered by insurance programmes, such as dietitians, nutritionists, and trichologists.

Additionally, in 2024 we streamlined the Benefits Cafeteria programme, which allows employees to tailor their benefits package based on individual preferences. We introduced prepaid cards for one of the most popular categories – meal compensation – and plan to monitor usage trends. This approach is expected to increase demand for this category and minimise employee inconvenience by automating benefit distribution.

**900** RUB MLN

expenditures related to provision of social guarantees for employees

## SportUp Summer Spartakiad

In summer 2024, MTS launched a corporate sports programme featuring training sessions in football, volleyball, table tennis, CrossFit, athletics, chess, and practical shooting, and also introduced a healthy eating programme.

All sessions are led by professional coaches who tailor training plans to match each employee's fitness level. For employees unable to attend in-person sessions, the programme offers the option to stay in shape at home through video lessons on gymnastics, strength training, and breathing exercises. On the online platform, fans and athletes also take part in a sports quiz and engage in various other activities.

We also launched a dedicated running track for employees over 50, and all venues are fitted with facilities to accommodate spectators with special needs.



**12,000**

participants

**356**

football players

**260**

cities

# Employee Development and Training

GRI 404–2 MER-30

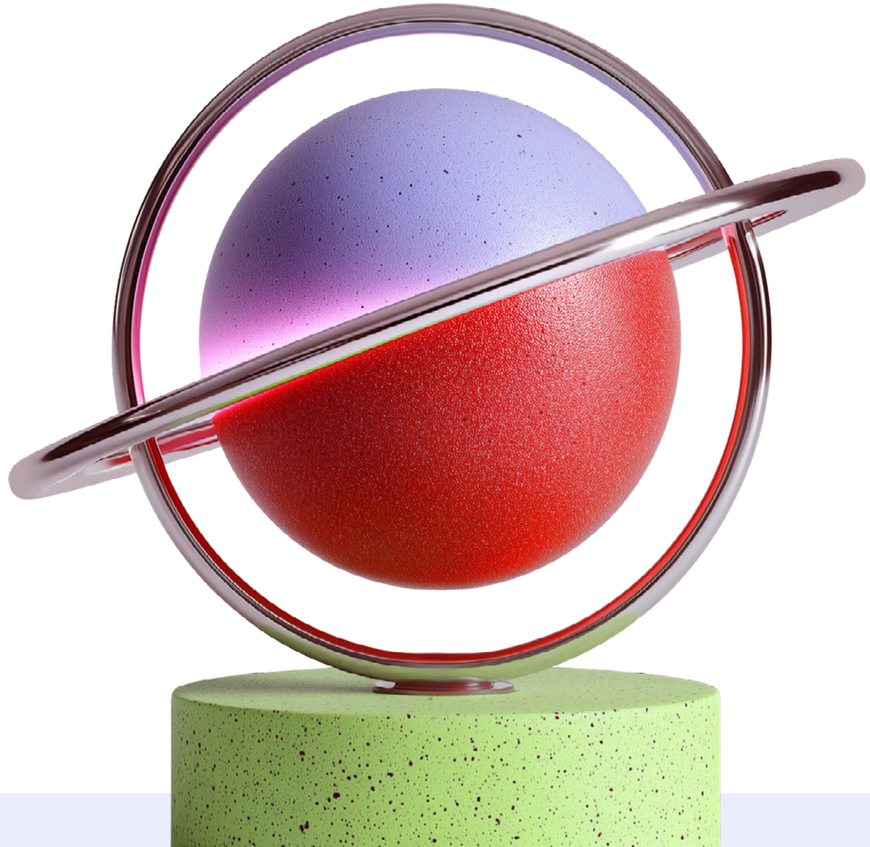
The primary platform for employee training is the MTS Corporate University educational platform. This platform, which hosts over three thousand training materials, enables employees to develop and improve both soft and hard skills through practical case studies, networking, and mastermind sessions. The training process is designed to be continuous, allowing each employee to choose the learning format that suits them best.

MTS First Vice President for Technology

**The development of specialists has always been and remains one of our key priorities. We offer our employees a wide range of up-to-date training programmes covering the most in-demand areas. I am confident that our approach to employee development and training will foster professional growth across a wide range of areas and drive the success of our business.**

## Corporate University Performance in 2024

During the reporting period, 36,123 employees completed development programmes at the MTS Corporate University.



**23,527**
**employees took part in remote training**

**98%**
coverage of the MTS Corporate University platform

**96%**
employees took part in remote training

**88%**
online Learning Satisfaction Index (NPS)

**708**
online training sessions

**79%**
employees completed more than three courses

**3,394**
soft skills courses

**1,423**
hard skills courses

**5,671**
**employees completed in-person training**

As leaders in the telecommunications market, we recognise the importance of having our own system for training and developing IT specialists' skills. To ensure effective and up-to-date employee training, MTS established MTS.Teta[1] – an in-house Learning and Development Centre for IT specialists. The centre allows the Company to train talent in the most in-demand and relevant IT fields, eliminating the need for employees to search for suitable courses from external providers. The centre develops courses across all key areas, including Go, Java, JavaScript, Python, mobile development, DevOps, C#, architecture, data science, artificial intelligence, generative AI, and more.

**MTS.Teta offers two formats for employee training:**

1. **Synchronous educational programmes**

   lasting up to six months, featuring online lectures, seminars, and assignments under the guidance of experienced mentors

2. **An asynchronous format**

   that enables employees to study the required materials at a convenient time and comfortable pace

3. **Mentoring**

   an individual development track supported by guidance from a more experienced colleague

Most programmes are developed by MTS's own experts, allowing employees to share knowledge with one another. This approach allows everyone to influence the working culture and established practices while developing their own teaching expertise.

1 In 2025, it was renamed MTS True Tech Talents.

## Leadership Training: Leadership Telecom Excellence Programme

In partnership with the National Research University Higher School of Economics, we completed training for 71 regional directors of the MTS Telecommunications Business Unit under the corporate three-module advanced development programme Leadership Telecom Excellence. The programme is designed to enhance leadership capabilities and managerial competencies, including change management and cross-functional collaboration.

Participants had the opportunity to apply the theoretical knowledge gained during the training to real business cases from AFK "Sistema", which positively impacted the quality of their preparation and enhanced their teamwork skills.

HSE website →

## MTS.Teta Architects' School

MTS.Teta launched a new educational programme for aspiring IT architects, as well as for the Company's developers and analysts looking to upgrade their skills.

Over the course of four months, students learn to design high-load and cloud-native systems, understand the specifics of application development, and explore architectural decision-making approaches – while also developing communication skills for working with business stakeholders.

At present, the course is available exclusively to MTS employees; however, we plan to adapt the Architects' School programme for an external audience. In addition to training its own specialists, MTS.Teta also offers external programmes for students and third-party IT professionals. Top performers are given the opportunity to join the MTS IT team.

Cnews website →



→ Further details on MTS.Teta external educational courses are available in the subsection Educational Initiatives.

## Training with Digital Avatars

Experts at the MTS Future Crew Innovation Centre have developed digital avatars to replace lecturers in the ecosystem's educational courses. This solution significantly accelerates the production and updating of lecture materials, reducing the time required for content preparation.

Pilot products featuring digital avatars included an online Go programming course at the MTS.Teta IT Specialist Development Centre and a development programme for regional HR teams in the MTS telecommunications business.

Given the high workload of senior management, the use of digital avatars helps facilitate their participation in the training process. A prepared script and a few short video recordings are all it takes to generate an avatar within minutes, while multilingual content generation makes the training process more accessible and straightforward.

MTS website →

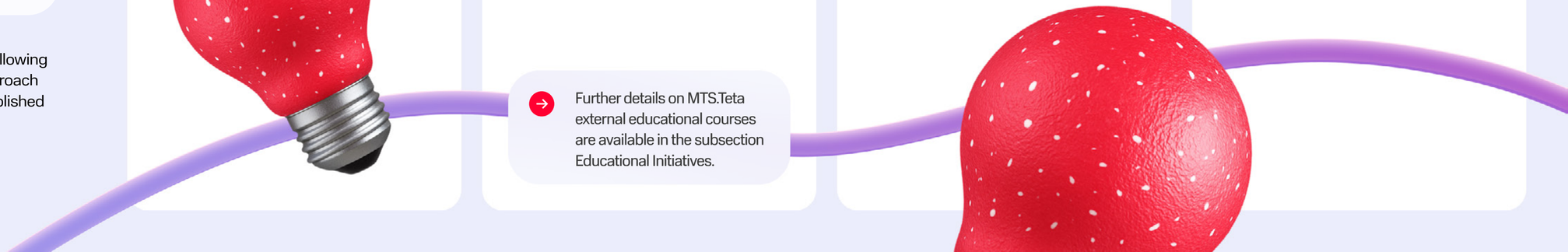
## MTS Leader Spectrum

MTS Digital has developed a new development programme, MTS Leader Spectrum, aimed at enhancing managerial competencies and leadership mindset among team leaders.

The five-month course, designed for both CEO-3 level managers and line managers, is divided into six functional modules:

1. The role of a supervisor of managers
2. Personal effectiveness
3. Team management
4. Influence and persuasion
5. Leadership mindset and business understanding
6. Change management

The training format includes in-person workshops, expert-led webinars, business simulations, and business games.



# Career Guidance Activities

In response to growing interest in career guidance, MTS runs educational initiatives aimed at promoting IT professions among both school students and university graduates.

During the reporting period, MTS continued its career guidance project for pupils in grades 8–11, Code the Future. As part of the initiative, two in-person sessions were held on topics relevant for future technology professionals. Over the course of 2024, MTS also organised 22 site visits featuring expert talks, reaching more than 500 schoolchildren and students.

## Career Guidance Tours for Teenagers

With support from regional branches of the Big Brothers Big Sisters programme, MTS organised a series of career guidance tours for teenagers from children's social institutions in Moscow and the Moscow Region, Yekaterinburg, Barnaul, Rostov-on-Don, Tver, Tula, and Saint Petersburg.

The teenagers learned about the company's business areas and the professions currently in demand in the labour market. MTS specialists also shared their personal experiences and stories, including what drew them to the Company.

MTS website →

**157**
children from social care institutions

**16**
tours

## MTS Virtuality

On the eve of the New Year 2025, MTS volunteers launched the innovative educational project Virtuality, designed for school students aged 7 to 17. MTS experts introduced children to the possibilities of tech-related careers and helped them gain a clear understanding of IT specialisations, enabling them to make informed decisions about their future careers.

School students were also invited to take part in a chatbot development masterclass, assemble robots to assist Santa Claus, and design a New Year's greeting card or create a snowfall animation using the Python programming language.

**3,642**
participants

**362**
MTS volunteers

**21**
cities

**132**
children's institutions

**3,858**
employees participated in the quiz

**538**
AI-based fairy tales

## MTS Codiland

To mark Children's Day, the MTS team created an environment where children aged 7 to 17 could explore modern tech professions through play and begin developing professional skills from an early age.

The Codiland project comprises a virtual city and interactive offline venues that offer unique learning opportunities, enabling children to try out some of the most in-demand professions at MTS: programmer, sales manager, creative marketer, artificial intelligence specialist, financier, engineer, and customer service representative. Each profession featured career-oriented mini-games designed to test logic, attention, creative thinking, numeracy, and basic engineering skills.

The project also takes into account the interests of the youngest participants – preschoolers – with two educational games developed specifically for them.

MTS plans to further develop the project by expanding the range of professions and introducing new activities.

Sostav website →

**9,000+**
children and their parents

**78**
regions of Russia

**25,000**
completed tasks

# CHARITY AND EMPLOYEE SOCIAL ENGAGEMENT

MTS Vice President of Human Resources

**By developing modern ecosystem products, MTS not only simplifies everyday tasks but also creates opportunities for social support. Creating convenient and secure services that can be used to support those who require it is another step towards an inclusive environment and a sustainable society.**

GRI 3-3

The MTS Group's charitable activities are an extension of its business and social strategies and are governed by the MTS Charity Policy. Our charitable model is based on a systematic, project-driven approach to addressing social challenges through digital technologies and the broader capabilities of the MTS ecosystem.

Responsibility for ensuring the effective and reliable functioning of the governance system for charitable and social activities lies with the MTS Supervisory Board, which includes members of the company's senior management. Operational implementation of charitable initiatives is carried out by the Centre for Social and Charitable Programmes.[1]

In 2024, for the first time, we conducted a census of active volunteers across the entire ecosystem – 1,900 MTS employees ready to contribute to the Company's social projects. Through corporate volunteering programmes, they support initiatives such as career guidance events, assistance for elderly people (including help with digital technologies), patronage of beneficiaries from social organisations, and support for children's hospitals.

1 Further details on the Supervisory Board and the Centre for Social and Charitable Programmes can be found in the 2022 and 2023 Sustainability Reports.

## Leadership in the Leaders of Corporate Philanthropy Ranking

In December 2024, the company reaffirmed the highest A+ category in the Leaders of Corporate Philanthropy ranking by the Grantmaking Organisations Association Donors Forum.

**1st PLACE**

**Nationwide Inclusive Festival We Will Hear**

**2nd PLACE**

**MTS Social online platform It Concerns Us**

## The Back to School with MTS project

The volunteer project Back to School with MTS, aimed at supporting schoolchildren, continued in 2024. Shoe bags, pencil cases, and other school supplies were delivered to all regions where MTS has offices. MTS also grants paid leave to parents of first graders on Knowledge Day. In 2024, more than 500 employees took this opportunity to spend this special day with their children.

For parents of senior school students, we organised a webinar titled A Challenging Time for Parents: Teenagers and Senior Students in Society, addressing pressing issues that concern all parents of teenagers.

To mark the start of the school year, volunteers from Moscow, Orel, Nizhny Novgorod, Barnaul, Vladivostok, Samara, Novosibirsk, Rostov-on-Don, and Saint Petersburg organised masterclasses, sports events, and a quiz The Great Journey with MTS for children from social care institutions.

**100**

MTS volunteers

**2,300**

employees' children received gifts from MTS

**800**

children from social care institutions

**19**

social care institutions

# The Therapy on Wheels Initiative

In the summer of 2024, a joint effort by volunteers from the Regional Public Organisation of People with Disabilities Creative Partnership and the MTS ecosystem brought an atmosphere of joy, laughter, and creativity to children at Morozov Hospital.

Especially for the event, volunteers provided small cars for the young patients to paint and decorate themselves. The idea of turning the cars into art objects served as a great incentive for the children and their parents to step outside the hospital wards, enjoy the fresh air, move around, and share moments of laughter.

Volunteers also held workshops where the children enthusiastically painted bags and plaster figurines and created their own jewellery.



child audience members

**3,327**

**52**
performances in 2024

**349**
volunteers

## Mobile Fairy Tale Theatre – 2024 Highlights

In 2024, we staged three major performances at prominent theatre venues for the first time, bringing fairy tales to children from social care institutions in Moscow, St. Petersburg and Krasnodar. Thanks to our partners at the Sistema Charitable Foundation, our New Year productions Morozko and The Magic Mitten were also presented at three social institutions in Moscow and the Moscow Region.

We also took part in three remarkable festivals:

- the Children's KinoMay charity film festival in Voronezh
- the inclusive picnic in Tsaritsyno Park, Moscow
- the inclusive theatre festival No Need to Be Alike in Cheboksary

## We also continued to implement the winning initiatives of the 2023 Best Social Project of the MTS Ecosystem competition

A graduation event for children from social care institutions in Ivanovo as part of the Kindness in Action project, along with a collection drive for essential items to support their transition to independent living

**26**
graduates

**4**
orphanages

**50+**
volunteers

Search for missing persons with dementia in the Udmurt Republic

**200**
ID bracelets crafted

**54**
bracelets issued

"Environmental Lessons Together with MTS" in Barnaul

**100+**
participants

**8**
ecology lessons conducted

AuroraArt art therapy for children in social care institutions

**200+**
children

**30+**
volunteers

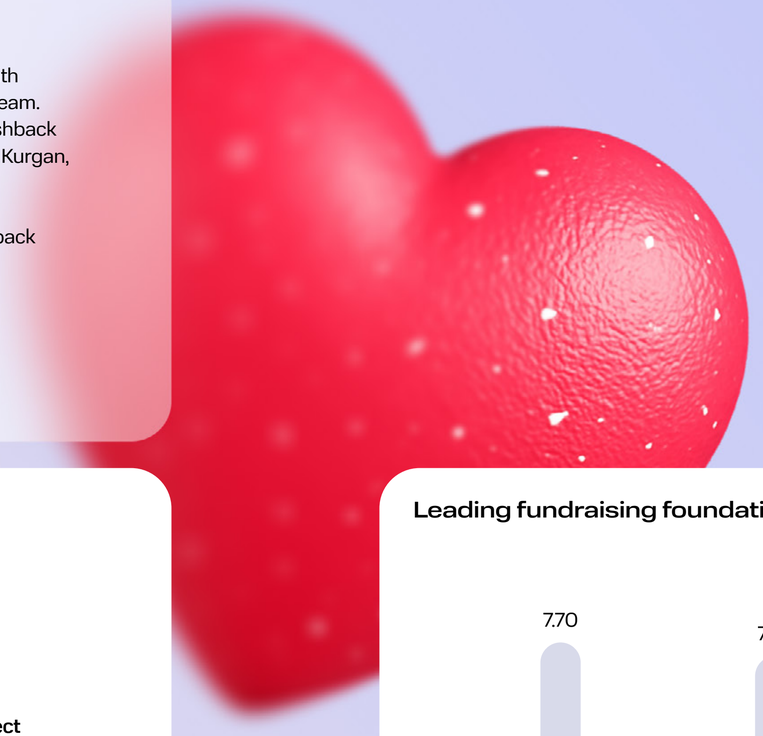
# Philanthropy for Children and Social Causes

## Doing Good Together with MTS Cashback

The 2024 results of the It Concerns Us social initiative – aimed at supporting orphans, people with disabilities, and individuals facing life's challenges – generated strong interest among the MTS team. Through the MTS Cashback app, users donated over RUB 54 million from their accumulated cashback towards charitable causes. The regions with the highest number of donations included Vladimir, Kurgan, Tyumen, Primorye, and the Republic of Tatarstan.

In 2024, the app also enabled users to respond to major emergencies across the country. Cashback balances could be redirected to support those affected by flooding in various Russian regions.

Telegram channel of the Sistema Charitable Foundation →



**11**

charity organisations

**54.5** RUB MLN

raised over two years of the project

**35–44**

average age of donors

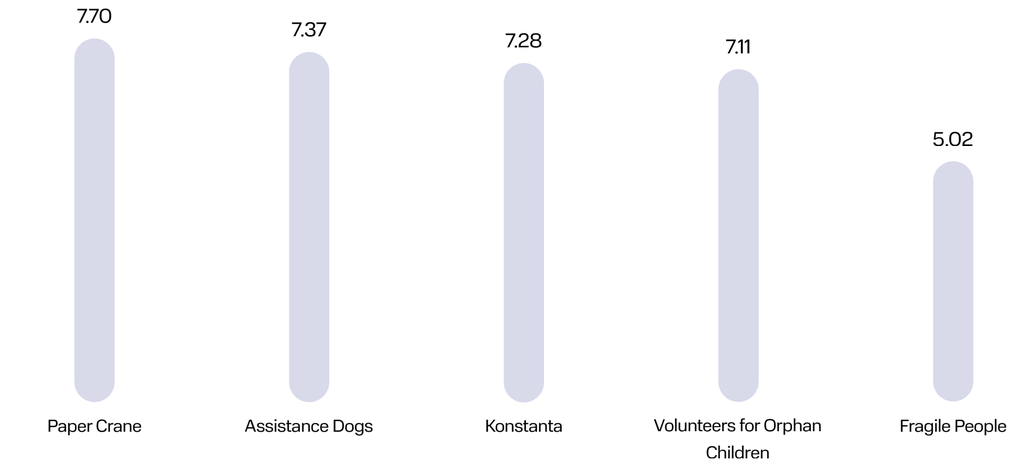
**150** RUB

average donation amount

## MTS Cashback app donors by gender, 2024




## Leading fundraising foundations under the MTS Cashback programme, 2024



## Outcomes of the System of Good Deeds Competition

MTS and the Sistema Charitable Foundation announced the results of the System of Good Deeds social initiatives competition, which recognised the best projects aimed at strengthening the corporate volunteering framework.

Among the winners were impactful initiatives focused on early career guidance for schoolchildren and children from residential social care institutions, as well as projects promoting and enhancing the prestige of industrial careers among young people, supporting shelters for homeless animals, and creating a leisure centre for orphaned children.

applications submitted to the competition in 2024

**571**

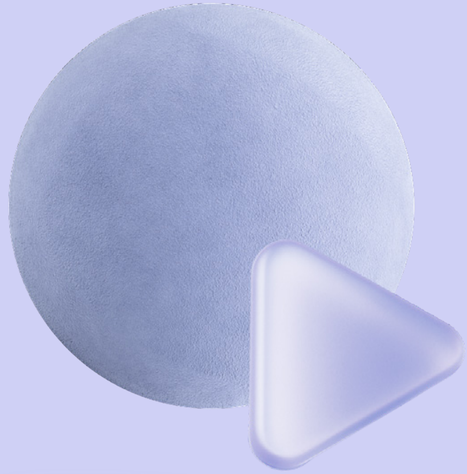
**69**
participating regions

**13**
winning projects

## Neuro Art Competition for Young Artists

MTS and the British Higher School of Art and Design organised a nationwide neuro art competition for young artists, featuring two categories:

- Creating a storyline on the theme The Next Generation of Communications. The aim was to illustrate how communication technologies may evolve in the future.
- Designing a visual concept for AI technologies enabling seamless voice communication and spam protection based on MTS VoiceTech.



Participants were invited to submit up to three entries – either graphic designs or video clips – giving them plenty of room for creativity and imagination.

The competition jury selected five winners, one of whom will have the opportunity to undertake an internship with the design team at the MTS Brand Centre.

## Sistema Scholarship Programme

The Sistema Charitable Foundation and MTS have launched the second Sistema Scholarship Programme for college and university students. The programme is aimed at developing new solutions and enhancing existing ones across various sectors of the economy and industry.

Scholarship recipients will have the opportunity to take part in the Foundation's career development and professional orientation events, complete internships, or receive job offers from the project's partner companies.

## Respite in Partnership with MTS

Together with the So-edinenie Charitable Foundation, we launched the Respite campaign to support families raising children with hearing and visual impairments. Thanks to the funds raised through the MTS PAY service, families across various regions of Russia are able to access the support of professional nannies, entrusting the care of their child to a qualified specialist.

You can support the Respite project via the charity marketplace website.
So-edinenie website, Forbes website →

**900+** RUB THSD
in customer donations in 2024

**90**
families supported in the regions since 2017

**120**
families supported in Moscow since 2017



# RESPONSIBLE BUSINESS CONDUCT


106 Effective Corporate Governance

108 Unified Compliance System

109 Risk Management

111 Supply Chain

113 Information and Cybersecurity

118 Tax Strategy

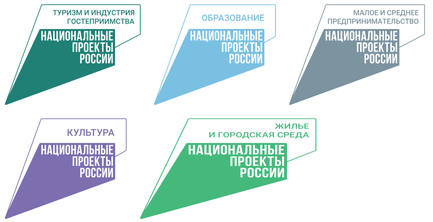
# 55.6%

of Board members are independent directors

## The UN Sustainable Development Goals

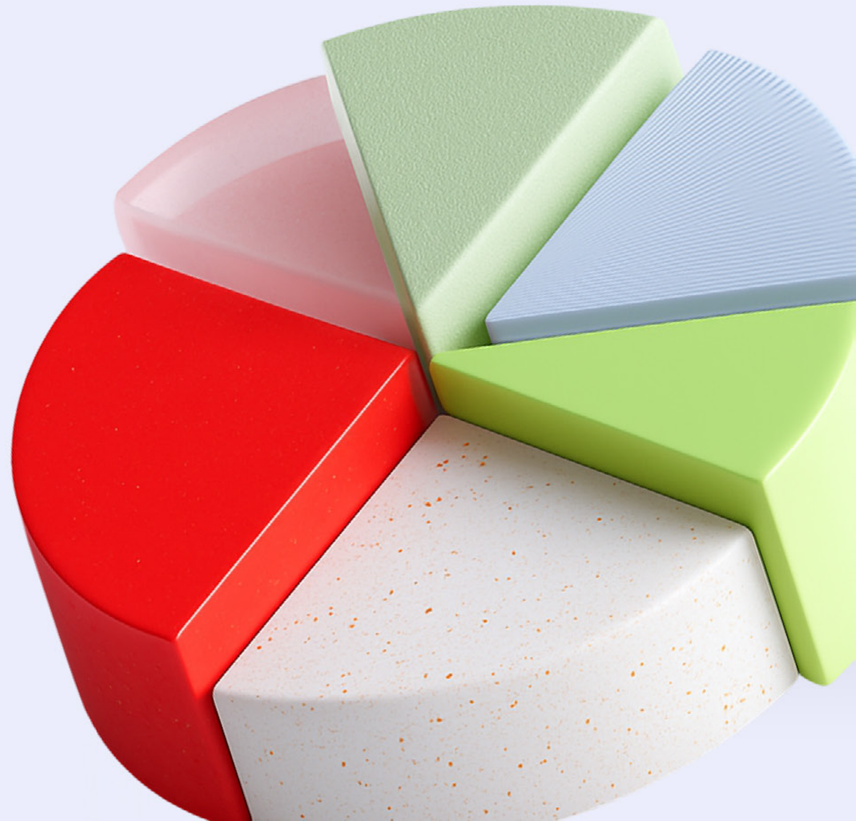



## National Projects of Russia




## Key Initiatives

- MTS reaffirmed its leadership position in the AK&M ESG ratings
- The Company introduced a new contract approval process, reducing administrative barriers and improving decision-making speed
- MTS successfully issued exchange-traded bonds and received a Cbonds Awards 2024 prize
- MTS received top credit ratings from NCR and Expert RA



# 22.2%

of Board members are women

# 100%

of Audit Committee members are independent directors

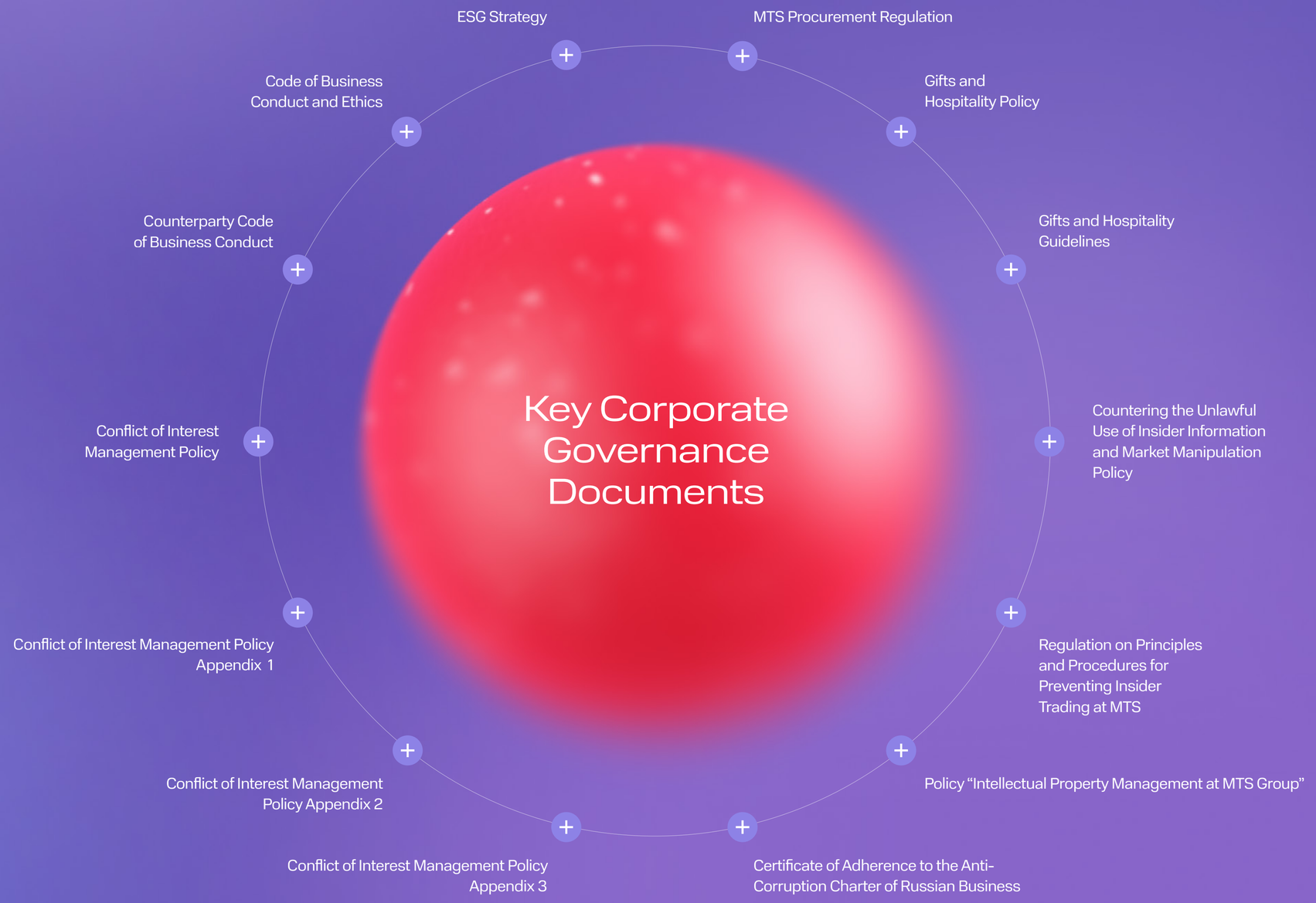
## Disclosed Material Topics

- Information Security and Personal Data Protection (including Protection and Respect for Intellectual Property)
- Regulatory Compliance

# EFFECTIVE CORPORATE GOVERNANCE

GRI 2-9, 2-10, 2-11, 2-12, 2-13, 2-14

Sustainability principles are embedded in every aspect of the Company's operations and are systematically and consistently integrated into the MTS Group's business processes. The sustainability governance framework covers all levels of the organisational structure, including senior management and business units. This comprehensive approach enables the consistent development of a sustainability culture, strengthens the quality of corporate governance, and aligns with the expectations of shareholders and international partners.




### Code of Business Conduct and Ethics

In 2024, MTS Group adopted an updated Code of Business Conduct and Ethics. The document sets out unified standards of conduct for all MTS employees, managers and partners, with a strong emphasis on upholding the Company's core values in daily practice – including openness, trust, customer focus and a commitment to continuous improvement.

**The Board of Directors** plays a central role in the corporate governance system of PJSC MTS, representing the interests of shareholders through the effective oversight of business operations. The structure, functions, powers and operating procedures of the Board are governed by the laws of the Russian Federation, the Charter of PJSC MTS, the Regulations on the Board of Directors, and guided by the recommendations of the Bank of Russia's Corporate Governance Code.

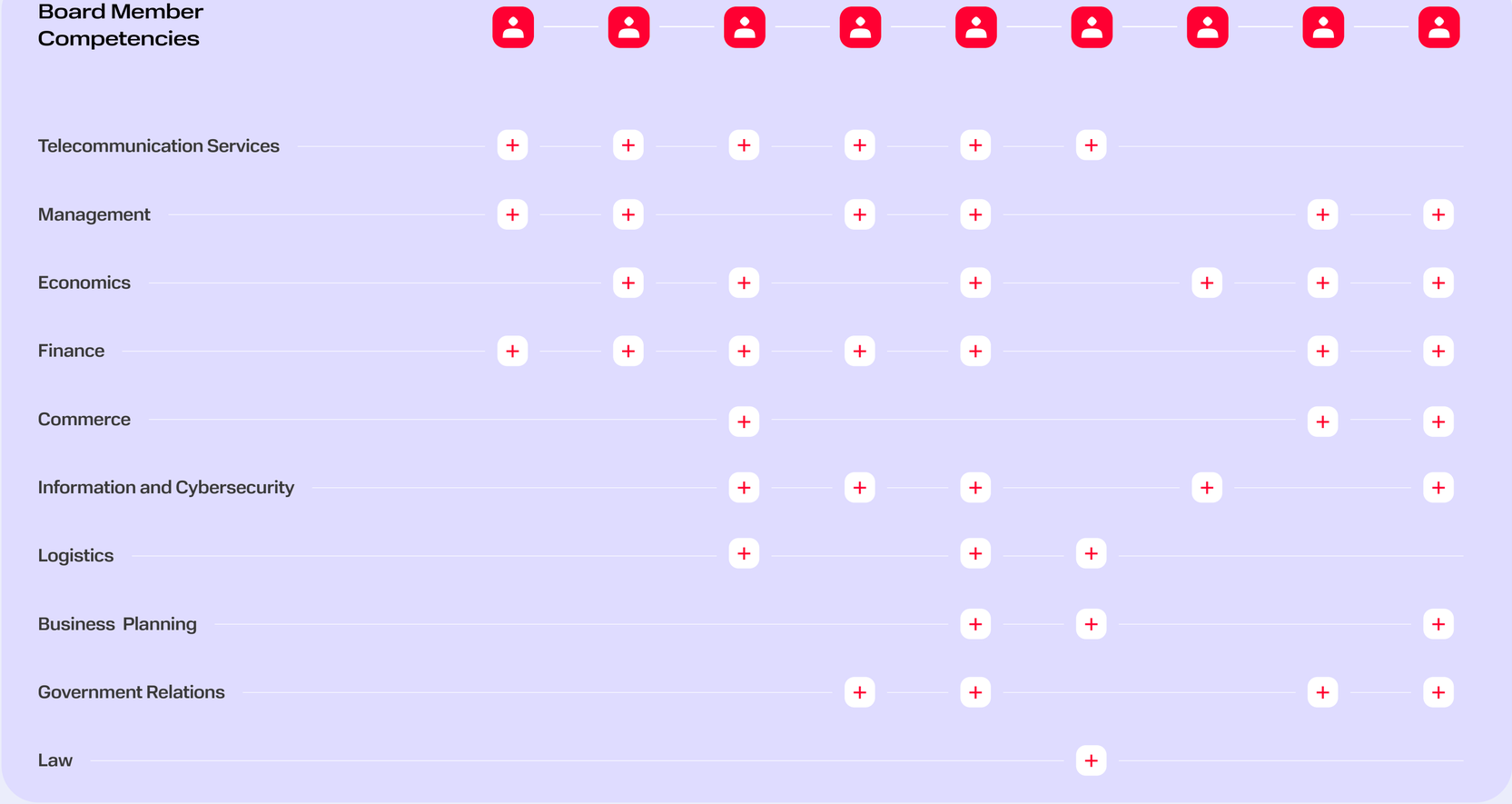
To advance the sustainability agenda, MTS has established an **ESG Committee** tasked with identifying strategic priorities in corporate governance and ESG, overseeing implementation of the ESG Strategy, and providing preliminary review of key issues related to corporate governance, environmental and social responsibility that fall within the remit of the Board of Directors. The Committee prepares recommendations for the Board of Directors to support informed decision-making, providing expert guidance to business units on ESG-related matters, and assessing the effectiveness of their sustainability efforts.

The Company's **ESG Centre** is responsible for designing, coordinating and overseeing the implementation of the ESG Strategy, as well as embedding sustainability principles into MTS's core business processes. The ESG Centre also plays a key role in promoting the ESG agenda across the MTS Group. Functional units and relevant structures within subsidiaries are responsible for delivering ESG-initiatives in their priority areas, as well as for collecting, verifying and submitting relevant ESG data to the ESG Centre for consolidation and reporting purposes.

# Competencies of MTS Board Members

GRI 2-17

The Board of Directors reflects both gender diversity and a breadth of cross-disciplinary expertise. Board members of PJSC MTS are highly qualified and experienced professionals with deep knowledge and skillsets essential for operating a modern telecommunications company. Amid ongoing market volatility, their professionalism and collective experience play a vital role in safeguarding the Company's financial resilience. Their decisions are informed not only by an understanding of current market dynamics, but also by long-term business development scenarios.



# UNIFIED COMPLIANCE SYSTEM

GRI 205-1, 205-2, 205-3

Since 2016, MTS has been developing its Unified Compliance System (UCS) in line with applicable legislation, regulatory requirements and best practices.

## The UCS comprises nine thematic programmes

- Covering anti-corruption
- Fntitrust
- Insider information
- Intellectual property
- AML/CFT compliance
- Personal data protection
- Occupational health and safety
- Human rights
- Environmental matters

Each area is supervised by a designated functional unit, while centralised coordination is provided by the Business Ethics and Compliance Department.

## Key Compliance Outcomes in 2024

1. Compliance blog launched on the corporate intranet to raise awareness of the UCS programme
2. Internal regulations were updated, digital tools enhanced, audits of subsidiaries conducted, and programme effectiveness reviewed via self-assessment
3. Ongoing oversight of insider information management, targeted training for insiders, and reassessment of related risks
4. New Personal Data Processing Policy adopted, operator registry updated
5. Employees trained in preventing collusion in bidding
6. Antitrust risk assessment methodology further refined



**30,000**
employees trained

**85.2 POINTS**
overall compliance culture score

MTS maintains a zero-tolerance stance on corruption and exercises strict oversight of all business processes. PJSC MTS has adopted an Anti-Corruption Compliance Policy outlining measures to shape a strong corporate culture, organisational structure, and internal rules and procedures aimed at preventing corruption. Information on the Company's anti-corruption policies and procedures is communicated to all employees across the Group.

| | | |
|---|---|---|
| 2022 | 28 PERSONS | 100% |
| 2023 | 28 PERSONS | 100% |
| 2024 | 28 PERSONS | 100% |

- Total number of members of the governing bodies informed about the organisation's anti-corruption policies and procedures
- Percentage of members of the governing bodies informed about the organisation's anti-corruption policies and procedures

## In 2024, MTS successfully reaffirmed its compliance with international standards

ISO 37001:2016 (Anti-Bribery Management Systems) and ISO 37301:2021 (Compliance Management Systems), demonstrating the maturity and effectiveness of its current compliance framework.

## The Company's success in two professional awards further reflected the high standards of its compliance practices

- Russian Compliance Award 2024 – Best Innovation in Compliance
- Compliance – 2024 Award – For Leveraging Modern Technologies in the Development of Compliance Management Tools and Methodologies

# RISK MANAGEMENT

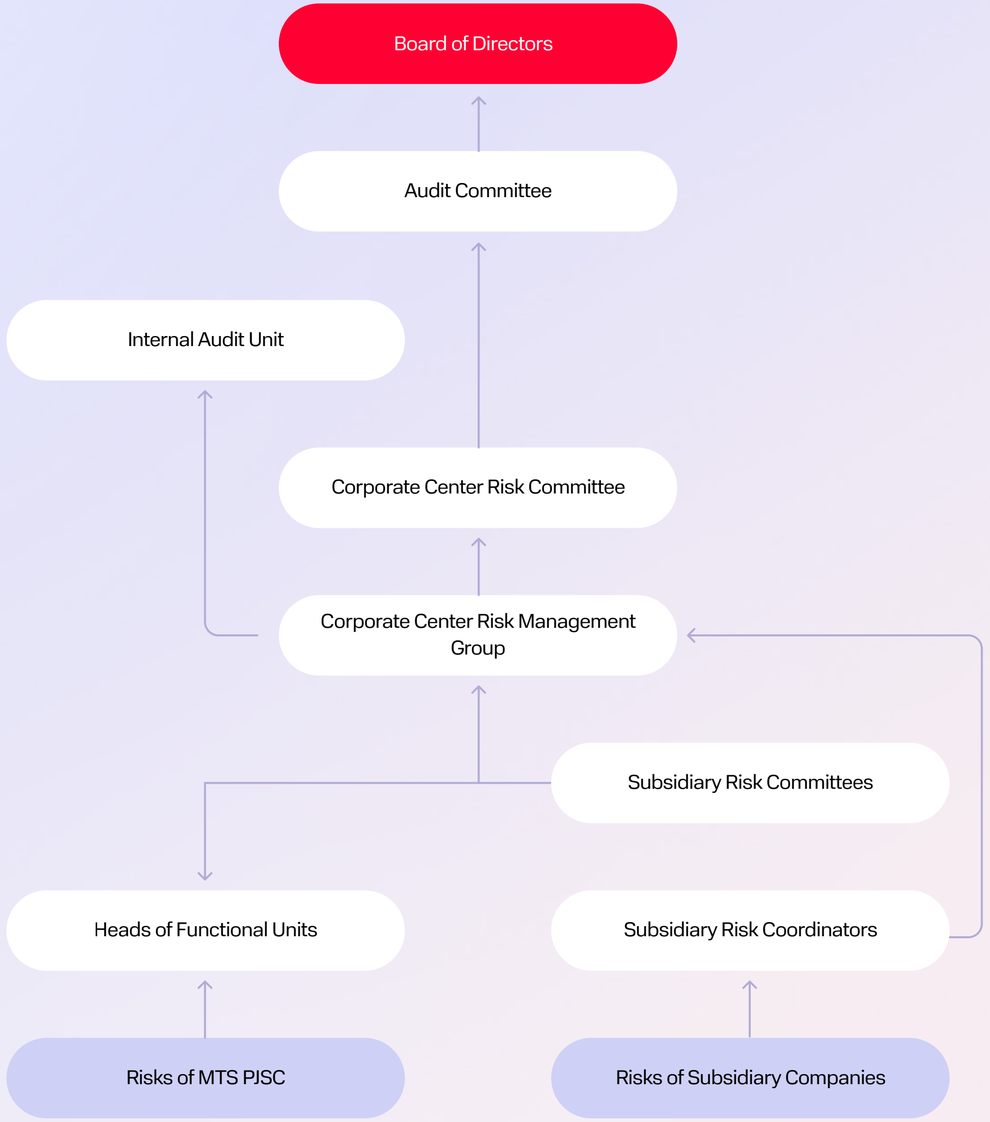
GRI 3-3

The Integrated Risk Management System at MTS ensures the identification, assessment, and mitigation of risks across all levels of corporate governance and operational activity. It is embedded in the Company's core business processes and aims to support the achievement of strategic objectives while minimising potential losses and threats.

**9** RISKS

**prioritized by MTS**





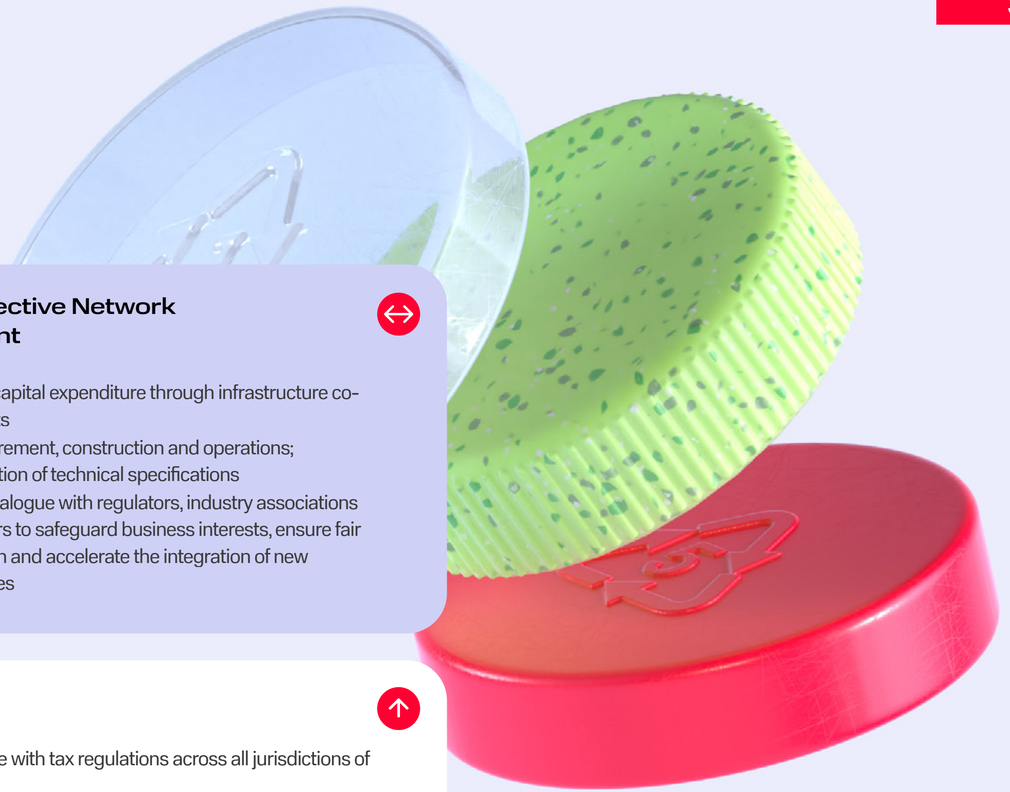

Risk management at MTS is overseen by the Corporate Centre Risk Management Group. The team conducts regular assessments of the most material risks, performs simulation modelling to determine key financial metrics, and prepares risk status reports. MTS Group's risk status reports are reviewed on a regular basis by the Risk Committee, where the Company's key risks are discussed and mitigation measures are determined. Risk information is also communicated to the Group's senior leadership, including the Chief Executive Officer, to ensure the completeness, quality, and consistency of data across all decision-making levels.

As part of efforts to enhance its risk management system, MTS is developing a new model for assessing IP-related risks[1] to improve the identification, classification, and quantification of risks linked to intellectual property.

The model will increase transparency in intangible asset management, strengthen the protection of IP rights, and reduce potential legal and financial risks for the Company. The implementation of this model will improve the accuracy and coverage of IP risk identification, strengthen oversight of products with potential control gaps, and enhance preventative protection mechanisms.

1 IP risk refers to the legal and regulatory exposure associated with the use, protection, and enforcement of intellectual property rights, including risks related to copyright infringement, misuse of patents or trademarks, and other potential violations.

# MTS Group Risks, Trends and Mitigation Measures



## Economic and Social Volatility

1. Monitoring developments in target markets
2. Flexible tariff adjustments in response to economic conditions
3. Service portfolio expansion
4. Raising external financing on optimal terms
5. Managing the level, cost and structure of debt

## Social Risks

1. Educational programmes on DEI and human rights
2. Corporate inclusion online-campaign
3. Employee surveys on DEI[1]-metrics
4. Participation in DEI and human rights forums

## Risks to Effective Network Development

1. Reducing capital expenditure through infrastructure co-investments
2. Joint procurement, construction and operations; harmonisation of technical specifications
3. Ongoing dialogue with regulators, industry associations and vendors to safeguard business interests, ensure fair competition and accelerate the integration of new technologies

## Regulatory Risks

1. Monitoring draft legislation
2. Participation in industry working groups to improve telecom regulation

## Environmental Risks

1. Compliance with environmental protection legislation
2. Implementation of environmental protection measures
3. Environmental Awareness for Employees and Users
4. Preparation and publication of the Sustainability Report and supporting environmental disclosures

## Tax Risks

1. Compliance with tax regulations across all jurisdictions of operation
2. Ongoing monitoring of legislative changes for effective tax and customs planning
3. Engaging external tax advisors as needed

## Compliance Risks

1. Implementation of global anti-corruption compliance practices
2. Development of the Group's Unified Compliance System
3. Regular updates to policies and procedures for high-risk operations
4. Prevention of corruption by employees and counterparties

## Occupational Health and Safety Risks

1. Occupational health and safety system certified to ISO 45001:2018
2. Internal oversight via local regulations
3. Workplace conditions assessment (SOUT)
4. Occupational safety training for employees

## Information Security and Cyber Risks

1. Compliance with data protection laws
2. Timely acquisition of licences for technical and cryptographic protection
3. Ongoing monitoring of cybersecurity threats and developments

↑ Risk increased

↓ Risk decreased

↔ Risk remained unchanged

1 DEI – diversity, equity and inclusion.

# SUPPLY CHAIN

## Key Figures for 2024



**2,400** INDIVIDUALS

completed training on compliance with the Counterparty Code of Business Conduct

**15,000+**

counterparties

**99.5%**

of procurement sourced from local suppliers

### UN SDGs

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

### Material Topics

- Quality of Services, Products and Customer Experience

GRI 2-6, 308-1, 308-2

MTS builds its procurement activities on the principles of transparency, integrity and open competition, ensuring a level playing field for all companies participating in tenders. The Company's procurement processes are governed by the MTS Procurement Regulations. Another key document is the Counterparty Code of Business Conduct of PJSC MTS, which outlines recommended standards that all counterparties are expected to observe. The Code is applied across all subsidiaries and affiliates of PJSC MTS. The Company places particular emphasis on ensuring that its counterparties uphold human rights and comply with environmental protection laws.

As part of the Group's business process digitalisation in 2024, regulatory documentation for procurement and logistics was migrated to the Confluence platform to improve user accessibility. In parallel, MTS began rolling out a Supplier Relationship Management (SRM)[1] system to optimise the full procurement cycle – from planning to order placement – with a focus on automation and robotic process integration.

## Core Principles of MTS Procurement Activities

**1 Transparency and Integrity**

Ensuring a level playing field for all participants

**2 Equal Access**

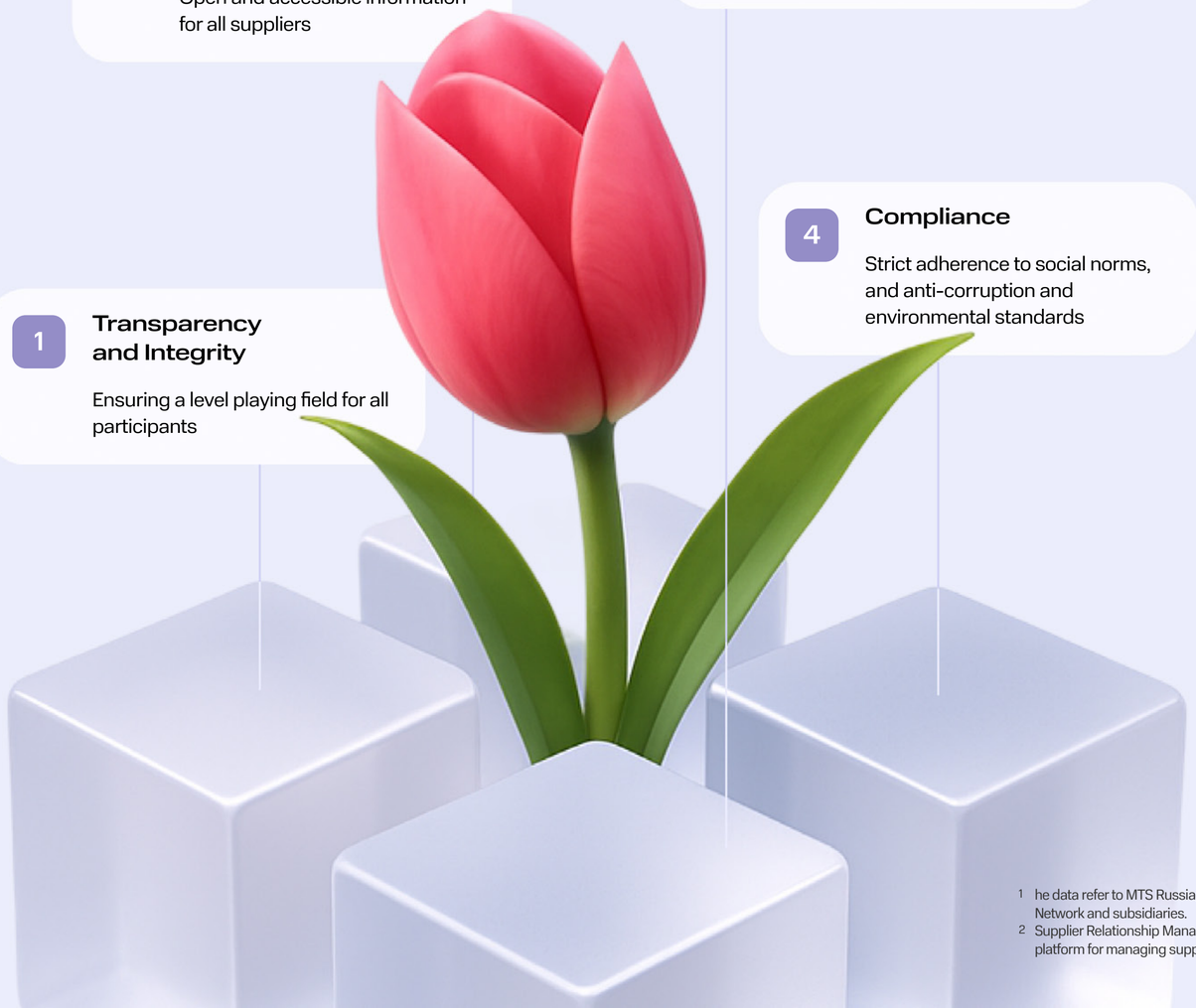
Open and accessible information for all suppliers

**3 E-Procurement System**

100% of procurement conducted online

**4 Compliance**

Strict adherence to social norms, and anti-corruption and environmental standards



It is worth noting that MTS gives preference to local suppliers, who account for the majority of procurement volumes.

**16,743**
Total suppliers[2]

of which

**99.5%**
Local suppliers

16,656

of which

**64.3%**
Small and medium-sized enterprises (SMEs)

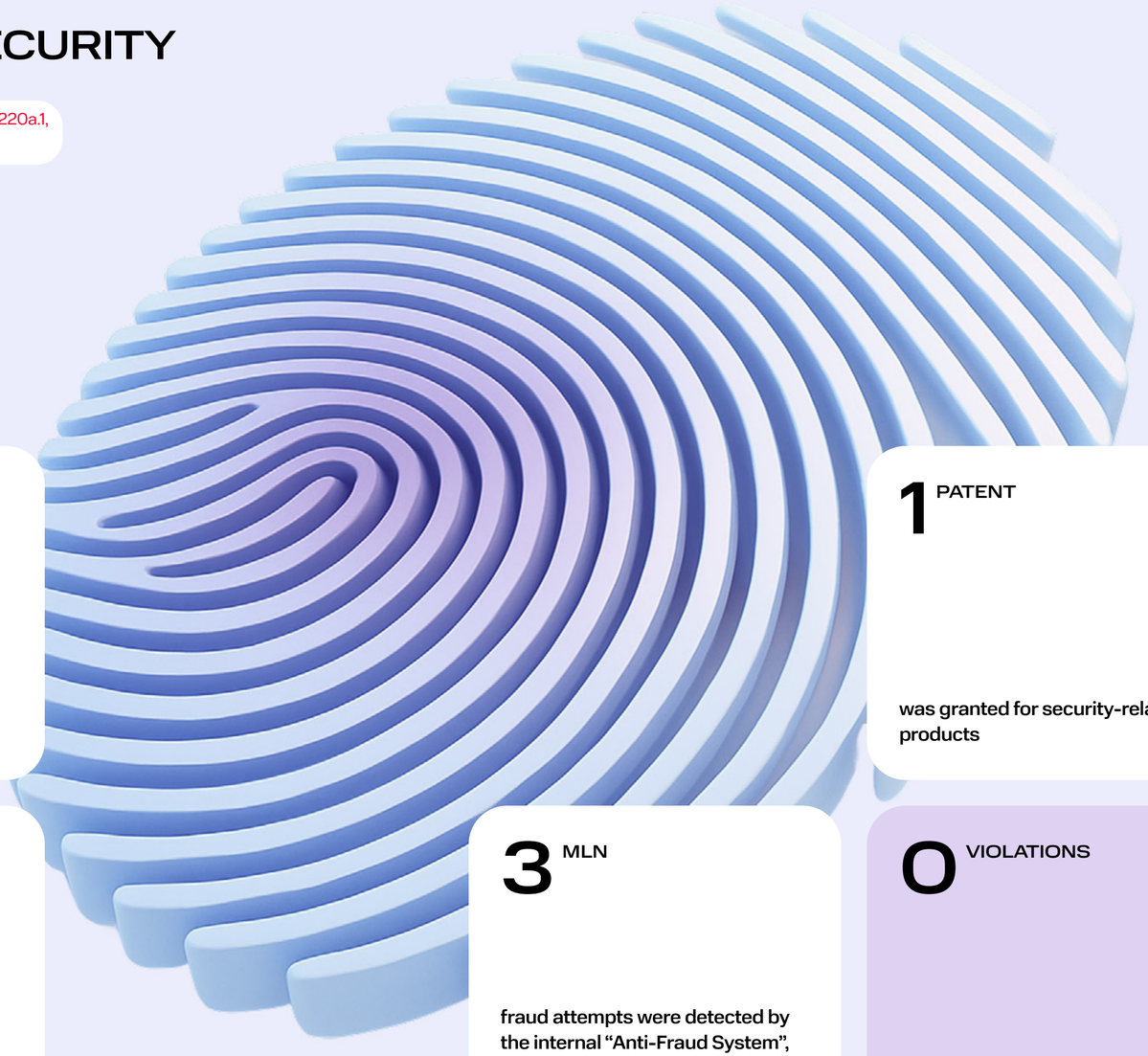
10,764

1 he data refer to MTS Russia, MGTS, the Retail Network and subsidiaries.
2 Supplier Relationship Management – a digital platform for managing supplier relationships.

# INFORMATION AND CYBERSECURITY

GRI 3-3, TC-IM-220a.1, TC-TL-220a.1, TC-SI-220a.1, TC-IM-230a.2, TC-TL-230a.2, TC-SI-230a.2

## Key Figures for 2024



**Were processed in total**

**104.1 BLN**

of which 2.7 billion were blocked by MTS protection tools

**phone calls**

### UN SDGs

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

### Material Topics

- Information Security and Personal Data Protection (including Protection and Respect for Intellectual Property)

**1 PATENT**

was granted for security-related products

**0 RUB MLN**

in losses incurred as a result of legal proceedings related to confidentiality breaches during the reporting period

**10 SECONDS OR LESS**

the time it takes to block a DDoS attack after detection

**3 MLN**

fraud attempts were detected by the internal “Anti-Fraud System”, preventing losses totalling RUB 817.5 million

**0 VIOLATIONS**

of personal data legislation were recorded

**30+ EMPLOYEES**

completed training on the handling and protection of personal data as part of the course Handling Confidential and Personal Data

Successfully passed an independent surveillance audit for compliance with the international standard

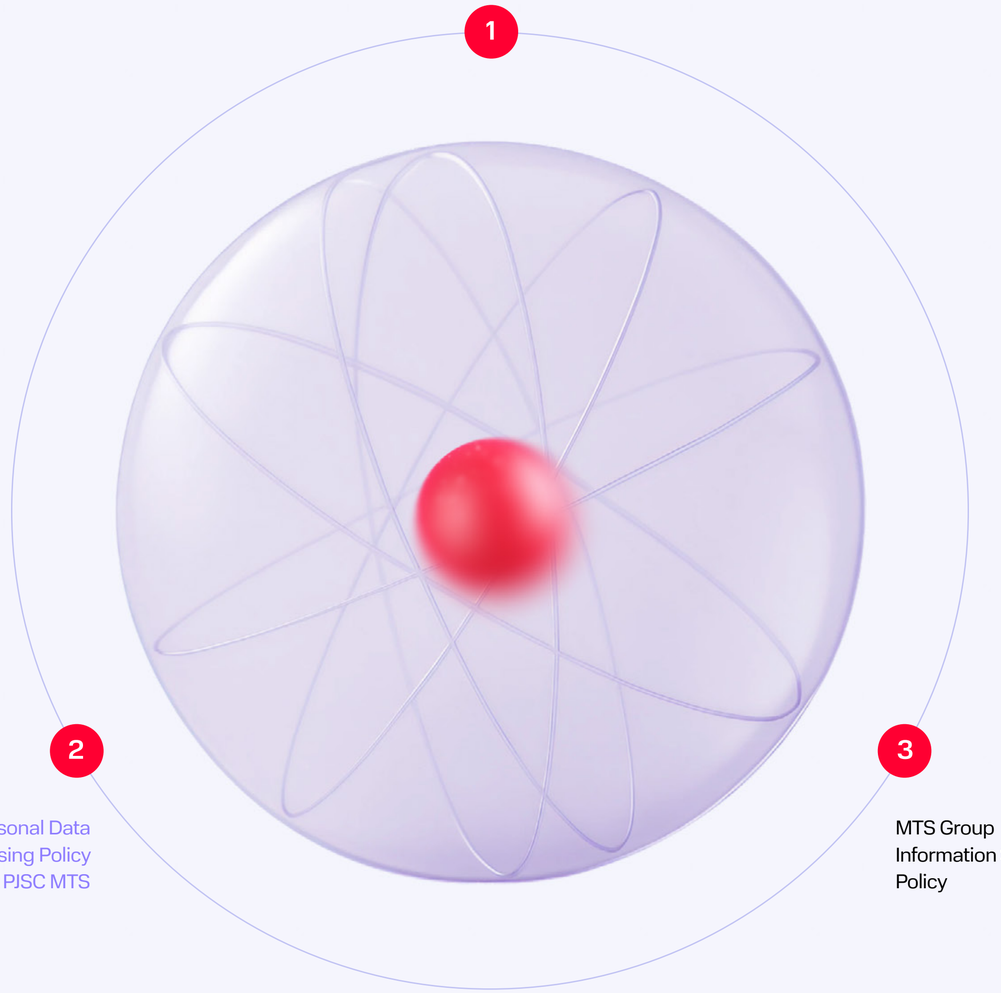
- ISO/IEC 27001:2022

Director of the Information Security Department

**Information security efforts in 2024 were fully aligned with the Security Division Development Strategy for 2024–2026, enabling robust protection of PJSC MTS's ICT infrastructure and restricted-access data processed across corporate information systems, including in remote working environments. In 2025, we will continue to pursue a systematic approach to safeguarding the Company's interests in the information domain.**

All information security initiatives are implemented in line with PJSC MTS's corporate strategy, ensuring their coherence and integration. The Group employs tools for malware protection, intrusion detection and prevention, as well as systems for analysing user access to information resources. Particular focus is placed on safeguarding confidential information on workstations and mobile devices, conducting regular vulnerability scans, and assessing the security posture of corporate systems.

## Key Information and Cybersecurity Documents




MTS has implemented a comprehensive Information Security Management System (ISMS) that standardises information protection processes across all levels of corporate governance. In the reporting year, the corporate ISMS successfully renewed its certification under standard

- ISO/IEC 27001:2022

## MTS Cybersecurity Centre in Belarus

In Belarus, the MTS Cybersecurity Centre was established pursuant to a Presidential Decree and forms part of the country's National Cybersecurity Framework. The Centre's primary role is to provide 24/7 monitoring of information security and to respond to incidents in accordance with pre-agreed Service Level Agreements (SLAs).

The service offers businesses the following capabilities:

- Around-the-clock protection against cyberthreats to maintain business continuity
- Cyber incident response
- Management of various information security tools
- Security posture assessment of information infrastructure assets

For more details about the Cybersecurity Centre in the Republic of Belarus, please refer to the website.

# Anti-Fraud

The MTS Anti-Fraud Department spearheaded the Company's integration with the Unified Call Verification Platform "Anti-Fraud" developed by Roskomnadzor. The initiative, implemented in the reporting year, aims to enhance the effectiveness of efforts to combat telephone fraud. The platform enables the detection and blocking of calls and SMS messages from spoofed numbers, significantly reducing risks for subscribers and improving overall trust in telecommunications services.

**3.06** MLN

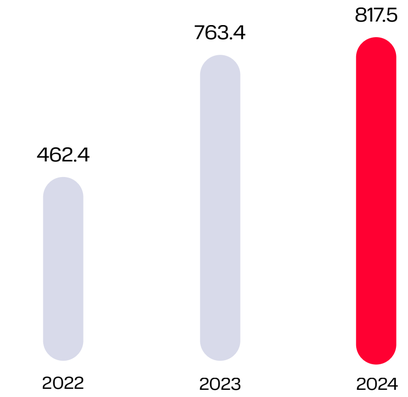
fraud incidents detected

**817.5** RUB MLN

in losses prevented

## Internal Anti-Fraud Systems of PJSC MTS

**Losses Prevented Through Controls Implemented via Internal Anti-Fraud Systems of PJSC MTS, RUB mln**




**104.1** BLN

calls

**2.7** BLN

calls blocked

## MTS × Unified Call Verification Platform "Anti-Fraud"

In compliance with Federal Law No. 115-FZ "On Countering the Legalisation (Laundering) of Illegal Earnings and the Financing of Terrorism", PJSC MTS has implemented a system for identifying and blocking accounts registered to individuals listed as terrorists or extremists.
The subscriber base is continuously monitored using automated tools to ensure timely identification and blocking of accounts associated with individuals on the relevant lists.

In 2024, a total of

**1,505**

accounts were identified and blocked

# In 2024, MTS Group implemented a number of projects aimed at strengthening its information and cybersecurity systems across key areas.

| Key focus areas | Implementation of Distributed Security Strategy | Protecting Restricted-Access Information and Promoting a Security Culture | Implementation of Distributed Security Strategy |
|---|---|---|---|
| **Projects** | + Implementation of a Security Information and Event Management (SIEM) system<br>+ Implementation of a Network Traffic Mirroring and Management system<br>+ Replacement of the Firewall Configuration and Log Collection and Analysis system<br>+ Implementation of organisational and technical measures to protect key services against DDoS attacks | + Maintaining uninterrupted operation of critical security systems and services<br>+ Full compliance with all licensing requirements has been ensured for the operation of cryptographic security tools, technical protection of confidential information, and cybersecurity monitoring of IT systems and assets<br>+ Project to certify PJSC MTS's Information Security Management System (ISMS) to the ISO/IEC 27001:2022 international standard<br>+ Development of a training course for MTS Group employees: Handling Confidential and Personal Data | + Implementation of a policy to replace information security tools sourced from unfriendly jurisdictions |

# Ensuring Data Privacy and Confidentiality

GRI 418-1

In 2024, the Company continued to enhance its approach to personal data processing, guided by the principles of transparency and accountability. As part of these efforts, the Company adopted a revised version of its Personal Data Processing Policy, aligned with current legal requirements and subject to public disclosure to ensure transparency of operations. The Policy sets out the principles, procedures and conditions for processing personal data of employees, subscribers, customers and other individuals, and establishes the rules governing all business units involved in data processing activities.

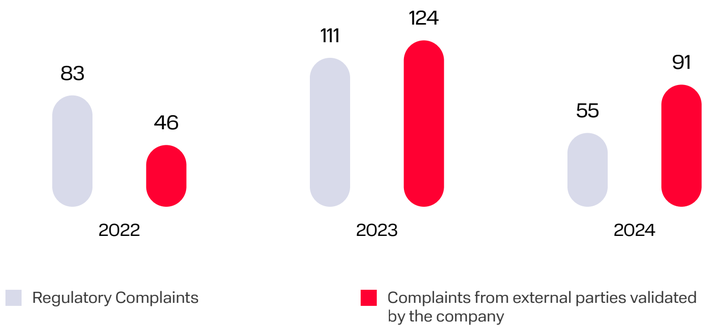
Particular attention is paid to keeping the Register of Personal Data Operators up to date, helping to mitigate the risk of irregularities that may trigger unplanned inspections by supervisory authorities.

Cross-border data transfers and notifications to the authorised regulator are closely monitored to ensure compliance with high standards for protecting data subjects' rights and with the legal requirements of the Russian Federation.

The decline in the number of reported incidents during the reporting year reflects the ongoing efforts of the Information Security Department to strengthen personal data protection.

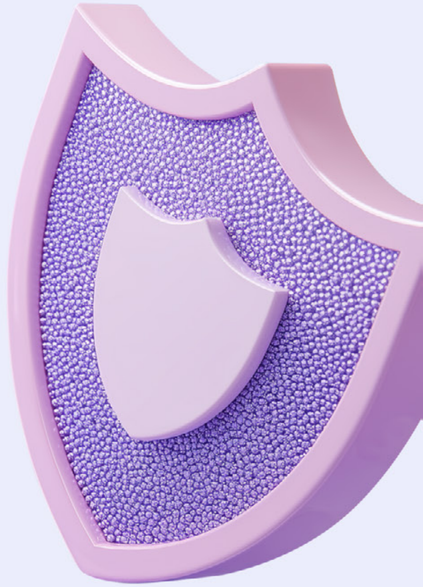
The MTS Group does not use user data for secondary personal data processing purposes. The processing of personal data is limited to achieving specific, pre-defined and lawful purposes.

### Number of complaints related to customer data breaches and confidentiality violations, units




# Information and Cybersecurity Training

MTS places a strong focus on maintaining a secure information environment. To this end, the Company regularly delivers cybersecurity training to both its employees and customers, raising awareness and strengthening digital resilience across all stakeholder groups.



### All-Russian Open Online Lesson on Cybersecurity

In the reporting year, MTS launched a large-scale educational initiative – an All-Russian Open Online Lesson on Cybersecurity. The project was developed in partnership with the Sistema Charitable Foundation. The online lesson is a comprehensive educational resource combining awareness-raising with elements of career guidance. It is designed as a multi-format platform offering teachers instructional materials on cybersecurity for integration into the curriculum, and families a toolkit for exploring digital hygiene together.

The lesson covers three key areas: practical aspects of personal data protection, an overview of corporate cybersecurity systems, and insights into career opportunities in the IT sector. The interactive format includes themed quizzes with the opportunity to earn educational grants, enhancing student engagement and motivation.

The initiative is part of the national programme Open Lessons on Future Technologies and Professions.

### Cybersecurity Awareness Service for Employees

The product is a modern mobile platform designed to build lasting cybersecurity habits among employees. It offers a range of online courses, assessments and hands-on exercises to help employees identify phishing and other types of online fraud. The platform is fully automated and requires no external trainers. Employers benefit from a dedicated dashboard to assign courses, track progress and analyse results.

The programme includes simulated phishing campaigns tailored to the company's environment, helping to identify at-risk users and develop effective defence skills.

# TAX STRATEGY

GRI-207-1, 207-2

The Corporate Centre's Tax Administration Department is responsible for ensuring the Group's companies meet their tax obligations in full and on time. The Department develops and updates internal tax regulations that apply across all Group companies, taking into account the specifics of their operations.



## Tax Risk and Asset Management

The Group has adopted an internal Regulation on Tax Risk and Asset Management to identify and assess tax risks that must be disclosed to tax authorities.

The Group's tax governance is built on the following principles:

- accuracy and completeness of tax payments
- maintaining each Group company's reputation as a responsible taxpayer
- proactive engagement with regulatory authorities
- consistent and unified tax methodology
- structured management of tax risks and assets
- well-reasoned decision-making
- timely engagement and communication with stakeholders

## Tax Monitoring Participant

We maintain an open dialogue with regulators: MTS was the first company in Russia to join the tax monitoring programme, a framework for enhanced information sharing with tax authorities. MTS publishes annual financial statements disclosing tax-related information on the operations of its Group companies.

MTS engages with the following authorities on taxation matters:

- Federal Tax Service (FTS)
- Ministry of Finance of the Russian Federation

The Company takes a responsible approach to tax compliance – and expects the same from its customers. Each year, MTS reminds users of its services about the importance of paying taxes on time.

**Holders of cards issued by any Russian bank can pay their taxes in the MTS Bank mobile app via the Payments tab using one of the following convenient methods:**

Select the "Public Services, Fines, and Taxes" section and choose "Payment by UIN".[1]

Scan the QR[2] code – both the UIN and QR code are provided on the tax notification issued via the Personal Taxpayer Account online service. MTS Bank users can also subscribe to personal tax notifications. Once activated, the app will automatically display new tax assessments as they are issued.

**In the reporting year**

**3,959 RUB MLN**

**the total accrued income tax amounted**

1 The Unique Accrual Identifier (UIN) is a 20- or 25-digit code assigned to payments for fines, penalties, and other public charges.
2 The UIN and QR code are provided on the tax notice sent to individuals via the Personal Taxpayer Account online service.



# APPENDICES


120 Independent practitioner's assurance report

123 Glossary and Abbreviations

125 List of Key Internal Documents

127 GRI Compliance Table

135 SASB Content Index

139 GSMA Compliance

145 Compliance with Order of the Ministry of Economic Development of the Russian Federation

148 Contacts

# INDEPENDENT PRACTITIONER'S ASSURANCE REPORT

TRANSLATION OF THE ORIGINAL RUSSIAN VERSION

## INDEPENDENT PRACTITIONER'S ASSURANCE REPORT

Based on the results of the assignment, providing limited assurance regarding to

MTS Group Sustainability Report for 2024

TRANSLATION OF THE ORIGINAL RUSSIAN VERSION



To the shareholders and Board of directors of
Mobile TeleSystems Public Joint Stock Company (MTS OJSC)

### CUSTOMER

| | |
|---|---|
| **Full name** | Mobile TeleSystems Public Joint Stock Company |
| **Abbreviated name** | MTS OJSC |
| **State registration** | Certificate of State Registration No. P-7882.16 dated 01 March 2000 by the State Registration Chamber under the Ministry of Justice of the Russian Federation;<br>Certificate of State Registration 77 No. 004890952 dated 02 September 2002 by the Moscow Office of the Ministry of Taxes and Duties of the Russian Federation;<br>Entered in the Unified State Register of Legal Entities under the main state registration number 1027700149124 |
| **Location** | 4, building 1, Marxistskaya St., Moscow, 109147 |

### CONTRACTOR (INDEPENDENT PRACTITIONER)

| | |
|---|---|
| **Full name** | Pacioli Limited Liability Company |
| **Abbreviated name** | Pacioli Ltd. |
| **State registration** | State Registration Certificate No. 856.235 dated 23 June 1995, issued by the Moscow Registration Chamber;<br>State registration certificate series 77 No. 005390060 dated 22 October 2002, issued by the Interdistrict Inspectorate of the Ministry of Taxes and Levies of Russia No. 39 for Moscow;<br>Entered in the Unified State Register of Legal Entities under the main state registration number 1027739428716 |
| **Location** | 7 Bolshaya Tatarskaya St., Zamoskvorechye Municipal District, Moscow, IN, 115184. |
| **Membership in a self-regulatory organisation of auditors** | Member of the Self-regulated organisation of auditors Association "Sodrugestvo";<br>Included in the Register of Auditors and Audit Organisations of the said self-regulatory organisation of auditors on 28 October 2016 under the main registration number 11606052374 |

## INFORMATION ABOUT THE SUBJECT OF THE ASSIGNMENT

The subject of the assignment is the assessment of the sample indicators of the MTS Group Sustainability Report (hereinafter referred to as the Group) for 2024: total number of staff, energy, water, waste, diversity and equal opportunities, workplace health and safety, training and education, direct GHG emissions (scope 1), indirect GHG emissions (scope 2). MTS Group refers to OJSC MTS (with all its divisions) and the subsidiaries it controls.

Based on the results of the assignment, we form an independent conclusion that provides a limited level of assurance that the sample indicators of the MTS Group Sustainability Report for 2024 have been properly prepared in all material aspects based on the criteria established by the requirements of the Sustainability Reporting Guidelines of the Global Reporting Initiative (GRI Standards).

## APPLICABLE CRITERIA

For the purpose of assessment, the requirements of the Sustainability Reporting Guidelines of the international organisation Global Reporting Initiative GRI Standards for the formats of disclosure of relevant indicators and information disclosure principles were used:

| No. | Sample indicators | Criteria |
|---|---|---|
| 1. | Total number of staff | Requirements for reporting element GRI 2-7 of the Standards<br>Paragraphs of requirements 401-1-a to the reporting element GRI 401-1 of the Standards |
| 2. | Energy | Requirements for the reporting element GRI 302-1 of the Standards |
| 3. | Water | Paragraph of requirements 303-3-a to the reporting element GRI 303-3 of the Standards |
| 4. | Waste | Requirements for the reporting element GRI 306-3 of the Standards<br>Paragraphs of requirements 306-4-b, c, with the exception of the corresponding breakdowns, to the reporting element GRI 306-4 of the Standards<br>Paragraphs of requirements 306-5-b,c, with the exception of the corresponding breakdowns, to the reporting element GRI 306-5 of the Standards |
| 5. | Diversity and equal opportunities | Requirements for the reporting element GRI 405-1 of the Standards |
| 6. | Workplace health and safety | Requirements 403-9-a, sub-paragraphs i, ii, iii, v to the reporting element GRI 403-9 of the Standards |
| 7. | Training and education | Requirements for the reporting element GRI 404-1 of the Standards |
| 8. | Direct GHG emissions (scope 1) | Paragraph of requirement 305-1-a to the reporting element GRI 305-1 of the Standards |





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|---|---|---|
| 9. | Indirect GHG emissions (scope 2) | Paragraph of requirement 305-2-a for the reporting element GRI 305-2 of the Standards |

## RESPONSIBILITY OF THE CUSTOMER'S MANAGEMENT

Management is responsible for preparing and submitting the MTS Group Sustainability Report for 2024, including the sample indicators without material misstatements in accordance with the applicable criteria.

This responsibility includes establishing and maintaining such internal control as management determines is necessary to enable the preparation of this Report and to ensure that such Report is free from material misstatement, whether due to fraud or error.

This responsibility also includes the selection of applicable legal requirements, as well as the development of internal documents and methods for calculating performance indicators in the field of sustainable development in accordance with the requirements of the guidelines on sustainable development reporting of the international organization Global Reporting Initiative GRI Standards.

## RESPONSIBILITY OF THE CONTRACTOR AND A BRIEF OVERVIEW OF THE WORK CARRIED OUT

We performed the engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" approved by Order of the Ministry of Finance of Russia No. 2n dated 09.01.2019 (ISAE 3000 (Revised)).

Our responsibility is to provide a conclusion, based on the procedures performed and evidence obtained, on an assignment providing limited assurance as to whether the sample indicators meet the applicable criteria.

In a limited assurance assignment, the performer reduces the risk inherent in the assignment to an acceptably low level given the circumstances in order to form a conclusion.

A limited assurance engagement involves significantly less work than a reasonable assurance engagement with respect to both the risk assessment procedures, including the review of internal controls, and the procedures performed in response to the assessed risks.

As part of an assignment conducted in accordance with ISAE 3000 (Revised), we apply professional judgement and maintain professional scepticism throughout the assignment.
In addition, we perform the following:

- identify and assess the risks of material misstatement of the Report due to fraud or error; develop and implement procedures in response to those risks; and obtain evidence that is sufficient and appropriate to form the basis for our conclusion. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting a material misstatement due to error, as fraud may include collusion, forgery, intentional omissions, misrepresentations, or actions to circumvent internal controls;
- obtain an understanding of internal control relevant to the performance of the engagement in order to design procedures that are appropriate in the circumstances,





but not for the purpose of forming a conclusion on the effectiveness of the customer's internal control;
- assess the appropriateness of policies, internal documents and calculation methodologies used, the reasonableness of estimates and related disclosures made by management.

The procedures we performed were based on our professional judgement and included making enquiries, inspecting documents, analytical procedures, assessing the appropriateness of the quantification methods and reporting policies, and agreeing or reconciling to the relevant data.

Given the circumstances of the assignment, we have carried out the following steps in performing the above procedures:

- a selective study of the processes of collecting and processing information for the purpose of preparing the MTS Group Sustainability Report for 2024;
- interviewing representatives of management and employees of MTS OJSC to obtain explanations of the methodology of information collection, calculation of consolidated MTS Group data and documentary evidence on sample indicators;
- random verification of the indicators that are the subject of verification for compliance with internal and external reporting;
- study of selected internal documents and performance data of MTS OJSC in order to confirm the reliability of information on sample indicators;
- study of the information posted on the website https://moskva.mts.ru information about the activity MTS OJSC, including in the field of sustainable development;
- selective study of information about MTS OJSC in the mass media;
- analysis of sample indicators for compliance with applicable verification criteria.

The procedures were conducted solely in relation to data for 2024. The procedures were not performed with respect to third party statements regarding the activities of MTS OJSC in the area of sustainable development included in the Report, as well as forward-looking statements, future events, and performance results.

## CONCLUSIONS

Based on the procedures performed and evidence obtained, nothing has come to our attention that would lead us to believe that the the sample indicators of the MTS Group Sustainability Report for 2024 does not comply in all material respects with the requirements of the Sustainability Reporting Guidelines of the Global Reporting Initiative GRI Standards.

## INHERENT LIMITATIONS

With the exception of information prepared based on criteria that determine the scope of our assignment, we have not followed procedures with respect to the remaining information included in the Report, and accordingly, we do not draw a conclusion with respect to this information.

Without modifying our conclusion, we draw attention to the inherent limitations associated with the ability to certify that the Report, including all annexes, including the Minutes of the Public

**TRANSLATION OF THE ORIGINAL RUSSIAN VERSION**

Pacioli Ltd.
Conclusion on the results of the assignment providing limited assurance regarding to MTS Group Sustainability Report for 2024

Hearings of the Council of the Russian Union of Industrialists and Entrepreneurs on Non-Financial Reporting, has been made publicly available in its final version due to the fact that the signing of this opinion preceded it.

## STATEMENT OF INDEPENDENCE AND COMPETENCE

Pacioli LLC is an independent audit and consulting firm that complies with the independence and other ethical requirements of the Rules of Independence of Auditors and Audit Organisations and the Code of Professional Ethics of Auditors in the Russian Federation, based on the fundamental principles of honesty, objectivity, professional competence and due diligence, confidentiality and professional conduct, and complies with the requirements of International Standard on Quality Management 1 "Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements". Thus, Pacioli LLC maintains a comprehensive quality management system, including that confirmed by documented policies and procedures regarding compliance with ethical standards requirements, professional standards and applicable legal and regulatory requirements.

## OTHER INFORMATION

The draft Sustainability Report of MTS Group for 2024 was reviewed by the Management Board of MTS OJSC and the Board of Directors of MTS OJSC.

The head of the assignment
that resulted in the report,

Executive Director
(by Power of Attorney No. 3/P of 09.01.2025)

Pacioli LLC
(Qualification Certificate No. 02-000316, open-ended;
Included in the Register of Auditors and Audit Organisations of SRO AAS under the main registration number 21506027602)



Olga Viktorovna Goryacheva

08 August 2025

# GLOSSARY AND ABBREVIATIONS

**2G, 3G, 4G and 5G** – mobile radio communication standards offering increasing data transmission speeds

**Accelerator** – an intensive educational programme supporting early-stage startups

**AI, Artificial Intelligence** – a field of computer science focused on developing systems capable of simulating human behaviour and performing creative and intellectual tasks

**AR** – Augmented Reality

**Audit Committee** – the Audit Committee of the MTS Board of Directors

**B2B** (Business-to-Business) – business model involving commercial transactions between companies

**B2C** (Business-to-Consumer) – business model focused on direct sales of goods or services to individual consumers

**Big Data** – large datasets generated by complex information systems and analysed using advanced computing technologies

**BS** (Base Station) – a set of radio transmission equipment

**Bullying** – persistent aggressive behaviour targeted at an individual, typically involving a power imbalance

**Cashback** – refund of a portion of expenses incurred when paying for goods and services

**CF** – Charitable Foundation

**Chatbot** – a computer programme that simulates dialogue based on scripted scenarios, enabling interactive communication with digital systems

**Cloud Technologies** – IT solutions enabling remote data storage and processing via the Internet

**Compliance** – a corporate control function aimed at preventing legal violations by employees and counterparties, and promoting a culture of business ethics based on adherence to the law

**Compliance Control** – internal oversight ensuring that activities comply with legislation and internal corporate regulations

**Dashboard** – an information panel that aggregates data from other systems and presents it in a clear, accessible format

**DDoS attack** (Distributed Denial-of-Service) – a method of disabling websites by overwhelming them with traffic

**Discrimination** – the restriction of rights of an individual or group based on specific characteristics

**E-waste** – a category of waste comprising discarded electronic and electrical devices, as well as their components

**Ecosystem** – a network of companies and services built around a unified platform to meet a broad range of user needs

**EDI** – Electronic Document Interchange system ensuring legally valid data exchange between organisations

**ESG** – sustainable business development based on principles of environmental responsibility (E), social impact (S), and sound corporate governance (G)

**ESG Committee** – the Committee on Corporate Governance, Environmental and Social Responsibility of the PJSC MTS Board of Directors

**FinTech** – the delivery of financial services using innovative technologies

**Fixed-line Telephony** – voice communication via wired telephone connections

**GHG** – Greenhouse Gases

**GRI** (Global Reporting Initiative) – international standards for sustainability reporting

**GSMA** – Global System for Mobile Communications

**Hard skills** – job-specific competencies, knowledge and abilities that enable individuals to perform their tasks effectively

**Housing and Utilities (ZhKH)** – the residential and public utilities sector

**HR** (Human Resources) – a dedicated corporate function responsible for recruitment, onboarding, and workforce management

**Inclusion** – participation of socially vulnerable groups, including persons with disabilities and older adults, in public life

**IoT** (Internet of Things) – a network of physical objects connected to the internet and equipped to exchange data autonomously

**IT** – Information Technology

**KION** – a Russian multimedia online platform developed by the Company

# GLOSSARY AND ABBREVIATIONS

**LLC (OOO)** – Limited Liability Company

**Local Community** – individuals or legal entities with a stake in the Company's operations in a specific region

**LTE** – a high-speed data transmission standard for mobile phones and other data-enabled terminals

**Machine Learning** – a method of training computers using patterns and inference without explicit programming

**NB-IoT** (Narrow Band Internet of Things) – a cellular communication standard for low-volume IoT data exchange

**NPS** (Net Promoter Score) – an index measuring a customer's likelihood to recommend MTS to others

**Onboarding** – company-driven activities aimed at integrating new employees into the workplace

**PJSC** – Public Joint Stock Company

**PMV** – Personal Mobility Vehicles: transport devices with one or more wheels and powered by one or more motors

**R&D Lab** (Research and Development) – a specialized unit within a company or organization focused on creating new products, technologies, and solutions, as well as improving existing ones

**Ranking** – a list of entities (typically organisations) ordered by a defined metric or performance indicator

**Refarming** – the reallocation of assigned radio frequencies to a different wireless technology

**Refurbishment** – the process of restoring, upgrading or servicing equipment for continued use

**Retail** – the sale of goods or services directly to end consumers through a retail network

**SASB** (Sustainability Accounting Standards Board) – a body that develops sustainability accounting standards

**SAW (SOUT)** – Special Assessment of Working Conditions

**SDGs** – Sustainable Development Goals, a set of 17 interlinked objectives adopted by the UN General Assembly in 2015

**Smart Home** – an automated system for controlling household engineering systems via electronic devices

**SOC (Security Operations Center)** – centralised facility for monitoring and managing security incidents

**Soft skills** – cross-functional competencies that support interpersonal collaboration and real-life problem-solving

**SRE** (Site Reliability Engineering) – discipline focused on ensuring the stability and reliability of high-load services

**Stakeholder** – an individual or entity with interests in, or influence over, a project or organisation

**Startup** – a newly launched project, business, or company with limited operational history

**Subsidiaries** – affiliated companies under the control of a parent organisation

**Targeted Advertising** – online advertising tailored to specific interests and characteristics of a defined audience

**tNPS** (Transactional Net Promoter Score) – a metric used to gauge customer loyalty to a product or company (willingness to recommend), assessing the likelihood of repeat purchases

**UH** – Unified Hotline

**UMTS** (Universal Mobile Telecommunications System) – a third-generation (3G) mobile communication standard developed to increase data transfer speeds and enhance capabilities compared to previous standards like GSM (2G)

**Venture Fund** – an investment fund providing capital to early-stage enterprises or projects

**VHI** – Voluntary Health Insurance

**VR** (Virtual Reality) – computer-generated immersive environments

# LIST OF KEY INTERNAL DOCUMENTS

## ESG Management

- MTS Group Business Strategy CLV 2.0
- ESG Strategy
- Integrated Risk Management Policy →

## Environmental Responsibility

- Environmental Safety and Protection at Administrative Facilities Policy
- Industrial and Consumer Waste Management Standard
- PJSC MTS Greenhouse Gas Emissions Management Strategy

## Social Responsibility

- ISO 9001:2015 International Quality Standard Compliance Certificate →
- GOST R ISO 9001:2015 Compliance Certificate of PJSC MTS Quality Management System →
- Quality and Customer Experience Management Policy →
- PJSC MTS Social Responsibility Strategy in Regions of Operation
- MTS Charitable Activities Policy
- Antimonopoly Policy of PJSC MTS
- Regulations for the “Planning, Initiation and Implementation of Charitable Projects and Programmes” Process
- Regulations for the “Organisation and Delivery of Indirect Advertising and Sponsorship Projects” Process
- MTS Group Health, Safety and Wellbeing Strategy for 2021–2023
- Diversity, Equity and Inclusion Policy →
- Occupational Health and Safety Management System Policy
- OHSAS 18001:2007 Compliance Certificate
- ISO 45001:2020 (ISO 45001:2018) Compliance Certificate →
- Requirements for Conducting Workplace Accident Investigations Standard
- Requirements for Organising and Conducting Pre-employment and Periodic Medical Examinations Standard

## Responsible Business Conduct

### Business Ethics and Compliance

- Code of Business Conduct and Ethics →
- PJSC MTS Compliance Policy
- Anti-Corruption Compliance Policy →
- Conflict of Interest Management Policy →
- Antimonopoly Policy of PJSC MTS →
- MTS Procurement Regulation →
- Counterparty Code of Business Conduct →
- Gifts and Corporate Hospitality Policy
- Gifts and Corporate Hospitality Guidelines →
- ISO 37301:2021 Certificate of Compliance
- ISO 37001:2016 Certificate of Compliance
- Countering the Unlawful Use of Insider Information and Market Manipulation Policy
- PJSC MTS Regulations on Principles and Procedures for Preventing Insider Dealing
- MTS Group Intellectual Property Management Policy

## Shareholder and Investor Relations

- Shareholder Engagement in Government Relations, Business Development and Operations Policy →
- PJSC MTS Dividend Policy Regulations →
- PJSC MTS General Shareholders’ Meeting Regulations →
- PJSC MTS Disclosure of Information to Shareholders Regulations →

# LIST OF KEY INTERNAL DOCUMENTS

## Corporate Governance

- PJSC MTS Charter →
- PJSC MTS Board of Directors Regulations →
- PJSC MTS Management Board Regulations →
- PJSC MTS President Regulations →
- PJSC MTS Directors' Remuneration Regulations →
- PJSC MTS Audit Committee Regulations →
- PJSC MTS Remuneration and Nomination Committee Regulations →
- JSC MTS ESG and Corporate Governance Committee Regulations →
- PJSC MTS Strategy Committee Regulations →
- PJSC MTS Internal Audit Commission Regulations →
- PJSC MTS Information Policy Regulations →
- PJSC MTS Corporate Governance Department Regulations →
- Regulations for the "Tax Risk and Asset Management" Process
- PJSC MTS Registration Certificates →
- Internal Control System Regulations →
- Internal Control and Audit Policy →
- Methodology for Developing an Effective Internal Control System Standard (for Compliance with the Sarbanes-Oxley Act, Sections 302 and 404)
- Methodology for Testing and Certifying the Internal Control System Standard (in Accordance with the Sarbanes-Oxley Act, Sections

## Information security and personal data protection

- PJSC MTS Functional Strategy for Integrated Security Management
- MTS Group Information Security Policy
- PJSC MTS Information Security Requirements Policy
- PJSC MTS Information Security and Confidentiality Regulations
- PJSC MTS Regulations for the "Management of Physical Media Containing Trade Secrets and Other Confidential Information" Process
- Standard Non-Disclosure Agreement Template →
- Facility Security Requirements Standard
- PJSC MTS Personal Data Security Policy →
- Assessment Report on the Security Level of Personal Data Processed in PJSC MTS Information Systems
- Order on Appointing Persons Responsible for Organising Personal Data Processing and Ensuring Data Security at PJSC MTS
- ISO 27001:2022 Certificate of Compliance

# GRI COMPLIANCE TABLE

| Standard | Disclosure | Section in the Report | Report Page | Comment |
|---|---|---|---|---|
| **GRI 2: General Disclosures 2021** | 2-1 Organisation details | – | | The headquarters of PJSC MTS is located in Moscow, Russian Federation.<br>In 2024, the Group operated in the Russian Federation and the Republic of Belarus |
| | 2-2 Entities included in the organisation's sustainability reporting boundary | Sustainability Governance | p. 7 | |
| | 2-3 Reporting period, frequency and contact point | About this Report<br>Contacts | p. 4<br>p. 148 | |
| | 2-4 Restatements of information | About this Report | p. 4 | |
| | 2-5 External assurance | About this Report | p. 120–122 | |
| | 2-6 Activities, value chain and other business relationships | Supply Chain | p. 7-8 | Section "Compliance and Business Ethics Culture" of the PJSC MTS Annual Report 2024, p. 156 |
| | 2-7 Employees | Employee Responsibility<br>ESG Databook | p. 82 | Data on the number of employees with contracts that do not guarantee a set number of paid working hours, disaggregated by gender and region, is not disclosed. The report also lacks information on material changes in headcount during or between reporting periods |
| | 2-8 Workers who are not employees | ESG Databook | p. 87 | Workers who are not employees include interns, employees on parental leave, and part-time employees with secondary employment contracts |
| | 2-9 Governance structure and composition | Corporate Governance<br>ESG Databook | p. 105, 107 | Section "Corporate Governance System" of the PJSC MTS Annual Report 2024, p. 82 |
| | 2-10 Nomination and selection of the highest governance body | Corporate Governance | | PJSC MTS Board of Directors Regulations, p. 9; Clause 28.23 of the PJSC MTS Charter |
| | 2-11 Chair of the highest governance body | Corporate Governance | | Section "Corporate Governance System" of the PJSC MTS Annual Report 2024, p. 82 |
| | 2-12 Role of the highest governance body in overseeing the management of impacts | Corporate Governance | p. 107 | Company units are responsible for collecting stakeholder feedback as part of ongoing engagement efforts. The highest governance body reviews the feedback received as part of its evaluation of departmental performance for the reporting period |
| | 2-13 Delegation of responsibility for managing impacts | Corporate Governance | p. 106–107 | |
| | 2-14 Role of the highest governance body in sustainability reporting | Corporate Governance | p. 106–107 | |

| Standard | Disclosure | Section in the Report | Report Page | Comment |
|---|---|---|---|---|
| | 2-15 Conflicts of interest | | | Section “Managing Potential Conflicts of Interest” of the PJSC MTS Annual Report 2024, p. 125. In the event of an actual or potential conflict of interest, members of the Board of Directors must disclose relevant information to the Board and abstain from voting on the matter |
| | 2-16 Communication of critical concerns | Human Rights Compliance | p. 25 | The Company provides various channels for reporting critical concerns, including the Unified Whistleblowing Hotline, the internal corporate portal, and meetings with senior management. No critical concerns were reported during the reporting year |
| | 2-17 Collective knowledge of the highest governance body | Corporate Governance | | Each year, the Company takes steps to enhance the collective knowledge, skills and experience of senior management and Board members in matters of sustainability.<br><br>Activities are carried out across specific focus areas of sustainability, including:<br>• under Responsible Business Conduct, compliance training is provided to members of the Board of Directors, its committees and senior management – including sessions on the anti-corruption compliance framework<br>• under Employee Responsibility, training programmes are offered to senior executives and managers on diversity, equity and inclusion (DEI), including human rights compliance<br>• in addition to these areas, targeted consultations are provided to senior leaders in other aspects of the sustainability agenda |
| | 2-18 Evaluation of the performance of the highest governance body | | | Section “Board of Directors Performance Evaluation” of the PJSC MTS Annual Report 2024, p. 96 |
| | 2-19 Remuneration policies | | | Section “Board of Directors’ Remuneration” of the PJSC MTS Annual Report 2024, p. 114 |
| | 2-20 Process to determine remuneration | | | Section “Board of Directors’ Remuneration” of the PJSC MTS Annual Report 2024, p. 114. The amount of remuneration for members of the Board of Directors is determined in accordance with the PJSC MTS Directors’ Remuneration and Compensation Regulations, which are approved by the General Shareholders’ Meeting |
| | 2-21 Annual total compensation ratio | | | Company units are responsible for collecting stakeholder feedback as part of ongoing engagement efforts. The highest governance bodies review stakeholder feedback as part of their evaluation of departmental performance for the reporting period |
| | 2-22 Statement on sustainable development strategy | Message from the Chair of the ESG Committee<br>Message from the Chief Executive Officer<br>Sustainability | p. 15 | |
| | 2-23 Policy commitments | – | | Counterparty Code of Business ConductThe Company’s human rights commitments are set out in its internal documents, including the Diversity, Equity and Inclusion Policy, the Code of Conduct and Ethics, and the Counterparty Code of Business Conduct. The documents apply to all employees and business partners and are communicated accordingly. The principles of due diligence and the precautionary approach are not explicitly embedded in the current internal documents |

| Standard | Disclosure | Section in the Report | Report Page | Comment |
|---|---|---|---|---|
| | 2-24 Embedding policy commitments | Sustainability | p. 15 | |
| | 2-25 Processes to remediate negative impacts | Stakeholder Engagement | p. 22–24 | |
| | 2-26 Mechanisms for seeking advice and raising concerns | Human Rights Compliance | p. 25 | The MTS ecosystem operates a Unified Whistleblowing Hotline that enables employees to ask questions or report potential violations |
| | 2-27 Compliance with laws and regulations | ESG Databook | | No violations of environmental laws or regulations were recorded in 2024 |
| | 2-28 Membership associations | Sustainability Awards and Ratings | p. 26–28 | |
| | 2-29 Approach to stakeholder engagement | Stakeholder Engagement | p. 22–24 | |
| | 2-30 Collective bargaining agreements | ESG Databook | | For employees not covered by collective agreements, working conditions are not determined on the basis of such agreements |
| **GRI 3: Material Topics 2021** | 3-1 Process to determine material topics | Sustainability | p. 20 | |
| | 3-2 List of material topics | Sustainability | p. 21 | |
| | 3-3 Management of material topics | Sustainability | p. 20–21 | |
| **GRI 201: Economic Performance 2016** | 201-1 Direct economic value generated and distributed | | | Consolidated Financial Statements of PJSC MTS and its Subsidiaries |
| | 201-3 Defined benefit plan obligations and other retirement plans | | | The MTS Group did not incur any retirement benefit expenses in 2024 |
| | 201-4 Financial assistance received from government | ESG Databook | | |
| **GRI 203: Indirect Economic Impacts 2016** | 203-1 Infrastructure investments and services supported | ESG Databook | | |
| **GRI 204: Procurement Practices 2016** | 204-1 Proportion of spending on local suppliers | ESG Databook | p. 111 | |
| **GRI 207: Tax 2019** | 207-4 Country-by-country reporting | ESG Databook | p. 118 | |

| Standard | Disclosure | Section in the Report | Report Page | Comment |
|---|---|---|---|---|
| | | **Anti-corruption** | | |
| **GRI 205: Anti-corruption 2016** | 205-1 Operations assessed for risks related to corruption | Unified Compliance System | p. 108 | MTS assesses all significant incidents of corruption for potential risk to the Company |
| | 205-2 Communication and training about anti-corruption policies and procedures | Unified Compliance System<br>ESG Databook | p. 108 | All employees and business partners are informed about the Anti-Corruption Compliance Policy and the Code of Business Conduct and Ethics. In the reporting year, anti-corruption training was mandatory for counterparties, and compliance checks were conducted on subcontractors |
| | 205-3 Confirmed incidents of corruption and actions taken | Unified Compliance System | p. 108 | No confirmed incidents of corruption were identified during the reporting period |
| | | **Energy** | | |
| **GRI 302: Energy 2016** | 302-1 Energy consumption within the organisation | Energy Efficiency and Energy Saving<br>ESG Databook | p. 77 | The Company does not consume cooling or steam and does not sell thermal or fuel and energy resources |
| | 302-2 Energy consumption outside the organisation | | | Energy consumption outside the organisation is not relevant for the Company in the context of GRI disclosure requirements |
| | 302-3 Energy intensity | ESG Databook | | The indicator for energy consumption outside the organisation is not applicable |
| | 302-4 Reduction of energy consumption | ESG Databook<br>Energy Efficiency and Energy Saving | p. 77 | Energy consumption reduction was calculated only for electricity, in accordance with the Company's internal methodology |
| | 302-5 Reductions in energy requirements of products and services | | | Given the nature of the Company's operations and services, reducing energy requirements for product manufacturing and service delivery is also not applicable |
| | | **Water and Effluents** | | |
| **GRI 303: Water and Effluents 2018** | 303-1 Interactions with water as a shared resource | Responsible Resource Use | p. 70 | Given the nature of the Company's operations, the assessment of water-related risks and the setting of water-related targets are not applicable. The Company does not operate in water-stressed regions |
| | 303-2 Management of water discharge-related impacts | Responsible Resource Use | p. 70 | |
| | 303-3 Water withdrawal | ESG Databook | p. 70 | The Company does not withdraw water from surface or marine sources or engage in water production. Disclosure by water quality type is not applicable to the Company given the nature of its operations |
| | 303-4 Water discharge | ESG Databook | | The Company does not discharge water into seas or underground reservoirs. The Company does not operate in water-stressed regions. Disclosure of water quality and hazardous substances in discharges is not applicable to the Company given the nature of its operations |
| | 303-5 Water consumption | ESG Databook | | The Company does not store water |

| Standard | Disclosure | Section in the Report | Report Page | Comment |
|---|---|---|---|---|
| | | **Emissions** | | |
| **GRI 305: Emissions 2016** | 305-1 Direct (Scope 1) GHG emissions | Climate Change | p. 75 | MTS Group does not generate biogenic $CO_2$ emissions. This indicator is partially disclosed.<br>Scope 1 emissions excluding refrigerant leaks amounted to – 35,610 tonnes of $CO_2$ equivalent |
| | 305-2 Energy indirect (Scope 2) GHG emissions | Climate Change<br>ESG Databook | p. 75 | This indicator is partially disclosed |
| | 305-3 Other indirect (Scope 3) GHG emissions | Climate Change<br>ESG Databook | p. 75 | MTS Group does not generate biogenic $CO_2$ emissions |
| | 305-4 GHG emissions intensity | Climate Change<br>ESG Databook | p. 75 | |
| | 305-5 Reduction of GHG emissions | | | MTS Group does not disclose information on reduced emissions |
| | | **Waste** | | |
| **GRI 306: Waste 2020** | 306-1 Waste generation and significant waste-related impacts | Responsible Resource Use<br>E-Waste Management | p. 70<br>p. 72 | The main types of waste generated by the Company are municipal solid waste and cable waste |
| | 306-2 Management of significant waste-related impacts | Responsible Resource Use<br>E-Waste Management | p. 70<br>p. 72 | Waste management operators engaged by the Company operate in compliance with the legislation of the Russian Federation |
| | 306-3 Waste generated | ESG Databook | | |
| | 306-4 Waste diverted from disposal | ESG Databook | | This indicator is partially disclosed |
| | 306-5 Waste directed to disposal | ESG Databook | | The Company does not send waste for incineration. This indicator is partially disclosed |
| | 308-1 New suppliers that were screened using environmental criteria | Supply Chain | p. 112 | |
| | 308-2 Negative environmental impacts in the supply chain and actions taken | Supply Chain | p. 112 | |
| | | **Occupational Health and Safety** | | |
| **GRI 403: Occupational Health and Safety 2018** | 403-1 Occupational health and safety management system | Decent and Safe Working Conditions | p. 94 | |

| Standard | Disclosure | Section in the Report | Report Page | Comment |
|---|---|---|---|---|
| | 403-2 Hazard identification, risk assessment, and incident investigation | ESG Databook | | Information for this section is not disclosed, as MTS's industry is not associated with critical risks related to working conditions |
| | 403-3 Occupational health services | – | | Information is not disclosed, as most MTS employees work in offices serviced by contractors. The section Decent and Safe Working Conditions describes how MTS ensures additional comfort and safety in the workplace |
| | 403-4 Worker participation, consultation, and communication on occupational health and safety | Decent and Safe Working Conditions | p. 94 | |
| | 403-5 Worker training on occupational health and safety | ESG Databook | | |
| | 403-6 Promotion of worker health | ESG Databook | | |
| | 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | – | | Information is not disclosed, as working conditions do not pose critical risks to employees |
| | 403-8 Workers covered by an occupational health and safety management system | ESG Databook | | |
| | 403-9 Work-related injuries | Decent and Safe Working Conditions<br>ESG Databook | p. 94 | Working conditions do not pose critical risks to employees. In addition, injury statistics are not collected for contractor organisations within the Group. This indicator is partially disclosed |
| | 403-10 Work-related ill health | ESG Databook | | Information is not disclosed, as working conditions do not pose critical risks to employees |
| **Employee Wellbeing and Fair Working Conditions** | | | | |
| **GRI 401: Employment 2016** | 401-1 New employee hires and employee turnover | Our People<br>ESG Databook | p. 85 | |
| **GRI 402: Labour/ Management Relations 2016** | 402-1 Minimum notice periods regarding operational changes | | | No less than two months prior to a critical operational change |
| **GRI 405: Diversity 2016** | 405-1 Diversity of governance bodies and employees | ESG Databook | | The category of senior executives includes the Company's President, their direct reports, and the General Directors of subsidiaries |
| | 405-2 Ratio of basic salary and remuneration of women to men | ESG Databook | | |
| **GRI 409: Forced or Compulsory Labour 2016** | 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour | | | The Company has no operations or suppliers identified as being at risk of forced labour |

| Standard | Disclosure | Section in the Report | Report Page | Comment |
|---|---|---|---|---|
| | | **Employee Development and Training** | | |
| **GRI 404: Training and Education 2016** | 404-1 Average hours of training per year per employee | ESG Databook | | |
| | 404-2 Programs for upgrading employee skills and transition assistance programs | ESG Databook | | |
| | 404-3 Percentage of employees receiving regular performance and career development reviews | ESG Databook | | |
| | | **Information security and personal data protection** | | |
| **GRI 418: Customer Privacy 2016** | 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data | Ensuring Data Privacy and Confidentiality<br>ESG Databook | p. 117 | |
| | | **Employee Social Support** | | |
| **GRI 401: Employment 2016** | 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees | ESG Databook | | |
| | 401-3 Parental leave | ESG Databook | | |
| | | **Human Rights Compliance** | | |
| **GRI 410: Security Practices 2016** | 410-1 Security personnel trained in human rights policies or procedures | | | Training data is disclosed in the Information and Cybersecurity Training section.<br>Key ESG Figures for 2024 |
| | | **Non-discrimination and Inclusion Programmes** | | |
| **GRI 406: Non-discrimination 2016** | 406-1 Incidents of discrimination and corrective actions taken | Human Rights Compliance | p. 25 | No substantiated cases of discrimination were reported in 2024 |

| Standard | Disclosure | Section in the Report | Report Page | Comment |
|---|---|---|---|---|
| **Responsible Selection of Counterparties that Comply with Environmental and Social Requirements** | | | | |
| **GRI 414: Supplier Social Assessment 2016** | 414-1 New suppliers that were screened using social criteria | | | The Company is not currently conducting supplier assessments |
| | 414-2 Negative social impacts in the supply chain and actions taken | | | The Company is not currently conducting supplier assessments |
| **Impact of Mobile Communications on Health** | | | | |
| **GRI 416: Customer Health and Safety 2016** | 416-1 Assessment of the health and safety impacts of product and service categories | | | The design and construction of MTS base stations are subject to prior approval by Rospotrebnadzor. The Company strictly complies with the maximum permissible level of electromagnetic radiation in areas accessible to people – 10 μW/cm$^2$ – one of the most stringent standards in the world.<br><br>In addition, MTS conducts supplementary testing of mobile base stations to detect any exceedances in radiation levels, in line with applicable standards and sanitary regulations (SanPiN) |

# SASB CONTENT INDEX

| Standard | Disclosure | Section in the Report | Report Page | Comment |
|---|---|---|---|---|
| | | **Environmental Impact** | | |
| **TC-SI-130a.1**<br>**TC-TL-130a.1**<br>**TC-IM-130a.1** | 1. Total energy consumed | ESG Databook | | |
| | 2. Percentage of electricity purchased from the grid | ESG Databook | | |
| | 3. Percentage of energy from renewable sources | ESG Databook | | The volume of energy from renewable sources is insignificant in the Company's total energy consumption |
| **TC-IM-130a.2**<br>**TC-SI-130a.2** | 1. Total water withdrawal | ESG Databook | | |
| | 2. Total water consumption, including share used in regions with high or extremely high water stress | ESG Databook | | The Company uses fresh water for domestic and technical purposes from natural sources not located in water-stressed regions |
| **TC-IM-130a.3**<br>**TC-SI-130a.3** | Discussion of the integration of environmental considerations into the strategic planning of data centre needs | – | – | In 2024, the Company transitioned to energy-efficient cooling systems in its data centres |
| | | **Data Privacy** | | |
| **TC-IM-220a.1**<br>**TC-TL-220a.1**<br>**TC-SI-220a.1** | Description of policies and practices related to behavioural advertising and user privacy | Ensuring Data Privacy and Confidentiality | | |
| **TC-IM-220a.2**<br>**TC-TL-220a.2**<br>**TC-SI-220a.2** | Number of users/customers whose information is used for secondary purposes | Ensuring Data Privacy and Confidentiality | | The MTS Group does not use user data for secondary personal data processing purposes. The processing of personal data is limited to achieving specific, pre-defined and lawful objectives |
| **TC-IM-220a.3**<br>**TC-TL-220a.3**<br>**TC-SI-220a.3** | Total monetary losses from legal proceedings related to user/ customer privacy | – | | No data available |

| Standard | Disclosure | Section in the Report | Report Page | Comment |
|---|---|---|---|---|
| **TC-IM-220a.4**<br>**TC-TL-220a.4**<br>**TC-SI-220a.4** | 1. Number of law enforcement requests for user/customer information<br>2. Number of users whose information was requested<br>3. Percentage of information disclosed | – | | No data available |
| **TC-IM-220a.5**<br>**TC-SI-220a.5** | List of countries where core products or services are subject to government monitoring, blocking, content filtering or censorship | – | | No data available |
| **TC-IM-220a.6** | Number of government content removal requests and percentage complied with | – | | No data available |
| | | **Data Security** | | |
| **TC-IM-230a.1**<br>**TC-TL-230a.1**<br>**TC-SI-230a.1** | 1. Number of data breaches<br>2. Percentage involving personally identifiable information (PII)<br>3. Number of users/customers affected | – | – | No data available |
| **TC-IM-230a.2**<br>**TC-TL-230a.2**<br>**TC-SI-230a.2** | Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards | Information and Cybersecurity | p. 113–114 | |
| | | **Workforce** | | |
| **TC-IM-330a.1** | Percentage of employees who are foreign nationals | – | – | No data available |
| **TC-SI-330a.1** | Percentage of employees:<br>1. who are foreign nationals<br>2. located offshore | – | – | No data available |
| **TC-IM-330a.2**<br>**TC-SI-330a.2** | Employee engagement as a percentage | ESG Databook | | |
| **TC-IM-330a.3**<br>**TC-SI-330a.3** | Percentage representation for gender and racial/ethnic groups:<br>1. in executive management<br>2. in technical positions<br>3. across all other employees | ESG Databook | | |

| Standard | Disclosure | Section in the Report | Report Page | Comment |
|---|---|---|---|---|
| | | **Product End-of-Life Management** | | |
| **TC-TL-440a.1** | Materials recovered through take-back programs, percentage of recovered materials that were:<br>1. reused<br>2. recycled and reclaimed<br>3. landfilled | Responsible Resource Use | p. 70 | |
| | | **Competitive Behavior** | | |
| **TC-IM-520a.1**<br>**TC-TL-520a.1**<br>**TC-SI-520a.1** | Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behaviour regulation | – | | No data available |
| **TC-TL-520a.2** | Average actual sustained download speed for owned and commercially associated content<br>1. for owned and commercially associated content, and<br>2. for non-affiliated content | – | | No data available |
| | | **Systemic Risk Management Related to Technological Disruptions** | | |
| **TC-TL-550a.1** | 1. Average frequency of system outages<br>2. Average duration of outages per customer | – | | No data available |
| **TC-SI-550a.1** | Number of:<br>1. performance issues and<br>2. service disruptions<br>3. total customer downtime | – | | No data available |
| **TC-TL-550a.2** | Discussion of systems to ensure service continuity during disruptions | – | | No data available |
| **TC-SI-550a.2** | Description of business continuity risks related to service disruptions | – | | No data available |

| Standard | Disclosure | Section in the Report | Report Page | Comment |
|---|---|---|---|---|
| | | **Activity Metrics** | | |
| **TC-IM-000.A** | User activity metric as defined by the entity | – | | No data available |
| **TC-SI-000.A** | 1. Number of licenses or subscriptions<br>2. Percentage hosted in the cloud | MTS Licences → | | No data available |
| **TC-IM-000.B**<br>**TC-SI-000.B** | 1. Data processing capacity<br>2. Percentage outsourced | – | | No data available |
| **TC-IM-000.C**<br>**TC-SI-000.C** | 1. Data storage capacity<br>2. Percentage outsourced | – | | No data available |
| **TC-TL-000.A** | Number of wireless subscribers | ESG Databook | | |
| **TC-TL-000.B** | Number of wireline subscribers | ESG Databook | | |
| **TC-TL-000.C** | Number of broadband subscribers | ESG Databook | | |
| **TC-TL-000.D** | Network traffic | ESG Databook | | |

# GSMA COMPLIANCE

GSMA ESG METRICS FOR MOBILE INDUSTRY REPORTING FRAMEWORK

| Topic | Key Performance Indicators | KPI Code | 2024 | 2023 | Section in the Report | Report Page | Comment |
|---|---|---|---|---|---|---|---|
| **Emissions** | **Science-Based Targets** | GSMAENV-01 | | | | | |
| | 1.1a. Disclose whether the company has set or committed to set short-term science-based targets: [Yes/No] | | No | No | Climate Change | | |
| | 1.1b. Indicate whether the company has set a corporate net-zero target (covering Scopes 1, 2, and 3): [Yes/No] | | No, but in 2024 the carbon strategy was developed, and the target was set – reduction of the carbon intensity of traffic by 60% by 2030 compared to 2021 | The roadmap for GHG emission reduction measures is under development | Climate Change | | |
| | **Greenhouse Gas Emissions Scopes 1, 2, and 3** | GSMAENV-02 | | | | | |
| | 1.2a. Greenhouse Gas Emissions Scopes 1 and 2 | | | | | | |
| | i. Scope 1 (tonnes $CO_2e$) | | 35,770 | 46,566.16 | Climate Change<br>ESG Databook | p. 75 | |
| | ii. Scope 2, location-based (tonnes $CO_2e$) | | 805,664.84 | 805,607.01 | ESG Databook | | |
| | iv. Percentage change in total Scope 1 and 2 emissions since the previous reporting period (specify whether Scope 2 emissions were calculated using the market-based or location-based method) | | –1.4% | 19.9% | | | Scope 2 was calculated using the location-based method |
| | v. Total Scope 1 and 2 emissions per unit of total revenue (tonnes $CO_2e$ per unit of currency) (specify whether Scope 2 emissions were calculated using the market-based or location-based method) | | 1.2 | 1.41 | | | Scope 2 was calculated using the location-based method |
| | 1.2b. Greenhouse Gas Emissions Scope 3 | | | | | | |
| | i. Total Scope 3 emissions (tonnes $CO_2e$) | | 1,000,277.86 | 621,258.01 | ESG Databook | | |

| Topic | Key Performance Indicators | KPI Code | 2024 | 2023 | Section in the Report | Report Page | Comment |
|---|---|---|---|---|---|---|---|
| **Energy** | **Energy Consumption** | GSMAENV-03 | | | | | |
| | 1.3a. Total Energy Consumption | | | | | | |
| | i. Total energy consumption (MWh) | | 2,378,418.58 | 2,428,112.17 | | p. 77 | |
| | ii. Total purchased electricity (MWh) | | 2,160,651.64 | 2,193,675.62 | ESG Databook | | |
| | iii. Purchased renewable electricity (MWh) | | Not applicable | Not applicable | | | |
| | v. Total diesel consumption in generators (litres) | | 3,987,533 | 4,826,532.25 | ESG Databook | | |
| | 1.3b. Network Energy Consumption (MWh) | | | | | | |
| | i. Total network energy consumption, including core, fixed and mobile networks (MWh) | | 1,769,129.003 | 1,751,608.251 | | | |
| | ii. Mobile network energy consumption (MWh) | | 1,529,813.18 | 1,534,370.93 | | | Annual data for 2024 is provided only for PJSC MTS |
| | iii. Total network energy consumption per data unit (MWh/PB) | | 131.33 | 147.4 | | | |
| | iv. Total network energy consumption per subscription (kWh per subscriber) | | 18.66 | 18.92 | | | |
| | v. Percentage change in network energy intensity (MWh/PB) since the previous reporting period | | –11% | –6% | | | |

| Topic | Key Performance Indicators | KPI Code | 2024 | 2023 | Section in the Report | Report Page | Comment |
|---|---|---|---|---|---|---|---|
| **Circular Economy** | 1.4a. Circularity of Network Equipment | GSMAENV-04 | MTS is in the process of developing a comprehensive e-waste management system; not all indicators are currently calculated | | | | |
| | i. Percentage of network equipment decommissioned during the reporting period that was refurbished, reused, or sold to another company (%) | | | | | | |
| | ii. Percentage of network equipment installed during the reporting period that was reused or refurbished, as a share of total network equipment installed during the reporting period (%) | | | | | | |
| | 1.4b. Circularity of Mobile Devices | | | | | | |
| | i. Percentage of used mobile devices collected through operator take-back schemes during the reporting period, as a share of new mobile devices delivered directly to customers during the same period (%) | | | | | | |
| | ii. Percentage of used mobile devices collected through operator take-back schemes during the reporting period that were refurbished, reused, or recycled – i.e. diverted from landfill or incineration (%) | | | | | | |
| | iii. Percentage of refurbished, repaired, or used mobile devices provided to customers for reuse during the reporting period, as a share of all mobile devices distributed directly to customers in the same period (%) | | | | | | |

| Topic | Key Performance Indicators | KPI Code | 2024 | 2023 | Section in the Report | Report Page | Comment |
|---|---|---|---|---|---|---|---|
| | 1.4c. Circularity of Customer Premises Equipment (CPE) | | | | | | |
| | i. Used CPE collected through operator take-back schemes during the reporting period, as a percentage of CPE distributed to customers during the same period (%) | | | | | | |
| | ii. Percentage of used CPE collected through operator take-back schemes during the reporting period that were refurbished, reused or recycled – i.e. diverted from landfill or incineration (%) | | 51.83% | 73.05% | | | |
| | iii. Percentage of refurbished, repaired, or used CPE issued to customers during the reporting period, as a share of total CPE issued to customers in the same period (%). | | 34.06% | 32.47% | | | |
| **E-Waste** | 1.5a. E-Waste | GSMAENV-05 | | | | | |
| | i. Total amount of e-waste generated (tonnes) | | 57 | 34 | | | |
| | ii. Percentage of e-waste reused or recycled, by weight (%) | | 53% | 68% | | | |
| **Network Coverage** | **Mobile Network Population Coverage** | GSMAINC-01 | | | | | |
| | 2.1. Percentage of population covered by the operator's mobile network, broken down by: 3G, 4G, 5G | | Russia:<br>2G – 97%,<br>3G – 83%,<br>4G – 89%<br><br>Republic of Belarus:<br>2G – 99,91%,<br>3G – 99,88%,<br>4G – 99,26% | Russia:<br>2G – 97%,<br>3G – 87%,<br>4G – 85%<br><br>Republic of Belarus:<br>2G – 99,91%,<br>3G – 99,88%,<br>4G – 98,42% | ESG Databook | | |

| Topic | Key Performance Indicators | KPI Code | 2024 | 2023 | Section in the Report | Report Page | Comment |
|---|---|---|---|---|---|---|---|
| **Affordability** | **Affordability of Devices and Subscription** | GSMAINC-02 | | | | | |
| | 2.2a. Retail price of the most affordable smartphone as a percentage of monthly GDP per capita | | RUB 1,941 (Russia) | RUB 1,927 (Russia) | – | | |
| | 2.2b. Retail price of 1 GB of data as a percentage of monthly GDP per capita | | RUB 150 (Russia) | RUB 150 (Russia) | – | | |
| **Digital Skills** | **Digital Skills Training Programmes** | GSMAINC-03 | | | | | |
| | 2.3. Number of people (excluding employees) who completed basic, intermediate, or advanced digital skills training (as defined by ITU), divided by total number of subscribers | | 0.09 | 0.78 | | | Podcast program with educational elements was finished in 2023 |
| **Data Protection** | **Customer Data Incidents** | GSMAINT-01 | | | | | |
| | 3.1a. Number of data breaches per million subscribers | | No significant incidents occurred | | Information and Cybersecurity | p. 113 | |
| | 3.1b. Percentage of data breaches involving personal information | | | | | | |
| | 3.1c. Number of affected customers per million subscribers | | | | | | |
| | 3.1d. Number of regulatory actions related to data protection violations (e.g. marketing complaints, data breaches), per million subscribers | | | | | | |
| **Digital Rights** | **Digital Rights Policy** | GSMAINT-02 | | | | | |
| | 3.2. Does the company have a policy that specifically addresses digital rights protection and transparency, privacy, freedom of expression, government orders for shutdown or access restriction and/or government requests for data disclosure? (Yes/No) | | Yes | | Effective Corporate Governance | p. 106 | |

| Topic | Key Performance Indicators | KPI Code | 2024 | 2023 | Section in the Report | Report Page | Comment |
|---|---|---|---|---|---|---|---|
| **Online Safety** | **Online Safety Measures** | GSMAINT-03 | | | | | |
| | 3.3. Do you have controls or programmes in place to enhance online safety for children and other vulnerable groups? (Yes/No) | | Yes. In its social programmes and internal policies, which among other areas address online safety, MTS takes into account the interests of the following vulnerable groups:<br>• children and adolescents<br>• older people<br>• persons with disabilities<br>• children in residential care<br>• residents of nursing homes<br>• people in difficult life situations<br>All of these groups include a particular focus on women and girls | | Development of the Digital Space | p. 29 | |
| **Sustainable Supply Chain** | **Sustainable Procurement Policy** | GSMASUP-01 | | | | | |
| | 4.1a. Do you have a sustainable procurement policy? (Yes/No) | | Yes | | Effective Corporate Governance | p. 106 | |
| | 4.1b. If yes, how many of the following elements does it cover?<br>a. Organisational governance<br>b. Human rights<br>c. Labour practices<br>d. The environment<br>e. Fair operating practices<br>f. Consumer issues<br>g. Community involvement and development | | 5 elements:<br>b. Human rights<br>c. Labour practices<br>d. The environment<br>e. Fair Operating Practices<br>g. Community Involvement and Development | | | | |
| | **Supplier Assessment** | GSMASUP-02 | | | | | |
| | 4.2a. Percentage of suppliers assessed for compliance with the sustainable procurement policy using a company-developed and documented assessment procedure, within the past two years | | All company suppliers are required to complete a self-assessment questionnaire and acknowledge their familiarity with the PJSC MTS Anti-Corruption Policy, Code of Business Conduct and Ethics, and the PJSC MTS Counterparty Code of Business Conduct | | | | |
| | 4.2b. Percentage of suppliers assessed for compliance with the sustainable procurement policy through on-site visits, within the past two years | | No audits were conducted in 2024 | No audits were conducted in 2023 | | | |

# COMPLIANCE WITH ORDER NO. 764 OF THE MINISTRY OF ECONOMIC DEVELOPMENT OF THE RUSSIAN FEDERATION DATED 1 NOVEMBER 2023

| № | Indicator | Section in the Report | Report Page | Comment |
|---|---|---|---|---|
| 1 | Revenue | ESG Databook | | Annual consolidated financial statements of PJSC MTS and its subsidiaries as of 31 December 2024 → |
| 7 | Total amount of mandatory payments made (excluding fines and penalties), including:<br>• taxes and duties<br>• insurance contributions<br>• other mandatory payments | ESG Databook | | |
| 8 | Share of purchases of Russian goods, works and services in total procurement volume | ESG Databook | | |
| 9 | Share of procurement from small and medium-sized enterprises in total procurement from Russian organisations | ESG Databook | | |
| 11 | Investments in projects aimed at achieving technological sovereignty and the structural adaptation of the Russian Federation's economy | Ensuring Accessibility of Digital Services and Solutions | p. 19 | |
| 13 | Volume of water used from all water supply sources | ESG Databook | | |
| 14 | Volume of recirculated and reused water supply | ESG Databook | | |
| 15 | Total volume of polluted wastewater discharge, including untreated wastewater | ESG Databook | | |
| 16 | Water use efficiency ("specific water consumption") | | | 0.46 $m^3$ per RUB million<br>The indicator is calculated relative to revenue |
| 17 | Total waste generated in hazard classes I–V, including:<br>• Class I<br>• Class II<br>• Class III<br>• Class IV<br>• Class V | ESG Databook | | |

| № | Indicator | Section in the Report | Report Page | Comment |
|---|---|---|---|---|
| 18 | Waste management for hazard classes I–V, including by category:<br>• waste recovered<br>• waste neutralised<br>• waste landfilled<br>• waste reused<br>• waste recycled<br>• waste reduction | ESG Databook | | |
| 19 | Mass of air pollutant emissions from stationary sources | | | The company does not generate air pollutant emissions |
| 20 | Greenhouse gas emissions | Climate Change<br>ESG Databook | p. 75 | |
| 21 | Total environmental protection expenditure, including:<br>• air protection and climate change mitigation<br>• wastewater collection and treatment<br>• waste management<br>• biodiversity conservation and protection of natural areas | ESG Databook | | |
| 23 | Energy efficiency: energy consumption per unit of net value added | | | 12.06 GJ per RUB million<br>The indicator is calculated relative to revenue |
| 24 | Total payroll expenses | ESG Databook | | |
| 25 | Average annual headcount, including the number of employees with disabilities | Our People<br>ESG Databook | p. 82 | |
| 26 | Average salary, including:<br>• by occupational group<br>• by gender<br>• by age group | Our People<br>ESG Databook | p. 89 | |
| 27 | Total occupational health and safety expenses, including per employee | Decent and Safe Working Conditions<br>ESG Databook | p. 94 | |
| 28 | Expenditure on social, wellness, and healthcare programmes for employees and their families | Decent and Safe Working Conditions<br>ESG Databook | p. 90 | |

| № | Indicator | Section in the Report | Report Page | Comment |
|---|---|---|---|---|
| 29 | Number of employees injured in workplace accidents resulting in one or more days of lost time, including fatalities | Decent and Safe Working Conditions<br>ESG Databook | p. 94 | |
| 30 | Total employee training expenses, including per employee | Employee Development and Training<br>ESG Databook | p. 97 | |
| 31 | Average annual training hours per employee, by occupational group | ESG Databook | | |
| 32 | Share of employees covered by collective agreements in the average annual headcount | ESG Databook | | |
| 33 | Employee turnover rate | ESG Databook | | |
| 34 | Total expenditure on support for social programmes not targeting employees and their families, including:<br>• charitable programmes<br>• housing-related programmes<br>• healthcare programmes<br>• education programmes support for individuals in need of social assistance | ESG Databook | | |
| 35 | Existence of a sustainability policy and/or other strategic documents in this area | Sustainability Governance | p. 15 | |
| 36 | Number of Board of Directors meetings and attendance rate | | | PJSC MTS Annual Report 2024, p. 98–99 |
| 37 | Total number of Board members, including by age group | | | PJSC MTS Annual Report 2024, p. 88–89 |
| 38 | Number of Audit Committee meetings and attendance rate | | | PJSC MTS Annual Report 2024, p. 99 |
| 39 | Participation in ESG indices and ratings | Sustainability Awards and Ratings | p. 26 | PJSC MTS Annual Report 2024, p. 18–19 |
| 40 | Number of recorded violations of the rights of indigenous peoples of the Russian Federation | | | No violations of the rights of indigenous peoples of the Russian Federation were recorded during the reporting period |
| 43 | Number of cases where the company or its subsidiaries and affiliates were held administratively liable for corruption offences | | | No instances were recorded during the reporting period of the company or its subsidiaries and affiliates being held administratively liable for corruption offences |
| 44 | Proportion of women in management, including on the Board of Directors (Supervisory Board) | ESG Databook | | |

# CONTACTS



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