

The logo for VEON, consisting of the letters 'VEON' in a bold, yellow, sans-serif font. A white horizontal line is positioned above the logo, and a white vertical line is positioned to its left, forming an L-shape.

**VEON**

Integrated Annual Report 2022

**The digital operator**

# Contents

- 1 Our mission
- 1 Our strategy
- 1 Navigating this report
- 2 Our vision
- 2 Our range of digital services
- 2 International leadership team
- 2 Our Brands
- 3 Message from our Chairman
- 5 Where we operate
- 6 Numbers at a glance
- 7 Our stakeholders
- 8 Our value-adding business model

**Who we are**

9

**Fulfilling our digital promise**

- 10 Message from our CEO
- 13 Our material matters
- 15 Creating a better future
- 15 Prosperity
- 27 Our people
- 34 Principles of governance

- 37 CFO review
- 41 Country performance
- 41 Ukraine
- 44 Pakistan
- 47 Bangladesh
- 50 Kazakhstan
- 52 Uzbekistan
- 54 Kyrgyzstan
- 56 Divested markets

36

**Our performance**

58

**Our principal risks**

- 59 How we manage risks
- 62 Our principal risks

- 68 Corporate governance
- 70 Board of Directors
- 73 Group Executive Committee
- 74 Board committees

67

**How we are governed**

81

**Remuneration report**

- 82 Remuneration report

- 90 About our report
- 92 Independent Assurance Statement
- 93 Shareholder information
- 94 Directors' resúmes
- 97 Report disclaimer
- 98 Glossary of terms

89

**Appendix**

## Who we are

### Our mission

# Transforming people's lives

VEON is a global digital operator that provides connected services to over 150 million customers in six high-growth markets. We are transforming people's lives, empowering individuals and driving economic growth across six countries that are home to more than 7% of the world's population.

### Our strategy

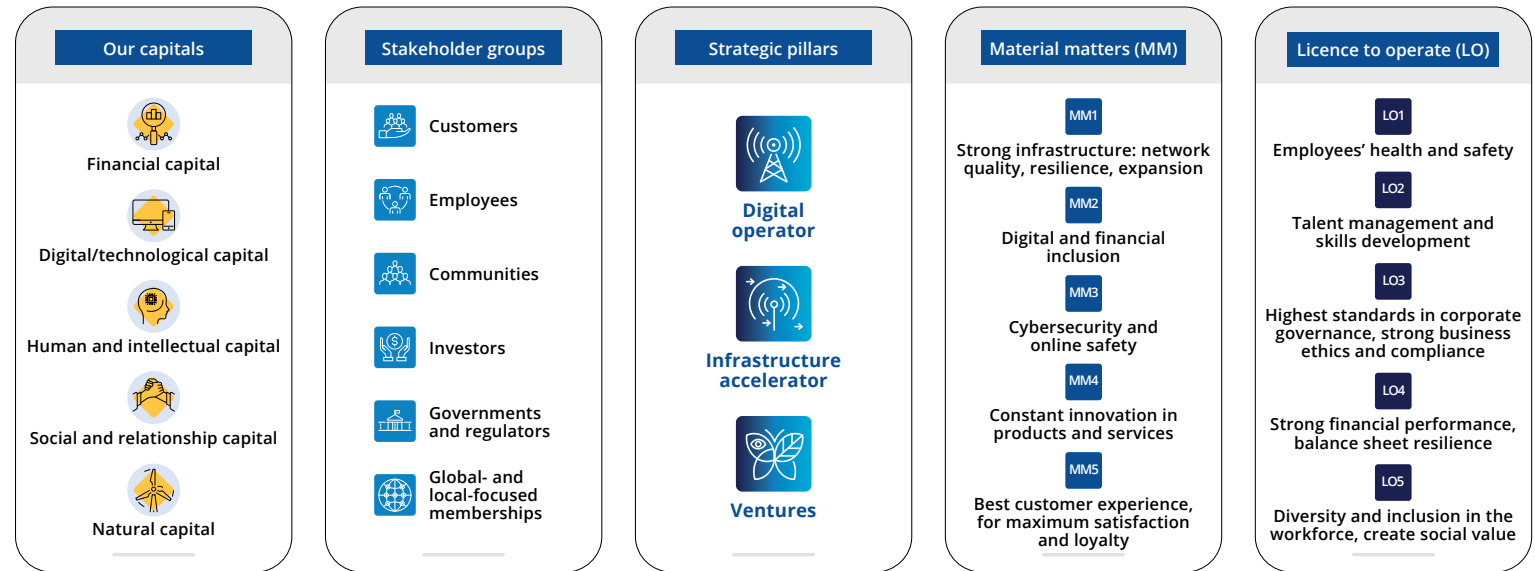
"The traditional telecoms Company serves its customers with call and voice services for an *average of 32 minutes per day*. **VEON's goal is 1440 minutes** –to be relevant to each of them in every moment of every day through digital services that adapt as the lifestyles of our customers evolve."

Kaan Terzioğlu, CEO



**1440** MINUTES ÷ **60** = **24** hrs/DAY

**Navigating this report** Throughout the report, we use the following icons to indicate the elements of our business model in terms of the International <IR> Framework:



VEON is a global digital operator that provides converged connectivity and connected services to over 150 million customers

### About this report

This report provides a review of VEON's financial and ESG performance for 2022 and our engagement with stakeholders across customers, employees, communities, investors, governments, regulators and industry groups.

More information can be found in Section 6 – About our report pages 90 and 91.

These icons can be used to access further information within this report.

- Podcast
- Read more
- Video
- Web link

Who we are continued



Our range of digital services

From financial services to entertainment, education and healthcare – our offering is fit for the 21st century, which our customers may benefit from for 1440 minutes of their day.

International leadership team

We enjoy a diverse shareholder base with no single controlling shareholder, a Board of Directors with a majority of independent directors, and an international management team.

Refer to Board of Directors and Group Executive Committee on pages 70 to 73

Navigating this report continued

These are the icons used to show our Risks and our Committees which are used within this report.

Risks	Committees
Market	 Nominating and Corporate Governance Committee
Operational	 Compensation and Talent Committee
Legal	 Audit and Risk Committee
Liquidity and capital	 Finance Committee
Environment	 Strategy and Innovation Committee
Sale of our Russian operations	

Our Brands

Ukraine



Pakistan



Bangladesh



Kazakhstan



Uzbekistan



Kyrgyzstan



SUSTAINABLE DEVELOPMENT GOALS



Our vision

To empower customers through technology, providing choice and opportunity through tailored digital solutions that match their needs.

Risk increased ↑  
 Risk decreased ↓  
 Risk stable =

VEON is committed to making a positive impact on society and acknowledges our role in fundamental social needs such as education, healthcare and employment, which can be assisted by access to connectivity.

We support six SDGs where our business can have the greatest impact. These are Quality Education (4), Gender Equality (5), Decent Work and Economic Growth (8), Industry Innovation and Infrastructure (9), Reduced Inequalities (10) and Peace, Justice and Strong Institutions (16).

VEON interprets Goal 16 in the context of governance.

LO3

Refer to Corporate governance on page 67.

Our business strategy is designed to maximise shareholder value by raising growth potential through investment and innovation

# Creating value for our customers, shareholders and employees

## Message from our Chairman

# Reshaping our future

The development of our digital operator model over the past three years has seen the transformation of VEON from a traditional mobile operator to a connectivity-enabled provider of digital services. This has radically reshaped our relationship with customers from one of utility to one of capability though the services we now offer.

Gunnar Holt  
Chairman\*



**As Group Chairman, I am pleased to present VEON's Integrated Annual Report for the financial year ending 31 December 2022.**

\* Gunnar Holt served as Chairman of the Board for the period under review ending 31 December 2022. On 29 June 2023, Morten Lundal was elected as the new Chair of the Board.

 Refer to page 72: Post AGM Inaugural Board Meeting.

**To be at the forefront of this evolution is a privilege as our Board, our Group Executives and our local leadership work together to define new business models around the wealth of opportunities these services are enabling**

### Ukraine

Any discussion of 2022 must begin with the conflict in Ukraine. The outbreak of hostilities in February was a shock to us, as it was to so many. That hostilities engulfed two of our largest markets made it a personal tragedy for the VEON family.

Our immediate priority was to ensure the protection and well-being of our employees in Ukraine by ensuring access to financial and emotional support wherever required. We moved quickly to safeguard our networks in order to maintain connectivity at a moment when our customers needed us the most. These priorities remain uppermost today as the struggle continues.

The response to the crisis by the employees of Kyivstar, led by CEO Aleksandr Komarov, has been nothing short of remarkable. The heroism with which they have kept our network operational throughout months of conflict demonstrates a courage and resilience that goes beyond what could ever be reasonably expected in the workplace. Kyivstar has emerged as an extremely strong company, both in the spirit of its people and the loyalty

of its customers. Our thoughts remain with the entire nation in the hope that we shall soon see an end to hostilities and a return to normal life for the Ukrainian people.

### Exiting Russia

At the Group level, protecting the value of our business and its assets was a key responsibility of the Board from the outset of the conflict. It became readily apparent that continuing to own and operate our Russia business would place Group value at risk given escalating international sanctions and our inability to access international capital markets. The Board therefore determined relatively early in the crisis that there were no viable alternatives for the Group than to seek selling the Russian operations.

The priority thereafter was to ensure that any sale achieved an acceptable financial solution that realised value for our shareholders, rather than simply bringing about a market exit. Our options were complicated by the conflict situation, sanctions prohibitions on the

ownership of Russian assets, and our ability to engage with prospective local buyers.

The transaction we ultimately agreed overcame these obstacles through a local management buy-out. This is an elegant solution which, subject to the necessary closing conditions being met, unlocks the value of our Russian business through a transaction that benefits VEON's financial structure by reducing Group's debt and paves the way for a future return to the international capital markets. Moreover, the management continuity it ensures means we shall leave Beeline in very capable hands and able to serve the 50 million customers who rely on it for their essential connectivity needs.

Our intent is to conclude this transaction on or before 1 June 2023. The process is complex and ongoing and not without risks, but we remain optimistic that we can successfully close out the deal and bring about a leaner VEON, holding less debt at the Group level and with a sharper focus on the growth opportunities presented by six of the world's fastest-growing emerging markets.

## Message from our Chairman

continued



The past three years have seen the **nature of our services change profoundly** as we introduced our **digital operator model** alongside continued investment in our high-speed 4G networks

### Safeguarding shareholder value

A primary consideration for the Board over Russia was that inaction could have resulted in zero value for our business there. That we have secured an agreement in principle which generates positive shareholder value is, we believe, an achievement that serves the best interests of all stakeholders in an unprecedented set of circumstances.

Beyond Russia and the extreme situation in Ukraine, the operational resilience of VEON's other digital operators has been a key priority for the Board as we have sought to minimise the impact of the conflict on Group performance. We have continued to support each with the capital needed to invest in their operations and develop new services. That each reported double-digit local currency revenue growth in 2022, in many instances increasing their market share, is testament to the talent and success of our local leadership teams in each.

We continue to optimise our portfolio of businesses. 2022 saw VEON complete our withdrawal from two markets where we determined future returns would likely underperform those we enjoy elsewhere.

In August, we sold our remaining 45.6% stake in our Algeria business, closing a sale process that had begun in July 2021. And in June, we announced completion of the sale of VEON's operating subsidiary in Georgia, in both instances reaching agreement with new shareholders who share our commitment to supporting the digital transformation of each country.

2022 saw further progress in our transition to an asset light model through unlocking the value of our infrastructure assets, having secured a landmark transaction to sell our towers in Russia in December 2021 which realised proceeds of around USD 1 billion. We continue to engage in discussions with potential buyers of our towers and other infrastructure assets elsewhere and hope to be able to announce further progress in the year ahead.

### Corporate governance

Following the introduction of our new Group-wide operating model in 2020, the past three years have seen a steady rise in delegated authority to our digital operators. This has moved VEON away from centralised Group decision-making and empowered our local leadership teams with business development authority within a new Governance, Risk and Compliance (GRC)

framework. Complementing this has been the creation of local Operating Company (OpCo) Boards drawing on independent expertise to enrich our decision-making.

 Refer to Corporate governance on page 68.

The benefits we have since realised have been considerable. The past three years have seen the nature of our services change profoundly as we introduced our digital operator model alongside continued investment in our high-speed 4G networks. These have seeded rapid growth in digital services across VEON's four verticals of entertainment, financial services, education and healthcare and opened up a wealth of adjacent revenue opportunities for the Group.

Greater local autonomy has enhanced the efficiency of our local decision-making and reduced time to market for new services. This proved to be decisive in the response Kyivstar was able to mobilise following the conflict in Ukraine. The Board continues to work with our local leadership to ensure they have the support to reach for further success in the year ahead as we transition to a leaner headquarters (HQ) function to fit our new market footprint.

### Sustainable business

Any successful and truly sustainable business begins in its local marketplace. That is where VEON's digital operator model is rooted, with the social and economic opportunity it confers through its digital services.

Empowerment through services is a core purpose of VEON. Our digital operators are helping to bring about a digital transformation of the societies they serve through access opportunities that reach beyond entertainment into financial, education and healthcare resources essential for growth and development. In doing so, we are helping to drive a circular economy in which individual empowerment enables better economic and social outcomes for all.

At the Group level, we have revised the charters of our Group Board committees to ensure environmental, social and governance (ESG) matters remain under active consideration in order to promote best practices across the Group. This includes succession planning and a review that has provided the Board with a comprehensive understanding of our options at both the Group and OpCo levels.

 Refer the remuneration report page 82.

The circumstances of the past year allowed VEON to transform relationships with our stakeholders. It reinforced the value of essential connectivity for customers and VEON's responsibilities in providing uninterrupted services wherever possible. It also recast our relationships with governments, broadening the scope of our counterparties through our responsibilities under international sanctions and helping to shape discussions around rebuilding Ukraine and the role Kyivstar can play in the nation's reconstruction and recovery.

### A New VEON

The events in Ukraine inevitably brought about a shift in priorities for the Board in 2022 towards protecting our people and the value of our business in exceptional circumstances. It is enabling a New VEON to emerge – a leaner Company with a sharper focus on emerging market growth and digital opportunities.

The strategic opportunities this transformation offers is now a focus for the Board as we reposition the Group for long-term growth. The closing of our Russia transaction remains the immediate priority. Beyond this, the opportunities offered by our digital operators are substantial as we build out revenue opportunities adjacent to our core connectivity operations. Investing in their success shall remain our key priority as we reshape our future together.

### Appreciation

I wish to thank my Board colleagues for your dedication and support. Through difficult times and extreme external pressure, we have been aligned and taken numerous tough and decisive decisions. I deeply thank our Group management team and our people for their resilience, dedication and hard work throughout a difficult period, and finally thanks to our customers and stakeholders for your strong support.

**Gunnar Holt**

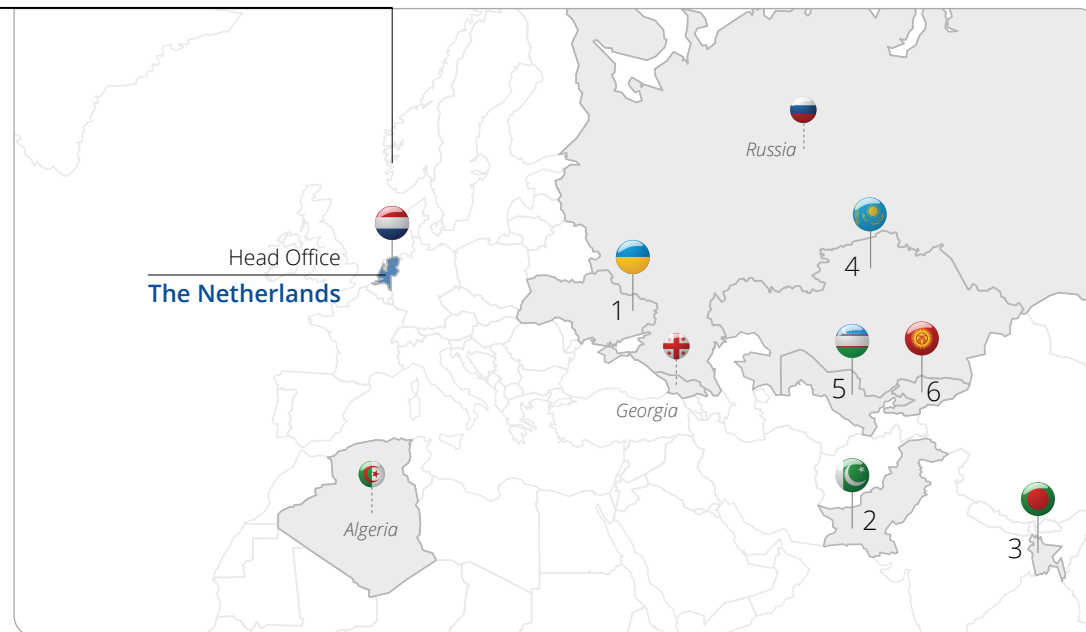
**Chairman**

June 2023

# Where we operate

**Driving economic growth across six countries** that are home to more than **7% of the world's population**

**Divested markets:**  
Algeria  
Georgia  
Russia\*



\* On November 2022, the Company signed an agreement to sell its Russian operations, which have been classified as 'held for sale' and 'discontinued operations' pending completion.

	Ukraine	Pakistan	Bangladesh	Kazakhstan	Uzbekistan	Kyrgyzstan
	<p>Ukraine's digital economy combines an IT outsourcing industry with an increasing number of internet users and smartphone owners</p> <p>1</p>	<p>Pakistan is the fifth most populous country in the world with more than half of the country's citizens under the age of 25</p> <p>2</p>	<p>More than half of Bangladesh's large population now has some form of mobile phone subscription</p> <p>3</p>	<p>Kazakhstan is the powerhouse economy of Central Asia, generating the majority of the region's GDP</p> <p>4</p>	<p>With the largest population in Central Asia, Uzbekistan has a dynamic economy and an evolving mobile sector</p> <p>5</p>	<p>Kyrgyzstan is an emerging economy that is home to a blossoming start-up culture</p> <p>6</p>
<b>Population (estimate)</b>	Unit: (million) 43.8 million	231.4 million	169.4 million	19 million	35.5 million	6.8 million
<b>Key brands</b>						
<b>4G population coverage</b>	(percent): 94%	57%	81%	87%	78%	92%
<b>Total revenue</b>	(USD, million): <b>971</b>	<b>1,285</b>	<b>576</b>	<b>636</b>	<b>233</b>	<b>49</b>
<b>Mobile customers</b>	(three months active, million): <b>24.8</b>	<b>73.7</b>	<b>37.6</b>	<b>10.6</b>	<b>8.4</b>	<b>1.9</b>
<b>4G user penetration</b>	(percent): 53%	56%	43%	68%	66%	68%
<b>Multiplay customers</b>	(one month active, million): 3.5	13.9	4.7	3.3	2.8	0.4
<b>4G sites</b>	(thousand): 16.4	13.9	14.1	7.2	3.9	1.5

## Numbers at a glance

2022 brought unprecedented financial challenges as conflict engulfed two of our largest markets. The Group **adapted to this profound change in our operating environment** and laid the financial foundations for a New VEON

### Financial highlights



Revenue  
**USD 3.75 billion**



EBITDA  
**USD 1.74 billion**



EBITDA margin  
**46.4%**



Mobile data and digital revenue  
**USD 1.94 billion**



Capex  
**USD 832 million**



Cash and cash equivalent  
**USD 3.1 billion**  
of which USD 2.5 billion at HQ

### Operational highlights



# active subscribers  
**157 million**



# 4G users  
**85 million**



# 4G sites  
**57 thousand**



% population coverage  
**75.2%**



# multiplay users  
**28.8 million**



# digital wallets  
**19.6 million**

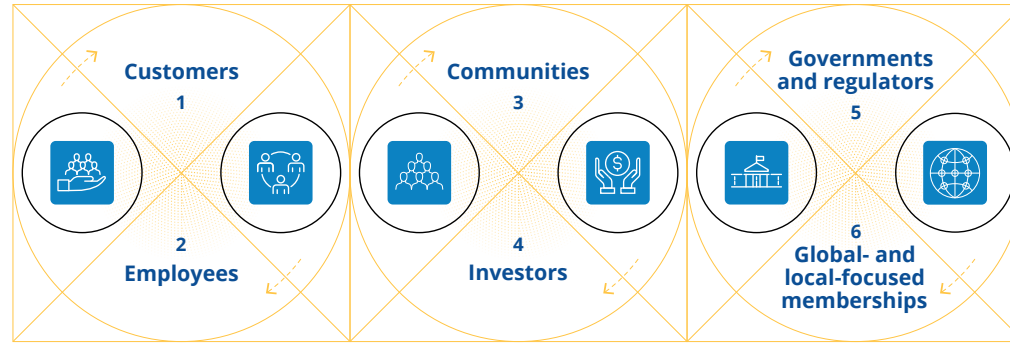
# Our stakeholders

VEON is committed to maintaining constructive and proactive dialogue with all our stakeholders. As a complex multinational organisation, we engage with many different stakeholders, each of which are important to us.

**We have identified stakeholder groups that are material to the sustainable success of our business and consider their opinions in our decision-making.**

The dialogue we maintain with our stakeholders also plays an important role in the selection of VEON's material topics.

Refer to material matters on pages 13 and 14.



# Connecting with **our** stakeholders

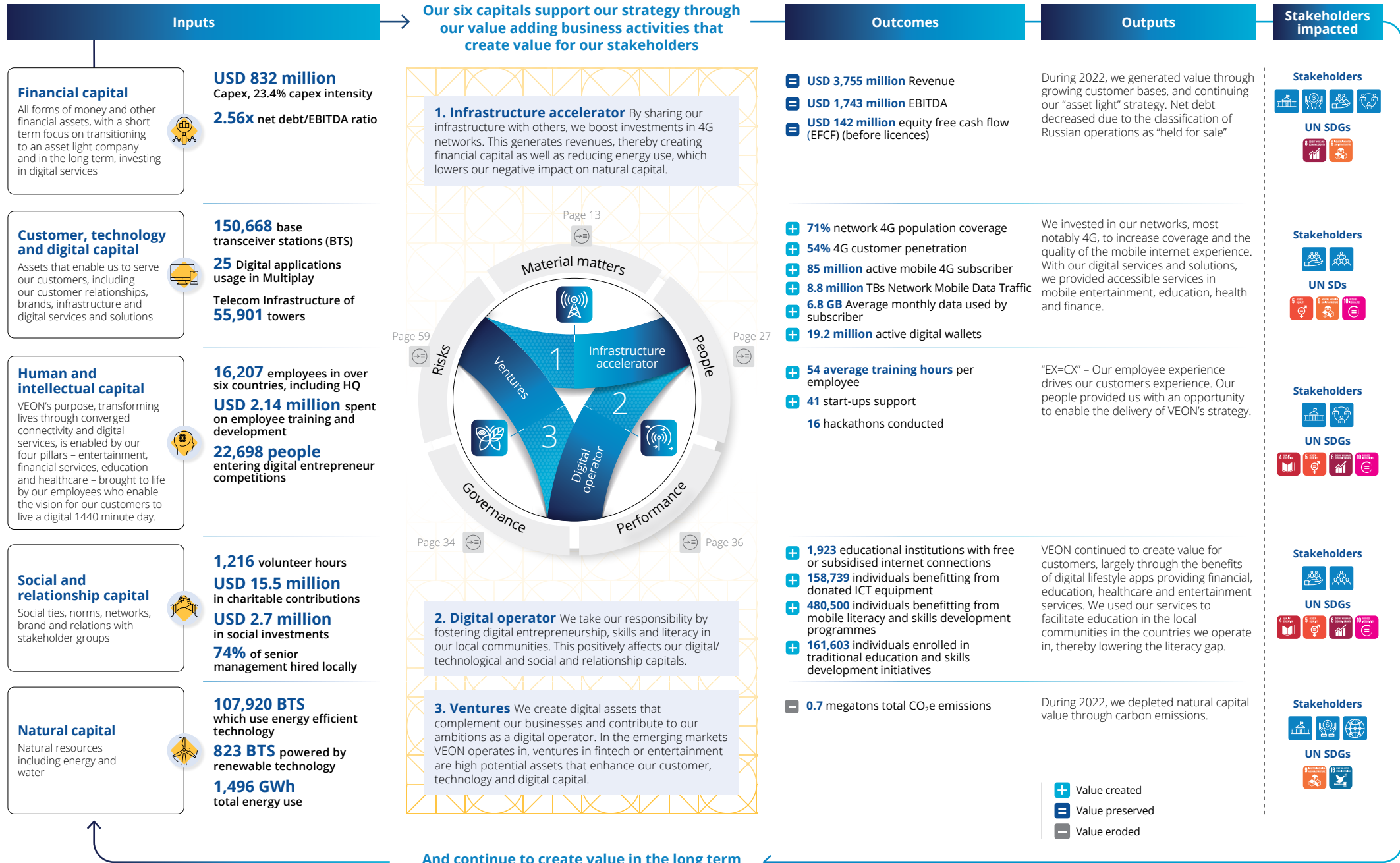
## How VEON engages with stakeholders

We engage with our stakeholders via a variety of forums and channels. These include customer feedback platforms, customer and employee surveys and participation in sector and community initiatives, as well as through our membership of local and global associations that represent stakeholder interests.

Stakeholder	Goals	Engagement
<p><b>1. Customers</b> VEON is focused on empowering the lives and livelihoods of customers through digital operator services.</p>	<ul style="list-style-type: none"> <li>Provide customers with a fully digital online experience via self-care apps.</li> <li>Offer a strong retail presence, specifically through mono-brand stores which enable a more dedicated experience.</li> <li>Call centres provide an increasingly personalised approach for customers given our use of digital data analytics.</li> <li>Point-of-sale options to our customers that help to facilitate engagement between them and our local businesses.</li> </ul>	<ul style="list-style-type: none"> <li>Initiatives to increase access to services by individuals.</li> <li>Access to VEON digital services across entertainment, finance, healthcare and education.</li> <li>Events to increase digital skills.</li> <li>Customer and market research.</li> </ul>
<p><b>2. Our employees</b> Our people provide us with an opportunity to enable the delivery of VEON's strategy. VEON has 44,252 employees in nine countries including our Amsterdam and Dubai headquarters (16,207 employees outside our Russian operation).</p>	<ul style="list-style-type: none"> <li>To drive our customer experience (CE) through our employee experience (EX). EX=CX.</li> <li>To enable VEON's purpose, transforming lives through converged connectivity and digital services.</li> </ul>	<ul style="list-style-type: none"> <li>Digital workplace learning, including scaling of leadership and management skills.</li> <li>Engagement surveys.</li> <li>Focusing on improving employee Net Promoter Score (eNPS).</li> <li>Inclusion across employee lifecycle.</li> </ul>
<p><b>3. Communities</b> VEON partners with non-government organisations (NGOs), community-based organisations and civil society groups to enable corporate responsibility-related initiatives.</p>	<ul style="list-style-type: none"> <li>Provisioning financial digital services to support livelihoods and enable national and personal prosperity.</li> <li>Provisioning digital services across healthcare, education and entertainment and to support customer's lives.</li> <li>Working with governments and NGOs to assist communities during times of crisis and disaster.</li> </ul>	<ul style="list-style-type: none"> <li>Programmes to increase community participation in digital finance and health.</li> <li>Contribution to national prosperity in the countries served by VEON.</li> </ul>
<p><b>4. Investors</b> VEON works closely with its institutional equity and credit investors and other shareholders. It also engages with the broader financial community including financial analysts.</p>	<ul style="list-style-type: none"> <li>Investors appoint the directors who constitute the VEON Group Board.</li> <li>Engagement with investors through the Investor Relations team based at VEON's Group HQ in Amsterdam.</li> </ul>	<ul style="list-style-type: none"> <li>Conference calls about quarterly and annual results.</li> <li>Briefing market participants and analysts on financial results, market trends and business strategy.</li> <li>Address the growing number of investors focused on ESG issues.</li> </ul>
<p><b>5. Governments and regulators</b> Local governments, regulators and state sector organisations which support us in delivering products and services across our markets.</p>	<ul style="list-style-type: none"> <li>Inform and advise governments and regulatory authorities on high-priority issues such as spectrum policy, digital transformation, innovation in the mobile and fixed telecommunications sector, and delivery of public services through technology.</li> </ul>	<ul style="list-style-type: none"> <li>Both proactive and transparent.</li> <li>Communicate our aims, prioritise international best practices and provide empirical evidence when developing positions regarding public policy.</li> </ul>
<p><b>6. Global- and local-focused memberships</b>  <b>Global-focused memberships</b> VEON's membership of and participation in global telco organisations.  <b>Local-focused memberships</b> Our operating companies are members of organisations focused on various topics, including industry management, policy and IT.</p>	<ul style="list-style-type: none"> <li>International Telecommunications Union (ITU).</li> <li>Global System for Mobile Communications Association (GSMA).</li> </ul>	<ul style="list-style-type: none"> <li>VEON CEO Kaan Terzioğlu serves on the Board of GSMA.</li> <li>Contribution to discussions on industry policy to telco participation in disaster relief.</li> <li>Participation in GSMA forums on mobile industry contribution to combatting climate change.</li> </ul>



# Our value-adding business model





Faisal mosque, Islamabad

# Expanding **digital connections** that **empower lifestyles**

Creating a better future for our customers, employees and communities is what matters to us. Empowering digital lifestyles is how we achieve this.

## In this section

Message from our CEO	10
Our material matters	13
Creating a better future	15
Prosperity	15
Our people	27
Principles of governance	34

## Message from our CEO

# Fulfilling our digital promise

VEON's Digital Operator strategy has transformed the way we engage our customers during an unprecedented period of global uncertainty.

Kaan Terzioğlu  
Chief Executive Officer



**Success for VEON means putting the customer at the centre of everything we do.**

**We began this journey three years ago with a simple ambition: to become more relevant to our customers**

**Success for VEON means** putting the customer at the centre of everything we do. It means staying close to them by serving needs and opportunities others do not see. Yet the events of the past three years have brought us closer to our customers in ways we could not have foreseen as we embarked on our digital operator strategy in early 2020.

Just as Covid-19 transformed the world's dependency on high-speed connectivity, geopolitical situation in the regions where we operate is now reinforcing the fundamental need to remain connected with one another when distance and adversity come between us.

VEON's priority throughout has been to be there for our customers whenever they need us and to see adversity as an opportunity to serve them better, not as an excuse to disappoint.

While the tragedies of conflict and the pandemic will forever humble us, connecting people through an expanding universe of digital capabilities has been the driving force behind VEON's transformation since we embarked on our digital journey three years ago.

The past 12 months have brought this story to life through the results we have delivered. I am proud that during the course of 2022, most, if not all, of our current portfolio of markets achieved double-digit growth in revenues – a remarkable achievement given the global context. This has driven a welcome return to double-digit growth of 12.6% in local currency at Group level following the disruptions of Covid-19 during the prior two years.

 Refer to the CFO review on pages 37 to 40.

VEON is indeed a growth story. Our services are fundamental to the fabric of the high-growth markets we serve, and our capabilities are bringing to life a digital economy as we drive growth and prosperity through connecting people with opportunity.

### **Our digital operator strategy**

We began this journey three years ago with a simple ambition: to become more relevant to our customers. The traditional telecoms company serves its customers with call and voice services for an average of 32 minutes per day. VEON's goal is 1440 minutes – to be relevant to each of them in every moment of every day through digital services that align to our customers' changing needs as lifestyles evolve.

Message from our CEO continued

**VEON's goal is 1440 minutes** – to be relevant to each of them in every moment of every day through digital services that adapt as the lifestyles of our customers evolve

**Our results-driven digital operator strategy**  
*Growing customer engagement and retention*



That is the cornerstone of our Digital Operator Strategy. What started with the introduction of simple self-care applications has since grown into a complex ecosystem of services that has led us into a host of adjacent markets and continues to connect a wealth of new verticals beyond our connectivity offering.

This is a digital transformation that VEON's markets are ripe for. These are home to over 500 million people –

around 7% of the world's population – and span some of the globe's most dynamic economies.

Around half of this population in our footprint is yet to be connected to internet experience, and these markets are expected to grow on average by around 5% in the year ahead.

The appetite in these nations for opportunity and betterment is mirrored by the pace at which new technologies are being adopted. This is transforming

the physical footprint of traditional industries into the growing number of virtual environments – there are opportunities to provide banking, education and healthcare services digitally. This helps to reduce the cost of these services and extending their reach, accessibility and affordability.

This transformation has enabled us, through JazzCash in Pakistan, to reach more finance customers than any other bank. It has allowed us to launch Kazakhstan's first digital payment card, Simply, and to show we can serve customers there without being their mobile services provider through our digital operator IZI. This has connected millions of our customers to live sports and entertainment through market-leading applications like Tamasha and Toffee that bring excitement, joy and a sense of togetherness that are the beating heart of the digital experience.

By imagining services that capture these opportunities, VEON is at the heart of this transformation. Alongside these verticals, we are deploying horizontal capabilities like credentials management, cloud services, cybersecurity and AdTech that few can match.

This transformation is still in its infancy. For a large proportion of our nations' adults, their first smartphone purchase is still several years away. As smartphone penetration increases, our fleet of digital applications already deployed in each marketplace will be increasingly more relevant.

**Towards an asset light future**

Just as our digital operator strategy has transformed our services, so too is our asset light strategy radically reshaping VEON's physical footprint across its operating markets.

The era of the vertically integrated telecoms company is over. Operators can no longer afford to possess and maintain their own unique, dedicated infrastructure. The physical delayering of the telecommunications industry is underway and is a process in which VEON is determined to be a pioneer.

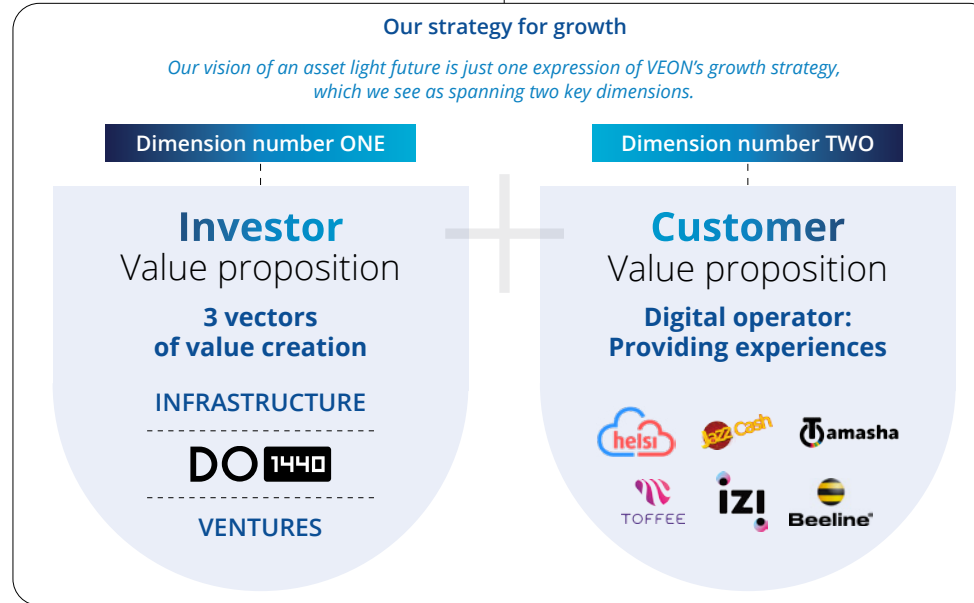
We signalled our intent in December 2021 by completing the sale of the majority of our Russian towers in a groundbreaking deal with Service-Telecom, which realised over USD 1 billion in cash proceeds.

Elsewhere, our pursuit of asset light has seen us separate our infrastructure businesses from our services through new legal entities, which are now in place in all our markets. It sees us pursuing monetisation opportunities with independent tower companies while collaborating with our fellow operators to explore efficient, shared solutions to our infrastructure needs.

Message from our CEO continued

# VEON's growth strategy

spans two key dimensions



Not only do transactions like these unlock considerable financial value, they reduce the resources that are wasted each day in powering the vast duplicate networks that still dominate our industry. This will enable our industry to reduce its carbon emissions and accelerate the move to net-zero, which VEON is proud to support.

The coming quarters are likely to see further progress on these fronts and I look forward to updating the market as opportunities present themselves.

### Our strategy for growth

Dimension number one governs our relationship with investors and the different sources of value we offer them. Collectively, these comprise three vectors of value creation: our infrastructure businesses, our telecom operations via VEON's digital operations and our stand-alone digital assets. Each attracts a different type of investor, illustrated by our success in unlocking the value of our infrastructure assets and the partnerships we have forged with private equity around our digital assets.

Dimension number two captures our relationship with customers. This is what we used to call our core connectivity business but now operate through six digital operators, each fully empowered to pursue growth opportunities in their local markets.

These brands are the heart of our business. They serve around 7% of the world's population eager for entertainment, financial services, education opportunities and healthcare. These are the distribution channels for the digital assets that are transforming VEON from being a seller of gigabytes to a provider of lifestyle services.

Each of these adjacent markets has the potential, over time, to become as large as our core communications market, and as we prospect them we are finding new verticals. It is these opportunities, and our belief that no one else can capture them more effectively than we can, that define the value of our digital operator model and the confidence we have in its future.

### Responsible business

Businesses cannot deliver long-term value without committing to sustainable business principles. These include our commitments to the environment, our governance and our culture. They extend to our customers, for whom our industry has a particular duty of care.

As a group of national digital operators, our brands will play a defining role in how digitisation unfolds in emerging markets. Throughout, we must view ourselves as the guardians of the data. This means upholding the highest standards of confidentiality and cybersecurity across our operations.

It is my fundamental belief that as a valuable resource, data should generate value within the geography where it is created, not be exported overseas to be sold back as a product. When used and processed locally, data can become a valuable contributor to sustainable economic growth through the cultivation of a wealth of value-added services.

As companies that are intrinsic and long-term players in the local economies, our digital operators are respectful of data sovereignty and focused on developing solutions that unlock the enormous economic potential that local data processing can create. Processed data will benefit the nations to which it belongs.

### The way forward

In three years, our digital operator strategy has come full circle. It has unified our three business pillars of infrastructure, our telecom operations and digital assets into a single, coherent whole and offers an unrivalled customer experience in each of the six markets we serve.

Each year, every step has brought us new challenges, from pandemic, to conflict to floods. Each time, we have demonstrated that we are not here to create excuses, but to deliver results. Collectively, our Company of 16,207 employees is stronger today than before, having solved problems and evolved business practices in ways previously unimaginable.

### Our future success is limited only by our imagination.

The one constant will be the creativity and ingenuity of our customers. Matching these with services that enthrall and entertain will ensure we deepen those partnerships while expanding future opportunities for all.

None of our achievements are possible without the dedication of our employees, the loyalty of our customers and the support of our shareholders and other stakeholders. We take none of these for granted, and I thank each of them for their confidence in our business, for their contributions to the results we have delivered and for their continued belief in VEON's exciting future.

**Kaan Terzioğlu**

**Chief Executive Officer**

June 2023

## Our material matters



**Matthieu Galvani**  
Chief Corporate Affairs Officer

VEON conducted an extensive refresh of its Materiality Assessment in 2022. This in-depth assessment was conducted with a view of the most recent economic, social, environmental and governance issues, as well as the most relevant macro-level risks. To do so, we undertook a review of the areas of focus of comparable companies, together with an assessment of the strategic focus of the Company over the course of 2022. Part of this assessment consisted of surveying over 200 internal and external stakeholders. The outcome of this process was the identification of VEON's material topics for 2022.

### Transforming lives through converged connectivity and digital services

The 21st century has seen digital connectivity become the cornerstone of everyday life for billions across the globe. Internet access is now an inalienable humanitarian right, recognised by the UNSDGs and telecoms providers from 111 countries under the GSMA's Humanitarian Connectivity Charter.

War and pandemic have redefined mobile networks as an essential resource, enabling people to stay connected with loved ones, access impartial, reliable information and harness new digital services to sustain livelihoods at times of greatest need.

Through our six digital operators, VEON is committed to ensuring connectivity is available wherever and whenever our 157 million customers need us. We deliver this through the expanding reach of our high-speed 4G networks and a growing range of digital services designed to entertain and empower.

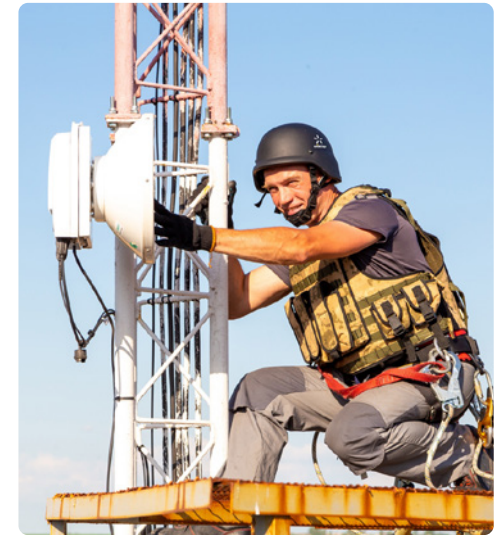
Focusing on what is important for long-term value creation and material for our stakeholders assists in developing ways in which to best measure and demonstrate our value to society and impact on the planet. This in turn, supports internal decision-making, relevant stakeholder communication, progress towards ESG goals and builds trust with our customers.

As ESG is increasingly becoming a decision component of asset allocation there is a growing attention on reporting which is currently complex, fragmented and not necessarily aligned to the impact of the mobile industry.

In the last two years, momentum towards the harmonisation of universal standards has accelerated. The International Sustainability Standards Board (ISSB) launched in November 2021 at COP26 aims to provide a comprehensive, global sustainability reporting baseline. The ISSB builds on the work of existing investor-focused reporting initiatives – including the WEF Stakeholder Capitalism Metrics – to become the global standard-setter for sustainability disclosures for the financial markets. The Stakeholder Capitalism Metrics WEF IBC metrics are built on the basis of the UNSDGs and are organised under four pillars: Principles of Governance, People, Prosperity and Planet. These metrics are well positioned to form the foundational tier of our ESG reporting as they encompass many of the topics deemed material by our industry such as diversity and inclusion, business ethics, employee health and safety, social investments and tax transparency.

Over and above the World Economic Forum's stakeholder capitalism metrics that cover many of the issues that are material to our Industry, the GSM Association has proposed a set of 10 core KPIs designed to complement these universal metrics and form an industry-specific layer of ESG reporting. Those mobile industry-related KPIs are organised under four categories: Environment, Digital inclusion, Digital integrity and Supply chain.

When conducting our 2022 materiality assessment, VEON has taken into account both WEF's stakeholder capitalism metrics as well as GSMA's ESG metrics for the mobile industry.



### Our materiality determination process

- 1 **STEP ONE**  
**Benchmark**  
Review of focus areas for comparable companies and industry leaders, together with an assessment of VEON's strategic focus over the course of 2022
- 2 **STEP TWO**  
**Long list**  
Present Step 1 benchmark findings to Group CFO and Group CEO, and establish a 20-items long list to be put through the survey – 10 material matters and 10 licence to operate topics
- 3 **STEP THREE**  
**Survey preparation**  
Assemble the documentation and contextual information to be sent to the respondents of the survey
- 4 **STEP FOUR**  
**Identify respondents**  
*Internal stakeholders:*  
HQ and OpCo employees, Board members  
*External stakeholders:*  
Debt/equity holders, bond holders, banks
- 5 **STEP FIVE**  
**Survey**  
Conduct the survey with the identified respondents, collect and analyse the data
- 6 **STEP SIX**  
**Review with senior leadership team**  
Review and discuss survey results with OpCo CEOs and Group Executive Committee (GEC) members
- 7 **STEP SEVEN**  
**Short list**  
Based on survey results and leadership discussions, narrow the 20 items from the long list to the proposed top 10
- 8 **STEP EIGHT**  
**Validation**  
Short list sent for review and validation to Group CEO and CFO, Chairman of the Board, Audit and Risk Committee Chairman

Our material matters continued

We believe **communication is a basic social need**, connecting people and communities with resources essential for growth, well-being and development

Material matters

<p><b>Strong infrastructure: network quality, resilience, expansion</b></p> <p>MM1</p> <p><b>Why this is important</b> The world's increasing reliance on mobile networks that connect billions of people demands constant network quality, reliability and availability.</p> <p><b>SDG goals</b> 4, 5, 9, 10</p>	<p><b>Digital and financial inclusion</b></p> <p>MM2</p> <p><b>Why this is important</b> Empowering people through information and communication banking by removing barriers that exclude communities from the wider economy.</p> <p><b>SDG goals</b> 4, 5, 8, 9, 10</p>	<p><b>Cybersecurity and online safety</b></p> <p>MM3</p> <p><b>Why this is important</b> VEON is committed to protecting the business, our people and our customers against cyber attacks and to comply with international data privacy rules on handling of personal data.</p> <p><b>SDG goals</b> 9</p>	<p><b>Constant innovation in products and services</b></p> <p>MM4</p> <p><b>Why this is important</b> Constant innovation means VEON stays relevant and continues to offer our stakeholders products and services that they require and contribute to sustainable long-term value.</p> <p><b>SDG goals</b> 4, 5, 8, 9, 10</p>	<p><b>Best customer experience, for maximum satisfaction and loyalty</b></p> <p>MM5</p> <p><b>Why this is important</b> VEON's people, product and services build trust in our customers creating the best customer experience, leading to customer satisfaction and brand loyalty.</p> <p><b>SDG goals</b> 4, 5, 8, 9, 10</p>
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Licence to operate

<p><b>Employees' health and safety</b></p> <p>LO1</p> <p><b>Why this is important</b> We are committed to providing a safe and healthy working environment, with the objective that there should be no fatalities or injuries as a consequence of VEON's activities.</p> <p><b>SDG goals</b> 3, 8</p>	<p><b>Talent management and skills development</b></p> <p>LO2</p> <p><b>Why this is important</b> Effective talent management and capability development ensures the organisation's ability to deliver our strategy, aligning reward systems to create long-term stakeholder value, an effective operating model and an outstanding, progressive culture of delivery in everything we do.</p> <p><b>SDG goals</b> 4, 5, 8, 10</p>	<p><b>Highest standards in corporate governance, strong business ethics and compliance</b></p> <p>LO3</p> <p><b>Why this is important</b> Responsible and effective corporate governance helps cultivate a culture of integrity, leading to positive performance and a sustainable value-adding business for all stakeholders.</p> <p><b>SDG goals</b> 5, 8, 10, 16</p>	<p><b>Strong financial performance, balance sheet resilience</b></p> <p>LO4</p> <p><b>Why this is important</b> Solid financial performance and a resilient balance sheet assist VEON to operate under stressful conditions, to preserve value for stakeholders.</p> <p><b>SDG goals</b> 4, 5, 8, 9, 10, 12</p>	<p><b>Diversity and inclusion in the workforce, create social value</b></p> <p>LO5</p> <p><b>Why this is important</b> An inclusive, equitable and diverse group of people connects to our purpose to provide connectivity in the diverse markets in which we operate, fuels sustainable economic growth and benefits societies and humanity at large.</p> <p><b>SDG goals</b> 5, 8, 10, 16</p>
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# Creating a better future

## PROSPERITY



- Employment generation
- Innovation of products and services
- Community and social vitality

A company's role in furthering economic, technological and social progress for its communities.

## Digital operators

The key to sustainable growth is ensuring the power of connectivity and digital services to transform outcomes is available to all. Our six digital operators provide these to 157 million customers for 1440 minutes each day, every day. Together, we are enabling sustainable futures through services that reach beyond entertainment to empower opportunity across financial services, healthcare and education.

### Financial services

VEON's digital financial services meet a critical need, transforming the traditional banking model in societies where low levels of financial inclusion remain a barrier to growth and social change. In four of our six markets, more than half of the adult population has no bank account. By delivering financial services via smart and feature phones, our digital operators can play a leading role in ending financial exclusion in the communities they serve.

JazzCash, our market-leading digital financial service in Pakistan, has pioneered the development of digital banking in a nation where the reach of traditional banks remains limited. Over 80% of Pakistan's adult population lack access to a bank account; a proportion that is higher for women who face additional social challenges to financial inclusion. As of the end of 2022, JazzCash serves the financial needs of over 16 million customers, providing a payments network that extends to 250,000 merchants and facilitating between 50,000 and 60,000 microloans each day, helping to sustain livelihoods at a time of rising living costs.

Beeline Kazakhstan has pioneered the nation's first digital payment card, Simply, which links to a customer's phone number to act as an electronic wallet and premium digital Visa Platinum card. Simply integrates with Apple Pay, Samsung Pay and Garmin Pay and currently serves around 250,000 active users monthly.

In Uzbekistan, Beeline has launched Beepul, an innovative digital payments service developed by our digital developer subsidiary in the country, BeeLab. In September 2022, BeeLab was granted a licence by the Uzbekistan Central Bank to expand the reach of Beepul. Now, customers of any network pay for around 500 services nationwide from their smartphone – a major step forward in the development of the nation's digital payment ecosystem.



Beeline has launched Beepul, an **innovative digital payments service** developed by our digital developer subsidiary in the country, BeeLab



## Creating a better future continued

### Female entrepreneurs get helping hand with Jazz



With a population of almost 230 million people, Pakistan is the world's fifth-most populous country. The Global Wage Report 2018/19 states that women in Pakistan make an average salary that is 34% lower than men, furthermore women make up 90% of the bottom 1% of wage earners.

"If you wanted to open a bank account until about six months ago, you would need a male relative or guardian to submit the documents on your behalf. You would need proof of income, and you would need to fill out a lot of very detailed forms in order to be able to get access to a bank account," says Ziana Sakhia, CEO and co-founder of Pakistan-based online marketplace Bechlo. "Now, thanks to initiatives like Jazz Cash, women can set up digital bank accounts without needing any male counterparts or any detailed documents proving a financial status."

Ziana launched Bechlo, which translates from Urdu as "sell it", on International Women's Day, 2021, with the tagline "Created for women, by women".

Bechlo is a virtual marketplace where people can shop through Instagram and Facebook. It features a one click checkout for payments, and the platform takes care of customer service, shipping and payments for the seller.

We are on a mission to make e-commerce easy, affordable and accessible for women across Pakistan. Internet access and smartphone ownership are still quite low relative to the entire population of over 220 million people, but the numbers are growing fast thanks to the efforts of operators like Jazz. Over the past three years about 25 million women have gained access to social media.

#### Finding inspiration

Bechlo is the culmination of what is now a 12-year career spent as an educator and entrepreneur. Ziana launched her first business, Fashioneastas.com, in 2010 as a Pakistan national living in Kuwait. "I noticed that among the large expat community there was a demand for Pakistani culture and clothing, but supply lines were limited. I set up Fashioneastas.com for designers in Pakistan to sell their products overseas, not just into Kuwait but around the world," she says.

In 2017, Ziana set up her second e-commerce company, which was a not-for-profit social initiative called The Green Bag Project. The idea was to create awareness about single use plastics.

"We came up with a line of reusable bags which were stitched by seamstresses in rural Pakistan," says Ziana, "The Green Bag Project exposed us to some of the issues people face in this part of the world such as unreliable (or non-existent) electricity supply or a shortage of equipment or resources. We realised that these limitations meant we could only do things on a small scale. That is when we had the idea for Bechlo. We could create a platform that would act as digital marketplace for women all over Pakistan that were making or reselling clothes."

#### Enabling entrepreneurship

In March 2022, Bechlo was announced as the winner of the National UNDP Jazz SDG bootcamp for social enterprises in Pakistan. This bootcamp was a part of the agreement inked between UNDP and Jazz in December 2020 with an aim to promote promising social ventures that are addressing the country's developmental challenges.

So far, this bootcamp and others like it have trained, mentored, and educated 201 nationwide social enterprises, including 159 female participants. The programme comprised 20 bootcamps nationwide by December 2022 targeting close to 800 youngsters and 50% women participation.

Taking part and winning the National UNDP Jazz SDG bootcamp for social enterprises also provided Bechlo with an opportunity to join Youth Co:Lab, the largest youth social entrepreneurship movement in Asia and the Pacific, along with providing access to mentorship opportunities and exclusive digital giveaways by Jazz.

#### Building the future

Ziana has big plans for the platform: "One of the biggest takeaways from the whole process is that it has given us belief in the project, that women-centred and women-led businesses can thrive," she says, adding, "Our aim is to digitise 100,000 female micro entrepreneurs by 2024. We want to help at least 25,000 women double their income."

Bechlo is helping women across Pakistan tap into the idea of doing business. "We are helping women who make clothing and jewellery at home and women who source their product from a wholesaler find buyers. We are even helping people who are reselling pre-loved items so that they do not

even need to know how to make or source product, they can just sell what they have at home," says Ziana

In the very short time since the launch, Bechlo is already making a massive difference to the lives of women in Pakistan by embracing the advantages that come with mobility and ever more affordable smartphones. According to data from the GSMA, in 2018 the mobile ecosystem generated 5.4% of GDP or USD 17 billion in value add. This is forecasted to increase up to USD 24 billion in 2023 due to productivity benefits from increasing mobile internet penetration, and no doubt the enablement of social enterprises like Bechlo.



## Creating a better future continued

### Education

Educational opportunities are among the most exciting needs we can serve through our digital services.

With around half of the combined population of our markets under the age of 30, the ability to access teaching and education resources through our networks has considerable scope to improve life outcomes for individuals in the developing markets we serve.

Covid-19 lockdowns demonstrated the ability to migrate learning online during extended periods when physical contact was not possible. Today, conflict in Ukraine is driving a similar need. Throughout, our digital operators have enabled teachers and students to stay connected with free access to e-learning, ensuring the continuity of education outside of the classroom.

Our digital operators are now expanding the scope and reach of online education through new edtech services tailored to a variety of learning needs, from elementary

schooling through to language skills, postgraduate study and vocational training.

Alongside free access to e-learning platforms that enable students to continue their education wherever they are located, Kyivstar TV now provides a wealth of educational programming for a variety of audiences in Ukraine. These range from preschool learning through to language courses and academy modules offering ICT skills in programming, online design and cybersecurity. By bundling these resources together with entertainment content, our goal

is to encourage learning through the interactive use of a single media platform designed to entertain as well as to inform.

Banglalink has partnered with TutorsInc to deliver a host of digital learning experiences via its MyBL app. TutorsInc is a conceptual learning platform offering a rich variety of study materials including online courses, one-to-one video sessions, live classes and study notes covering both national and international academic.

### Developing digital skills

When Botir Arifdjanov founded the Astrum IT Academy in 2021, he was confident there would be no shortage of applicants. "The demand for software engineers has surged in Uzbekistan in recent years following incentives created by Uzbek Government for IT companies", said Botir, whose background as a tech entrepreneur and pioneer of edtech in Uzbekistan gives him first-hand experience of the role digital education can play in helping to realise the government's ambitious digital transformation agenda.

The Astrum IT Academy is one of a growing number of digital educational initiatives Beeline is proud to support in Uzbekistan. Working in partnership with Bilim Tech, a leading local edtech company, Beeline is helping Astrum realise its ambition to become Central Asia's largest IT academy. Through providing educational services and opportunities for students to experience real-life AI and big data projects, Beeline is sharing its digital expertise while helping to develop a talent pool vital to the future success of both our Company and the nation.

Developing digital skills is a key component of the government's digital Uzbekistan 2030 strategy. Launched in 2020, this ambitious project aims to achieve a transformation of the nation's digital capabilities in a variety of sectors, including telecommunications, public services and healthcare. As the nation's leading digital operator, Beeline is playing a leading role in helping to realise these goals, both through expanding the reach of our high-speed 4G data networks and nurturing local talent to grow the digital economy they enable.

This is important for a nation where a lack of local ICT employment opportunities has encouraged many to seek careers elsewhere. With over 50% of the population under the age of 30, there is a golden opportunity to equip individuals with these skills at an early age.

Beeline is investing in this process through our own operations. In August 2022, we announced our plans to build an international operations hub for VEON's IT and digital teams in Tashkent's newly-opened IT Park, boosting local ICT employment opportunities and enabling the sharing of our expertise with other ecosystem companies. We expanded our local BeeLab software team from 15 to 100 employees and are investing in a Beeline IT Academy in Uzbekistan to provide our own digital education hub across areas including IT skills and cybersecurity.

Away from the workplace and classroom, Beeline is pioneering new ways of developing edtech services, including the delivery of digital education materials through its new SINAPS platform.

"Education is a living thing; it evolves", says Andrzej Malinowski, CEO of Beeline Uzbekistan. "The objective of our industry should be to provide a platform with courses related to coding, programming and cybersecurity – allowing people to gain knowledge that is relevant and useful. This is especially important in countries such as Uzbekistan with a fast-growing younger generation."



## Creating a better future continued

### Digital transformation through education

"I cannot thank Beeline enough for this centre," says Eldar Juraev, a student at Kyrgyzstan's Jalal-Abad State University and a regular user of the city's new co-working centre, opened by VEON's digital operator in the country, Beeline. "In the classes, I have learnt about so many useful applications and financial services that will help me in the future."

Eldar is just one of the many young Kyrgyzstanis on whom the country is pinning its economic hopes. Citing digital transformation as a key development goal, Kyrgyzstan's 2018-2040 national strategy includes a pledge to enable the next generation to play a leading role in domestic and global digital labour markets.

But vision is not always matched by resources, especially in towns like Jalal-Abad which are far from the capital city, Bishkek. For the past five years, Beeline has been working to address this shortfall by creating co-working centres that provide students and budding entrepreneurs a bright, modern environment with free access to computers and Wi-Fi. Fully equipped with ICT equipment, furniture and support, these centres create havens for study, as well as providing spaces for fostering digital collaboration within communities.

Beeline is also offering masterclasses to co-centre users in order to share our digital knowledge with a generation which, like Eldar, is eager to learn. For classes on programming, project and productivity management, software have been provided to support young people in developing their skills, knowledge and entrepreneurial potential while strengthening the awareness of Beeline among a socially aware community.

For those who harbour ambitions to become ICT professionals, Beeline offers a variety of courses dedicated to providing vocational training to the nation's young adults. These draw on the skills of teachers and mentors from across the industry to provide education and mentoring in a variety of technology and digital fields, together with internship opportunities at Beeline. In total, around 360 participants were selected from about 1,600 applicants for these courses in the first year, 10 of whom were offered internships and two became successfully employed by Beeline.

Partnerships are another route through which Beeline extends the reach of its digital education initiatives. These include free courses offered in collaboration with Digital Academy, a local specialist training institute, in areas such as UX / UI design.

Participants include 21 year-old Anara Erkebayeva from the village of Uchkun in the Kara-Suu district of the

Osh region. Despite suffering from scoliosis from a young age which limits her mobility, Anara is determined to pursue a career in IT and signed up to one of Digital Academy's courses, eventually being awarded with a high-quality laptop from Beeline as one of the highest performing students.

Arna now runs her own e-commerce business. "Beeline has created an excellent opportunity for mastering the IT sphere," she said of her course experience. "Such courses are a great opportunity for people with disabilities. I am grateful to Beeline for this opportunity. It motivates me for new achievements."

Building on the success of its first year of courses, Beeline has now launched a second stream which has attracted more than 3,000 applicants from across the country, 75 of whom went on to receive training in data science, SQL, ICT project management, information security and systems administration. Students were also given tours of IT companies and participated in teambuilding exercises and meetings with experts to help prepare them for the workplace.



"It is important for us that our social and educational initiatives bring real benefits to society," said Alexander Atamanov, Commercial Director of Beeline Kyrgyzstan. "We want our youth to develop and contribute to the development of the country."

That is a goal we share with the nation as we partner together to realise the full potential of Kyrgyzstan's digital future.

### Digital skills programmes

MM2 MM4 LOS

#### Particulars

##### Digital inclusion

Number of digital wallets (thousands)

– JazzCash (Pakistan)

– Simply (Kazakhstan)

– BeePul (Uzbekistan)

– Balance (Kyrgyzstan)

##### Digital skills and literacy

Number of educational institutions with free or subsidised internet connections

Number of individuals benefitting from donated ICT equipment

Number of individuals benefitting from mobile literacy and skills development programmes

Number of individuals enrolled in traditional education and skills development initiatives

##### Digital innovation

Monthly active users of self-care apps and web services (thousands)

– Ukraine

– Pakistan

– Bangladesh

– Uzbekistan

– Kazakhstan

– Kyrgyzstan

##### Make your mark

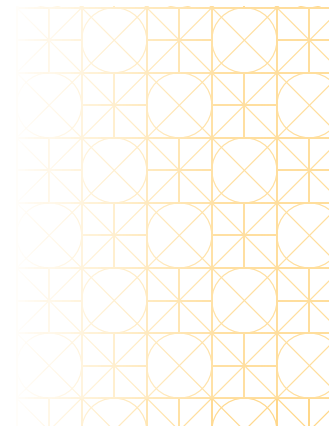
Number of people attending entrepreneurship educational events

Number of people entering digital entrepreneur competitions

Number of start-ups supported

Number of hackathons conducted

Particulars	2022	2021	2020
<b>Digital inclusion</b>			
Number of digital wallets (thousands)			
– JazzCash (Pakistan)	16,421	15,199	12,168
– Simply (Kazakhstan)	2,256	1,760	710
– BeePul (Uzbekistan)	285	224	135
– Balance (Kyrgyzstan)	243	34	31
<b>Digital skills and literacy</b>			
Number of educational institutions with free or subsidised internet connections	1,923	352	102
Number of individuals benefitting from donated ICT equipment	158,739	54,890	42,100
Number of individuals benefitting from mobile literacy and skills development programmes	480,500	52,100	39,814
Number of individuals enrolled in traditional education and skills development initiatives	161,603	59,534	41,825
<b>Digital innovation</b>			
Monthly active users of self-care apps and web services (thousands)			
– Ukraine	3,945	4,206	2,898
– Pakistan	12,672	9,827	7,789
– Bangladesh	5,700	3,194	1,872
– Uzbekistan	4,868	3,625	2,026
– Kazakhstan	3,933	2,990	1,907
– Kyrgyzstan	549	324	91
<b>Make your mark</b>			
Number of people attending entrepreneurship educational events	4,736	39,524	4,479
Number of people entering digital entrepreneur competitions	22,698	17,301	19,260
Number of start-ups supported	41	14	13
Number of hackathons conducted	16	6	6



## Creating a better future continued



In Ukraine,  
**Kyivstar** has  
joined on an  
ambitious project  
to establish a  
**national digital  
health service** as  
part of its  
commitment to  
**rebuilding the  
nation**

### Healthcare

Access to healthcare is a pressing need across the communities we serve. Medical facilities can be dispersed and lay outside the financial reach of many. Democratizing healthcare access through the development of smartphone-enabled services enables our digital operators to deliver a range of medical resources via a single portal, reducing costs and barriers to successful diagnoses and treatment.

The project brings Kyivstar together with Helsi Ukraine, the country's largest medical information system, in which Kyivstar has made a strategic investment in order to scale eHealth service at the national level and make it available to every Ukrainian, both at home and abroad. As well as acting as the digital interface between patients and medical staff, Helsi will enable the preparation of treatment plans, maintain medical records and integrate the provision of primary healthcare with pharmacies and laboratories, providing vital continuity in care as the nation rebuilds.

In Pakistan, Jazz's BIMA Sehat provides a 24-hour tele-doctor service and hospital insurance package in partnership with our MILVIK Mobile Pakistan partner. This service is offered to all of Jazz's pre-paid customers for as little as PKR 1.43 per day, providing smartphone access to an extensive network of healthcare resources along with discounts at pharmacies and on laboratory tests and home medicine delivery.

Banglalink's Health Hub is a one-stop healthcare platform that covers every aspect of an individual's health, from initial consultations to treatment planning and medicine delivery. Introduced as part of Banglalink's MyBL self-care service, users have access to a comprehensive array of affordable digital health services provided by Health Hub partners, including Bangladesh's leading healthcare providers Doktorbhai, DocTime and Pulse.



## Creating a better future continued



@banglalinkmela  
is **empowering**  
**young stars** like  
Mohima to  
pursue their  
passion for  
**creating digital**  
**content**

### Entertainment

The expansion of our 4G networks has transformed our ability to serve a host of media streaming, music apps and live sports to our customers. Developed using the very latest digital technologies and protocols, these are expanding access to a world of local and global entertainment and redefining the customer experience of our services.

In Ukraine, our media streaming service Kyivstar TV provides more than 20 000 units of content, including Hollywood blockbusters, series, documentary films, and 320 live TV. This over-the-top (OTT) platform is one of the leaders on OTT market and its popularity continued to grow throughout 2022, driving a 60% rise in its user base.

Jazz's video streaming app Tamasha provides our mobile subscribers in Pakistan with unrivalled access to the best in premium TV channels, movies, dramas and live sport, each delivered in HD format to their smartphones. 2022 saw Tamasha's user base rise to 6.5 million after it delivered exclusive ad-free streaming of the Cricket World Cup and live streaming of the FIFA World Cup throughout the fourth quarter.

In Bangladesh, Toffee has grown rapidly to become the nation's number one video streaming app, with over 25 million active users. With its emphasis on local language content, user-generated media and sport, Toffee has proven to be a local success story in a market where global streaming services have struggled. 2022 was a record year for Toffee as it attracted more users than ever before after launching exclusive streaming of the FIFA World Cup, enabling Toffee users to view live matches from any network.



### The beautiful game

Little else has the ability to unite a nation in a single moment in quite the same way as live sport. In Bangladesh, 2022 saw live streaming of the world's most watched sports event go mainstream as Banglalink's market-leading streaming service Toffee provided live coverage of the FIFA World Cup via 4G networks for the first time.

Toffee's coverage was a landmark moment for Bangladesh's fast-growing streaming industry. Record online audiences were recorded as the tournament's reach extended beyond traditional TVs to the smartphones of a new digital audience. Around one billion views of the sporting action were served by Toffee, which provided exclusive match play access across all networks to fans on the move or on large screens via the Toffee Android TV app.

Toffee's live coverage was provided in partnership with K Sports, one of the nation's leading sports marketing companies, for which the popularity of Toffee was a key attraction.

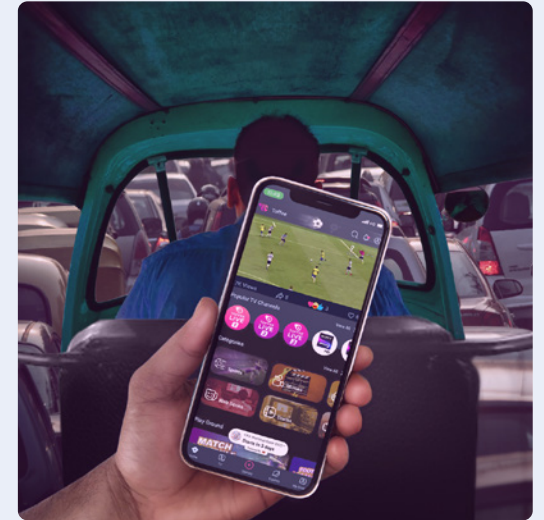
"Toffee is the right fit for live streaming a mega event like World Cup Football because of its wide user base and smooth streaming experiences," said Fahad Mohammed Ahmed Karim, Chief Executive Officer of K Sports. "It is an exciting opportunity for our football lovers to watch the live stream of world cup matches in a convenient way."

Sports fans certainly seemed to agree. Toffee's viewing numbers hit new highs as football fans turned away from traditional TVs for the convenience of live streaming through their mobile devices. Over 25 million unique viewers watched the Round of 16 matches and 15.5 million live streamed the world cup final. The tournament helped drive a fivefold increase in Toffee's daily active user base, which closed the year at 5.2 million.

Launched in November 2020, Toffee has grown quickly to become the nation's favourite mobile streaming platform. With an emphasis on local language and user-generated content alongside sport, Toffee now attracts more active users than any other digital entertainment service in Bangladesh. As with its success in streaming live cricket to a nation passionate about the sport, the FIFA World Cup demonstrated Toffee's ability to connect football with new audiences though a personalised viewing experience that matches the change in people's sports consumption habits. Toffee enabled revenue generation for local content generators.

Toffee's reach reflects the considerable investment Banglalink has made in the nation's high-speed 4G networks as it embarks on ambitious strategy to move from regional mobile provider to nationwide digital operator. Banglalink installed 4,200 new base stations in 2022 alone, which alongside a doubling of its radio spectrum enabled it to expand its 4G reach to over 80% of customers by the end of the year. Throughout, Banglalink maintained its position as the nation's fastest mobile network, receiving the Ookla Speedtest Award for the third year running.

Toffee is one of a variety of digital services this network expansion is enabling Banglalink to deliver to a growing audience of users. These provide our customers with gateways to digital capabilities in healthcare, finance and education. Together, they are redefining expectations of what mobile connectivity can offer, as well as allowing a nation to share treasured moments of the beautiful game.



Creating a better future continued



The world's increasing **reliance** on **mobile networks** that **connect** billions of people online demands **constant network** quality, reliability and availability

## Investing in our infrastructure



VEON possesses one of the largest mobile telecoms footprints in the developing world. We are rapidly deploying high-speed 4G networks to provide customers with robust, safe and secure connectivity through which to experience the best in converged digital services.

In 2022, we increased the number of 4G sites in each of our countries of operation, with a collective growth rate of 20% year on year. As of the end of the 2022, we are serving 85 million customers with 4G, accounting for 54% of our total subscriber base. Our goal is to increase 4G penetration to 70%, enabling access to and opportunities in mobile financial services, education and healthcare.

Our investments into our networks and most notably into our 4G networks have resulted not only expanded coverage but also in consistently high levels of customer experience, resulting in our operating companies receiving recognition for the quality of the experience that they provide. Expanding 4G participation means widening the reach of digitisation in the fast-growing economies we serve. This enables the digital economy to evolve, creating new avenues for growth.

### Strong infrastructure, network quality and resilience

The world's increasing reliance on mobile networks that connect billions of people online demands constant network quality, reliability and availability. VEON sets high standards for the quality and the reliability of the networks to provide accessibility of high-speed mobile networks, ensuring the availability of critical communications in the short term and the contribution to growing economic and social activity in the medium and long term.

### Network KPIs:

#### Particulars

	2022	2021	2020
Total base stations (physical sites)			
– Total sites – 2G	52,951	47,047	44,903
– Total sites – 3G	40,747	39,777	39,826
– Total sites – 4G	56,970	45,638	36,595
Active mobile subscribers (3 months millions)	157	153	144
Active mobile data subscribers (3 months millions)	112	106	94
Active Mobile 4G subscribers (3 months Mn)	85	71	52
Network Mobile Data Traffic in TBs ('000)	8,838	6,809	4,616
<b>GB of use (GBOU) (average GB per data user per month)</b>			
Total Ukraine	8.2	6.6	5.3
Total Pakistan	5.5	4.8	3.6
Total Bangladesh	4.8	3.7	2.3
Total Uzbekistan	7.5	5.2	3.5
Total Kazakhstan	15.4	12.6	8.9
Total Kyrgyzstan	16.3	13.0	10.1



Expanding **4G participation** means **widening the reach of digitisation** in the fast-growing economies we serve

## Creating a better future continued

### Quality of service:

Particulars	2022	2021	2020
<b>Network population coverage (percent)</b>			
Ukraine			
– 2G	<b>98%</b>	98%	98%
– 3G	<b>75%</b>	75%	75%
– 4G	<b>94%</b>	90%	86%
Pakistan			
– 2G	<b>84%</b>	79%	74%
– 3G	<b>55%</b>	57%	62%
– 4G	<b>64%</b>	59%	51%
Bangladesh			
– 2G	<b>97%</b>	96%	96%
– 3G	<b>76%</b>	76%	75%
– 4G	<b>81%</b>	69%	60%
Uzbekistan			
– 2G	<b>94%</b>	92%	92%
– 3G	<b>75%</b>	75%	75%
– 4G	<b>78%</b>	62%	52%
Kazakhstan			
– 2G	<b>98%</b>	98%	98%
– 3G	<b>89%</b>	88%	86%
– 4G	<b>87%</b>	81%	76%
Kyrgyzstan			
– 2G	<b>98%</b>	98%	98%
– 3G	<b>77%</b>	77%	86%
– 4G	<b>92%</b>	93%	90%

### Bridging digital divides through 4G for all

In Kazakhstan, the key challenge is geography. Kazakhstan is a vast country – the ninth largest in the world – and is sparsely populated. Almost half the population is rural, with a large number of small settlements situated many miles apart from each other. Nevertheless, our local digital operator Beeline is committed to providing the highest quality of connectivity and services to every citizen of Kazakhstan, regardless of where they live.

This ambition lies behind Beeline's 'LTE Everywhere' strategy. Its goal is to equip 97% of our base stations with 4G capabilities through which we can provide high-speed internet access and the growing range of digital services this technology enables. Although we continue to experiment with 5G in Kazakhstan, which we believe has future application in industry-specific Internet of Things (IoT) deployments, we continue to view 4G as the workhorse for our customer networks for the foreseeable future given the tremendous range of services it can deliver. Beeline made continued progress in expanding its availability across Kazakhstan in 2022, with our 4G network now reaching 87.3% of the population, a 6.8 pp rise on last year.

As well as the successes of 'LTE Anywhere', Beeline is proud to partner with the nation's other mobile operators in the government's 250+ project to bring the benefits of internet connectivity to Kazakhstan's most remote regions.

Introduced in 2020, the 250+ project aims to extend high-speed internet to all villages with a population of 250 or more through a collaborative approach to network and equipment sharing between operators.

Once connected, local communities are offered network access through any mobile provider on competitive terms. In turn, each mobile operator is given equal access to the shared network.

Through the 250+ project, Beeline has extended its services to more than 1,500 villages for the first time, drawing on geostationary satellite technology where required to connect even the most remote settlements.

The 250+ project is transforming the digital connectivity of rural communities and providing access to a range of new services. These include distance learning, telemedicine, mobile financial services and access to a variety of government digital resources. Over time, the extension of high-speed internet into rural areas is expected to accelerate the economic development of the Kazakh countryside, driving e-commerce in the regions and facilitating the adoption of IoT technologies in agriculture for the first time. Most importantly, being able to access 4G and digital services for the first time is changing people's lives in ways many of us take for granted. They are able to read the news and access a wealth of information and resources previously beyond their reach. They can study and work remotely and access a variety of state services that previously required tens or even hundreds of kilometres of travel to reach.

4G access is also helping to bridge the digital divide between generations in Kazakh society. We see growing use of our video services, instant messaging and financial apps amongst our older customers. Thanks to 4G coverage they can see their families more often, they can watch their grandchildren grow and celebrate relatives' birthdays, regardless of the distances that separate them.



## Creating a better future continued

### Quality of service continued:

Particulars	2022	2021	2020
<b>Voice inaccessibility (percent)</b>			
Ukraine			
- 2G	<b>2.34%</b>	0.37%	0.40%
- 3G	<b>0.38%</b>	0.12%	0.13%
Pakistan			
- 2G	<b>2.10%</b>	1.71%	1.53%
- 3G	<b>0.46%</b>	0.49%	0.37%
Bangladesh			
- 2G	<b>0.60%</b>	0.59%	0.57%
- 3G	<b>0.42%</b>	0.33%	0.42%
Uzbekistan			
- 2G	<b>1.29%</b>	0.83%	0.58%
- 3G	<b>0.25%</b>	0.22%	0.24%
Kazakhstan			
- 2G	<b>0.75%</b>	1.08%	0.93%
- 3G	<b>0.40%</b>	0.28%	0.33%
Kyrgyzstan			
- 2G	<b>0.19%</b>	0.24%	N/A
- 3G	<b>0.28%</b>	0.16%	N/A

Particulars	2022	2021	2020
<b>Data inaccessibility (percent)</b>			
Ukraine			
- 3G	<b>2.06%</b>	0.76%	0.53%
- 4G	<b>0.48%</b>	0.16%	0.21%
Pakistan			
- 3G	<b>0.70%</b>	0.59%	0.36%
- 4G	<b>0.92%</b>	0.41%	0.28%
Bangladesh			
- 3G	<b>0.48%</b>	0.42%	0.37%
- 4G	<b>0.49%</b>	0.47%	0.33%
Uzbekistan			
- 3G	<b>0.61%</b>	0.46%	0.56%
- 4G	<b>0.67%</b>	0.61%	0.64%
Kazakhstan			
- 3G	<b>1.32%</b>	1.07%	1.07%
- 4G	<b>0.35%</b>	0.40%	0.35%
Kyrgyzstan			
- 3G	<b>1.25%</b>	0.76%	N/A
- 4G	<b>0.45%</b>	0.27%	N/A





## Creating a better future continued

### Quality of service continued:

Particulars	2022	2021	2020
<b>Voice call drop rate (percent)</b>			
Ukraine			
– 2G	<b>0.90%</b>	0.76%	0.68%
– 3G	<b>0.31%</b>	0.17%	0.18%
Pakistan			
– 2G	<b>1.09%</b>	0.84%	0.89%
– 3G	<b>0.19%</b>	0.15%	0.16%
Bangladesh			
– 2G	<b>0.56%</b>	0.66%	0.66%
– 3G	<b>0.20%</b>	0.21%	0.23%
Uzbekistan			
– 2G	<b>0.41%</b>	0.42%	0.71%
– 3G	<b>0.13%</b>	0.13%	0.14%
Kazakhstan			
– 2G	<b>0.66%</b>	0.58%	0.47%
– 3G	<b>0.14%</b>	0.14%	0.15%
Kyrgyzstan			
– 2G	<b>0.30%</b>	0.33%	0.35%
– 3G	<b>0.40%</b>	0.26%	0.22%

### Data privacy and cybersecurity:

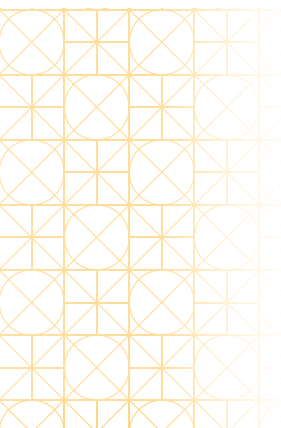
VEON takes the utmost care to comply with international data privacy rules, as well as the way we handle personal data, to ensure and underpin the trust of our customers. Together with data privacy laws, we have VEON Group privacy policy that sets the minimum data privacy standard across the VEON Group. This standard includes privacy principles such as lawfulness, transparency, data minimisation, retention, and security, as well as privacy processes covering privacy assessments, vendor assessments and individual rights. Our operating companies ensure that this standard is integrated into their business practices.

The regulatory landscape around this issue is constantly evolving and we maintain an open dialogue with lawmakers as well as learning from best practices in countries with more established data protection frameworks.

Cybersecurity is important to us because we want to protect the business, our people, and our customer against cyber attacks, to comply with legal requirements, such as General Data Protection Regulation (GDPR). Cybersecurity is therefore of the highest priority to VEON and our Group CEO. Operational issues are reported into him on a rolling basis, and any cybersecurity issues are reported to each operating company CEO.

Particulars	2022	2021	2020*
Progress of additional security measures implemented	<b>89%</b>	84%	94%
Potentially adverse events analysed	<b>~384</b>	~682	~1,800
Critical incidents managed preventively and solved without major negative impact	<b>9</b>	9	16
Notifications from external cyber intelligence services	<b>495</b>	151	31
Internally identified compromises that resulted in a breach and exfiltration of data	<b>3</b>	15	47
Reports from outside parties and substantiated by the organisation	<b>23</b>	4	3
Complaints from regulatory bodies	<b>4</b>	1	118

\* 2020 includes Russia, Algeria and Georgia as well.



## Creating a better future continued

### The communication lifeline of Ukraine

The war in Ukraine has taught the world just how important communications are to a country in crisis. Access to telecommunications is a fundamental human right, on par with access to food, water and shelter, or healthcare. The value of connectivity is not just a matter of calls and messages, it is about the digital services. For the displaced, mobile banking, healthcare information and even entertainment are lifelines.

Throughout the war, the team at Kyivstar has shown dedication and true heroism in their efforts to keep the network running. When Mariupol was besieged and surrounded, the invading forces attacked the telecoms infrastructure to suppress communications in the city. Mastheads were destroyed by missiles and the fibre backhaul networks were damaged. Amid the devastation, one mobile cell remained as the single functioning masthead in the city, thanks to the outstanding job done by the engineers who repaired it while under shelling. When the electricity cables were cut, the cell had to be powered by a generator refuelled by volunteers, but that single cell was a lifeline to the desperate residents of Mariupol and allowed them to communicate with their loved ones and even to plan their escape.

The preparation to protect the Kyivstar network started three months before the invasion and began with the core site. As a telecoms operator it has several core sites and added more redundancy nodes in a safe zones that enabled it to provide almost 100% redundancy for its core services.

For its field operations, Kyivstar took a different approach. Since it is difficult to mitigate a single site loss, Kyivstar's network engineers considered the broader topology and focused not on redundancy for one single site, but on continuity of service. These architectural approaches to embedding network resilience have paid off, preventing any one attack from disabling the core functioning of our network.

While the core network has remained intact, Kyivstar has seen considerable damage to its network infrastructure. More than 144,000 repairs of base stations have been performed, 800 settlements reconnected, over 600 cellular sites restored and 20,000 new batteries installed to protect the services from blackouts. Every day, 150 Kyivstar engineers work in the field to repair base stations or fibre optic backhaul links. These brave people take considerable risks to

ensure that network access is restored, and this has meant that the operator has been able to maintain network access across over 90% of its sites.

The damage to the backhaul fibre has also been mitigated by sharing arrangements between the three mobile operators in Ukraine. Where they were once competitors, they are now fiercely determined to work together to ensure that our customers have connectivity.

While keeping the networks operational has been a large part of Kyivstar's work, it has been cognisant of those who have been displaced by the conflict. Early on in the war, Kyivstar initiated a new service for the millions of refugees forced to leave Ukraine for other European countries. It called this service "Roam Like Home", enabling customers to make calls and use data as if they were in Ukraine. Initially this involved a few countries bordering Ukraine, however it has now grown to cover 27 European countries and has been used by almost three million customers.

"Roam Like Home" has been made possible by the cooperation of the international telecoms community and their support for the initiative, despite the cost to each individual partner.

For people displaced within Ukraine, Kyivstar is providing free internet services to bomb shelters and has connected 1,450 shelters. We are connecting new homes that have been built for displaced people and providing free internet connections.

The digital networks maintained by Kyivstar ensure that its customers continue to access their bank accounts, make payments and continue to operate their business. They can also access educational content, which was vital for displaced children, while being able to consume Ukrainian entertainment via their smartphones. The focus of the Company is the further development of the 4G network as the basis for digital services. In 2022, the Company built 700 new 4G base stations and technologically upgraded another 7,500 base stations to increase speed.

Kyivstar entered new adjacent markets during 2022. To provide a national digital healthcare system for Ukraine, Kyivstar first partnered with, and then acquired a majority interest in, Helsi – the country's largest healthcare provider. This enabled Kyivstar to bring medical information and access to medical services to the people of Ukraine, even those in war-torn areas providing free calls and internet access to medical professionals.

Kyivstar is already planning for the rebuilding of Ukraine and it has already undertaken the reconnection of liberated territories.

The longer-term rebuilding of Ukraine will take far more time. Kyivstar is a signatory to the Lugano Memorandum of Understanding on the restoration of the country's digital infrastructure and will contribute \$8 million to the infrastructure rebuilding fund, which in turn will hopefully encourage other companies to lend their financial support.

The importance of communication is beyond question. The war in Ukraine has made that clear and the country has made every effort to ensure that its people have access to connectivity, and to restore the network when needed. While Kyivstar and its competitors-turned-partners can take much credit for this, thanks goes to the generosity and actions of the international telecoms community.

The cooperation between operators both within and outside Ukraine has been groundbreaking and points to brighter future of how the world will respond to crises through collaboration.



## Creating a better future continued

### Our environment

VEON is proud to be a member of the GSMA's Climate Action Taskforce. Climate is an important variable in our long-term business planning. We continue to work to reduce the Group's emissions further wherever possible, committing and acting by moving more towards focusing on how to further reduce the energy consumption.

Climate-related physical risks to the telecoms industry include potential damage to vital infrastructure and utilities through the impact of more frequent and severe storms, tropical typhoons and the rising sea level. Climate-related regulatory risks include increased pricing of operational cost due to pricing of GHG emissions, and energy and fuel taxes. In addition, there are risks of higher capital costs due to a required transition towards the use of renewable energy solutions.

Taking mitigating action on climate change is not only a position we take as a result of our VEON values but a growth opportunity for mobile operators. Our biggest contribution

comes from the emissions avoidance potential that comes with digitalisation, helping other industries – our corporate customers – optimise their operations for a reduced carbon footprint.

Additionally, VEON has a role to play in improving the use of mobile technology to help micro-enterprises, and services that support the response of authorities to extreme weather events and ensure efficient deployment of emergency services. Finally, mobilising customers in emerging economies to engage in a low-carbon and low-waste lifestyle is an area in which mobile operators and digital service providers can contribute.

#### Environmental performance

Particulars	2022	2021	2020
<b>Total CO<sub>2</sub> emissions (megatons)*</b>	<b>0.7</b>	<b>0.6</b>	<b>0.6</b>
CO <sub>2</sub> emissions scope 1 (megatons)	0.1	0.1	0.1
CO <sub>2</sub> emissions scope 2 (megatons)	0.6	0.5	0.5
Number of BTS with solar and/or wind energy technology	823	695	464
Number of BTS with free-cooling technology	7,453	6,948	6,771
Number of BTS with hybrid-diesel technology	12,794	13,193	12,475
Number of BTS which are outdoor sites	28,934	22,208	19,567
Number of BTS which use power-saving technology	58,739	46,240	33,359
<b>Energy use (MWh)</b>	<b>1,495,706</b>	<b>1,397,186</b>	<b>1,272,404</b>
Network (base stations and related buildings and equipment)	1,358,922	1,250,970	1,123,972
Diesel generators	86,980	80,420	84,333
Grid electricity	1,234,890	1,134,490	1,036,870
Solar	36,917	35,780	2,488
Grid electricity (renewable)	135	279	281
Offices and other buildings	117,811	127,498	131,249
Diesel generators	1,819	990	1,023
Natural gas	7,364	7,814	6,998
Grid electricity	84,636	91,410	97,082
District heating	3,392	3,857	3,532
District cooling	20,600	23,428	22,614
Vehicles	18,973	18,717	17,183
Diesel	4,944	4,923	5,210
Petrol	14,030	13,794	11,972
Compressed Natural gas	0.0062	0.0045	0.0042

\* The International Energy Agency (IEA) cost intensity factor have been used for conversion to CO<sub>2</sub> emissions.

#### Weathering the storm

Being the country's largest telecoms Company brings with it considerable responsibility for ensuring the nation stays connected. It means acting as a beacon of hope and stability when natural disasters strike, as it did in the summer of 2022 when catastrophic floods inundated around one-third of Pakistan and impacted the lives of more than 30 million people.

Heavier than usual monsoon rainfall coupled with melting glacial ice following a severe heatwave resulted in several weeks of flooding between June and October 2022. The human costs were considerable. Over 1,700 lives were tragically lost and around 13,000 people were injured. Over two million houses were either damaged or destroyed and an estimated 33 million people displaced in what became the deadliest and costliest flooding in the nation's history.

Jazz's primary responsibility after the floods hit was to ensure our networks could provide the essential connectivity that is so critical at a time of national emergency. "Many of the people affected by the floods rely on Jazz not just for voice calls and messaging, but for digital payments, banking and other core life services," explained Aamir Ibrahim, CEO of Jazz. "Despite flood damage to fibre networks and many masthead sites being under water, Jazz was able to maintain a network availability of 96% through its rapid repairs taskforce."

The financial dislocation caused by flooding was an immediate need that Jazz met through providing free calls in flood-affected areas to enable people to stay connected throughout the emergency. Jazz was also the first company to pledge PKR 1 billion (USD 4.5 million) to humanitarian relief efforts in order to provide shelter, food and medical kits to flood-hit areas.

The specific needs of particular communities and sectors hardest hit were uppermost in our minds as we targeted our financial and logistical support. These included the needs of women through an emphasis on providing female hygiene products to flood-affected areas, as well as mobile healthcare units and specialist care for those pregnant and nursing.

The devastation to agricultural communities was the focus of an initiative by our digital bank, Mobilink Microfinance Bank (MMBL), to extend a digital advisory services for farmers. Agriculture represents 22.7% of Pakistan's GDP and employs over a third of its workforce. Devised in partnership with Pakistan's leading AgriTech company BaKhabar Kissan, the digital service provided personalised instructions on how to help rebuild farmlands, with advice tailored to specific crops, weather

and livestock. With an estimated 3.6 million acres of crops and 700,000 livestock lost to the floods, long-term support for this sector is vital.

As well as immediate relief, our response to the devastation focused on the future resilience of Pakistan's economy and the contribution marginalised communities can make to its prosperity. This included MMBL's discounted 4G handsets programme for female entrepreneurs, designed to encourage the participation of women in the digital economy. Under this scheme, substantially discounted Jazz Digit 4G handsets pre-loaded with MMBL's DOST financial services app were offered to customers in order to boost financial inclusion among women, which in Pakistan still stands at just 7%.

As the nation steadily recovers, Jazz is continuing to help the government prepare for future national emergencies through our development of Pakistan's national SMS warning system. This is one way in which our network can help mitigate the physical impact of future events while we develop services today that can foster economic resilience to their occurrence. These are small steps, but ones which can have a profound impact on the lives and livelihoods of those we serve and protect.



# Creating a better future continued

## OUR PEOPLE



- Dignity and equality
- Health and well-being
- Skills for the future

Our employee experience drives our customers' experience. We simply call it "EX=CX". This drives how we select, motivate, develop, grow and retain our people.

**Michael Schulz**  
Group Chief People Officer



**A company's responsibility to its people in creating diverse, safe and inclusive workplaces.**

### Our people

2022 was a year of significant change for VEON, with the conflict in Europe and the political unrest and floods in central Asia creating uncertainty for all stakeholders, including our people.

Our people provide us with an opportunity to enable the delivery of VEON's strategy. Our brand, people and communities position our OpCos as an employer of choice that attracts and retains critical talent and skills, where employee health and safety, inclusion, diversity and equity are fundamental in the workforce.

VEON's purpose, transforming lives through converged connectivity and digital services, is enabled by our four pillars – entertainment, financial services, education and healthcare – brought to life by our employees who enable the vision for our customers to live a digital 1440 minutes day. We are committed to implementing fair, responsible and transparent remuneration practices that support our purpose-led business model and the achievement of our strategy.

- Our people strategy is structured around four pillars:
1. We are a nimble, agile and effective organisation
  2. We have established a culture of customer obsession that preserves the value we create
  3. We have the best diverse talent with digital operator and digital venture capabilities in place at the right time in the right place
  4. We focus on rewarding and recognising long-term value creation to drive up our enterprise value.

1

#### Organisation effectiveness and agility

- Ensure seamless, effective ways of working and collaborating for all stakeholders in our Group, operating and governance model.
- Ensure best cost fit at all levels.
- Drive agility of the organisation toward an innovative digital operator.

2

#### A winning culture

- Shape a customer-obsessed culture.
- Drive full accountability at all levels.
- Appropriate balance to protect the value we create.
- High performing top teams and individual C-leaders who exemplify entrepreneurship.

3

#### Diversity of Talent in Digital Operator Strategy

- GEC and OpCo CEO succession from CXO bench.
- Global impact learning and development.
- Women in Leadership (WiL) programme.
- D&I strategy integrated with overall talent strategy.

4

#### Reward and recognition

- Competitive compensation frameworks for long-term value creation and new digital business streams.
- Reward and recognise the behaviours and contribution to business success.

## Creating a better future continued

### Talent management and skills development

Effective talent management and capability development ensures the organisation's capability to deliver our strategy, aligning reward systems to create long-term stakeholder value, an effective operating model and an outstanding, progressive culture of delivery in everything we do in line with the highest standards of ethics and values.

### Talent mobility

VEON emphasises internal talent mobility to enable employees to develop their careers across our operating companies and markets. VEON's OpCos are responsible for assessing and adapting our organisation's talent and human capital to ensure we stay ahead of our competition, while remaining effective and agile in our increasingly complex operating environment. We place great emphasis on developing our culture in line with our business strategy.



### How VEON develops talent

VEON continues to develop employee talent throughout the organisation, drawing on digital technologies to widen their reach and impact. Local OpCo initiatives provide digital learning opportunities to VEON's employees through partnerships with world-renowned digital learning providers, as well as through the development of custom content in collaboration with industry experts. This provides our employees with the opportunity to develop their skillsets and further their education by managing their learning journey at their own pace. The learning portfolio covers programmes focused on unconscious bias, anti-harassment and building awareness of VEON's Code of Conduct.

Across the Group, we encourage our employees to develop their talents and grow professionally into leadership positions and support their learning and development by providing access to a range of workshops and personal assessment resources.

At a Group level, a dedicated individual focuses on succession planning including Board and GEC leadership positions. The purpose is to ensure a strong, seamless succession plan is which monitors existing contracts in place with GEC members, while developing internal talent and potentially attracting external members to join the VEON brand.

#### Talent management and skills development:

Particulars	2022	2021	2020
<b>Average number of training hours per employee</b>			
- Ukraine	8	11	9
- Pakistan	59	35	12
- Bangladesh	40	36	38
- Uzbekistan	81	47	43
- Kazakhstan	46	20	16
- Kyrgyzstan	89	170	10
- HQ	7	4	4
<b>New employee hires</b>			
- Ukraine	507	709	611
- Pakistan	1,044	1,296	592
- Bangladesh	209	85	41
- Uzbekistan	340	253	286
- Kazakhstan	1,995	2,509	791
- Kyrgyzstan	136	129	91
- HQ	23	28	12
Total	4,254	5,009	2,426
<b>Number of employees</b>			
- Ukraine	3,695	3,777	3,599
- Pakistan	5,128	5,116	4,540
- Bangladesh	1,172	1,079	1,082
- Uzbekistan	1,500	1,458	1,484
- Kazakhstan	4,114	3,745	2,469
- Kyrgyzstan	483	484	519
- HQ	115	135	200
Total	16,207	15,794	13,893
<b>Amount spent on employee training and development activities (USD million)</b>	1.8	2.3	1.5
<b>Annual employee turnover rate</b>			
- Ukraine	6%	8%	6%
- Pakistan	8%	7%	10%
- Bangladesh	5%	4%	2%
- Uzbekistan	12%	11%	8%
- Kazakhstan	11%	15%	12%
- Kyrgyzstan	13%	16%	11%
- HQ	29%	49%	53%

## Creating a better future continued

Our brand, people and communities position our OpCos as an employer of choice in the markets in which we operate.

VEON attracts and retains critical talent and skills, where diversity and inclusion, together with employee health and safety, are fundamental in the workforce.

### Employees' health and safety

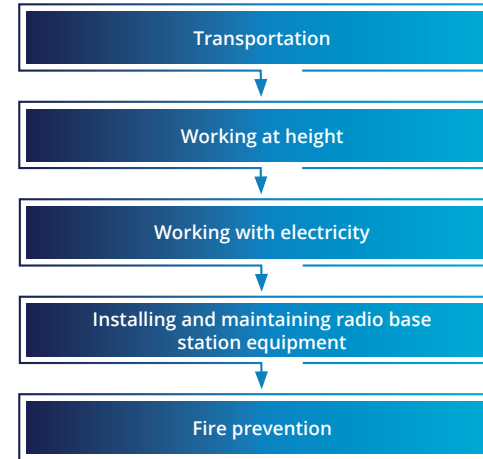
VEON's Group Health and Safety Policy is endorsed by our leadership and aims to improve the consistency of our approach to health and safety, covering all stakeholders to whom we have a duty of care. Specifically, the policy sets out mandatory rules that apply in all of VEON's operational jurisdictions and makes it everyone's duty to report major incidents to management at our headquarters, as well as at the operating company and the specific business unit level. Our Group Health and Safety Policy covers all full- and part-time employees, contractors, business partners, customers and members of the general public. It is applicable to those visiting or in close vicinity to our premises, including retail outlets, network locations, warehouse facilities and vehicles.

### Operating companies

Each of our operating companies has its own health and safety procedures covering specific activities. OpCos are encouraged to adhere to international standards such as ISO 45001 which provides a best practice model and sets out an implementation approach across markets. In addition, occupational health and safety is governed by the different local labour protection laws and regulations of the countries in which we operate. We make every effort to carefully manage the personal security of our employees, especially those assigned to network maintenance during challenging conditions.

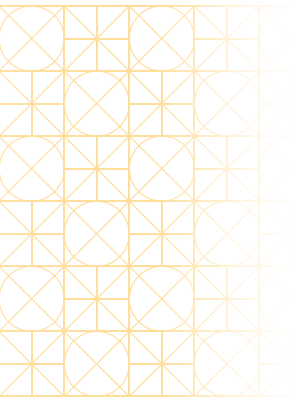
One fatality is one too many and we continue to focus on enhancing our personnel safety protocols to reduce the number of work-related incidents and injuries, and maintain zero work-related fatalities. Individuals (both internally and externally) can report incidents to local Compliance Officers, Group Compliance, or can submit a question or concern through our SpeakUp platform.

### Key main risk areas



Safety and health	2022	2021	2020
Number of work-related fatal accidents	1	1	3
Number of work-related special security incidents	0	0	0
Number of high-consequence work-related injuries	1	0	40*
Work-related injury rate per million hours	0.03	0	2

\* 2020 included sick leave in excess of six months in this calculation.



Creating a better future continued



Our **workforce** comprises **16,207 employees** working in **eight different countries** across Europe, South and Central Asia and the Middle East

## Supporting Diversity and Inclusion in the VEON workforce and beyond



VEON is committed to nurturing an inclusive, equitable and diverse workforce. Our people support our purpose to provide connectivity to the diverse markets we operate in to fuel sustainable economic prosperity for all.

Across all our operating markets we strive to become a gender balanced organisation with progressive policies designed to ensure a workforce of focused and flexible enablers, regardless of gender, ethnicity, or background. Our workforce comprises 16,207 employees working in eight different countries across Europe, South and Central Asia and the Middle East, and is inclusive of many nationalities, diverse religious backgrounds, over four generations of people and a multitude of languages are spoken.

To ensure inclusivity for all, we make continuous efforts to build the VEON community based on digital inclusion and digital literacy. We believe that people with different backgrounds and perspectives can lead to better decision-making, greater innovation and higher engagement in the workplace.

### Managing Diversity and Inclusion

Diversity and Inclusion at VEON is a business priority. We believe that the employee experience leads to the customer experience, so our commercial success depends on a happy, equitable and fair workplace.

We believe the future workforce is an equitable one with equal gender representation. We have female representations across all of the Operating Company's leadership teams, and we aim to achieve bold targets in the coming years. Realising the importance of being flexible about how, when and where work gets done,

VEON offers programmes that help employees with their work-life balance. These programmes include flexible working arrangements and the option for working from home.

Our commitment has been strengthened by appointing a Group Diversity and Inclusion Officer in December 2022, Ana de Kok-Reyes, ensuring our vision is aligned across our footprint and deploying best practices across our workforce.

We are engaging with our leaders on devising a new policy at our Group HQ in Amsterdam to formalise Diversity and Inclusion as a permanent feature of our working practices going forward. Together, these initiatives contribute to employee satisfaction and retention, while increasing productivity across VEON's footprint.

### Our Diversity and Inclusion Priorities

#### Building cross-cultural Leadership

In a world that's becoming increasingly global, VEON nurtures the practice of welcoming cross-cultural leadership. We groom leaders from within and also welcome leaders from local communities and non local nationalities through expatriation. Through cross-cultural leadership and diverse knowledge and expertise we develop culturally agile leaders to embrace other people and cultures, as well as build a community of trust.

### Ensuring new generation perspective

At VEON we believe that people of different ages bring different viewpoints to the table, creative problem-solving and helping to increase innovation. Inter-generational mentoring (and reverse mentoring) can lead to rewarding career development and increase employee retention.

### Developing diversity of culture

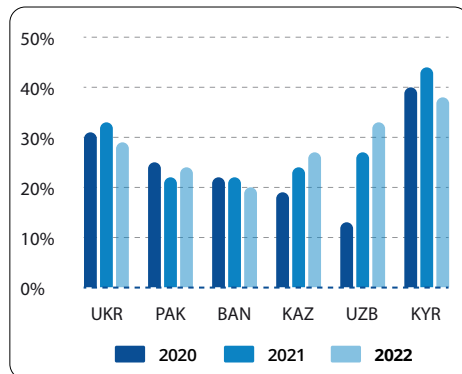
Over the years VEON has built an organisational culture based on employees with diverse backgrounds. We believe this increases creativity by opening access to different problem-solving approaches and new ways of thinking. We are working towards disability inclusion in the workplace as a mean of reducing this bias, improving our work culture further, and making our company a safe, positive place for disabled employees to thrive.

To achieve this, we ask our employees to declare their self-identified disabilities so that we can support them with an accessible and inclusive environment to work in.

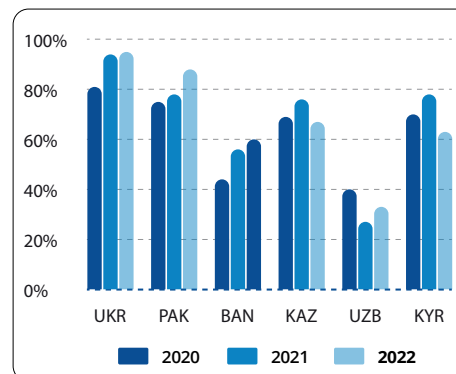
### Making a positive societal change

Our values of championing equality and celebrating diversity apply to our staff as well as our customers. Through our digital operator services we are committed to helping create positive changes in society, both within our organisation and in the wider world.

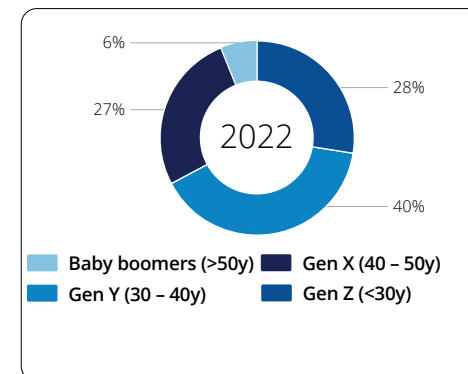
Percentage of females in VEON senior leadership positions



Percentage of senior management hired locally at VEON



Percentage of different generations in the VEON workforce



## Creating a better future continued

### Engineering diversity in technology careers

Banglalink inaugurated its *Womentor* programme in 2020 to provide training to fourth-year female engineering students and prepare them for the world of work. The programme covers mentoring and skills development with the purpose of instilling confidence in Bangladesh's young women engineers. Alongside *Womentor*, Banglalink has organised the *Ennovators* competition for the last six years as a platform for creative young people looking to showcase their ideas in the field of digital innovation.

To inspire original thinking for the future of the world, Banglalink organised a Hackathon based on the UN's Sustainable Development Goals. The Hackathon comprises an intensive technology-driven event that engages youth participants in envisioning a future with limitless opportunities and a viable ecosystem. For the 2022 Hackathon, Banglalink set the theme of raising awareness and developing solutions for the United Nations' Sustainable Development Goals (SDG) for Bangladesh.



### Supporting female empowerment and livelihoods

Mobilink Microfinance Bank Limited (MMBL) is a leading force for diversity and inclusion in Pakistan. The bank has assessed how female customers engage with the bank and taken steps to improve access to and use of financial services by women. It has provided women with the means to access financial resources by subsidising 4G handsets equipped with its digital banking app.

Female empowerment has been the focus of MMBL's campaign with CARE International Pakistan to enable financial and technological access for entrepreneurs, particularly women. The project provides mentorship and support to more than 12,000 entrepreneurs.

In 2022, MMBL launched its own Gender Mainstreaming Policy to increase its workforce diversity to reflect the diversity of its customers, and it recently organised training sessions for its employees with disabilities and their line managers to nurture professional and entrepreneurial skills in support of their career goals.

Jazz is working to improve the lives and livelihood of women in Pakistan through technology. This starts with fostering a sense of belonging and empowerment in the workplace, continues by creating inclusive products and content and culminates with the building of an inclusive digital society that serve a diverse community.

To encourage diversity internally, Jazz has launched a series of programmes that enhance the technical abilities of female employees through training on critical topics such as the Internet of Things and Cloud Services.

Jazz's diversity and inclusion initiatives have been recognised with the UN Women Asia and the Pacific Women Empowerment Principles Award for being a gender-inclusive workplace. The operator has received the 'Global Best Practice' award for Diversity, Equity and Inclusion for helping to accelerate Pakistan's digital inclusion and sustainability agenda and empowering marginalised communities across the country.



## Creating a better future continued

### Tired of being afraid

#### ***Uzbekistan's first women's hackathon helped its winner overcome insecurities and changed people lives for better***

Ekaterina Muminova, 21, has never been afraid to compete. Since childhood, Ekaterina practiced taekwondo in a male team. At the age of 17 she received the title of Master of Sports of International class in her native Uzbekistan and was one of the two team members to earn a black belt. Ekaterina's unique experience inspired her to get into IT.

'I was less afraid to enter IT compared to most girls, because I was used to competing with guys. Before I physically fought with guys, and in the IT field I compete mostly with men intellectually', she explains.

Ekaterina is currently studying Information and Communication Engineering at Inha University in Tashkent. When IT Park of Uzbekistan announced Tumaris.HACK, the first female hackathon in the country, Ekaterina realized that this competition would be her main challenge, and an opportunity to grow. The competition brought together 85 teams from several countries of Central Asia with VEON experts acting as mentors and speakers, sharing their experience in the field of biohacking, as well as jury members.

Together with two other girls, Ekaterina was challenged to produce an idea for their project. Ekaterina drew on the experience of her own cat having been ill during the

prior year. Ekaterina proposed to make a project of a smart collar for animals, which would track the temperature of the pet's body and signal if the temperature is out of the norm, creating a solution for owners who worked full-time, rarely seeing their pets and unable to monitor their health constantly.

Feeling confident in this idea, the team started their research. The research was challenging as they were neither biologists, nor data scientists. Despite the challenges Ekaterina and her team managed to write a script for the collar based on the latest veterinary data publicly available. When the collar registers the abnormal body temperature, it sends a warning to the pet owner. The owner can then assess the situation and seek veterinary help if needed.

Apart from being a software developer, Ekaterina became a project manager and a team leader.

"Beeline Uzbekistan breaks the stereotypes that there are 'male' and 'female' professions, especially in the field of IT. We provide equal opportunities for professionals regardless of gender, so we want to support girls and women not only from Uzbekistan, but from neighbouring countries. Be more confident in yourself, and there will always be opportunities to realize your potential"

Andrzej Malinowski, CEO of Beeline Uzbekistan

### Inclusion for the differently abled

The flexibility and accessibility made possible by digital services have been widely beneficial for the differently abled the world over. Amongst various initiatives across all our OpCos, one of the mentionable one is from Beeline Kazakhstan. At Beeline Kazakhstan, we have focused on how to improve inclusion for disabled people through working with entrepreneurs. Under the theme of "words and ideas can change the world!", the Digithon competition for start-ups is organised, where past themes ranged from self-service channels

to mobile finance have been explored. In 2022 the event focused on apps that deliver a social good.

Two outstanding Digithon 2022 projects set out to digitally help the differently abled; daridobro.kz assists working people with disabilities to link with NGOs, while BeeVolunteer connects people with disabilities and volunteers. The winners of Digithon were the BeeTV Open Eyes team, with a collection of films for the hearing impaired and visually impaired. These are installed and working on Beeline Kazakhstan's BeeTV platform.

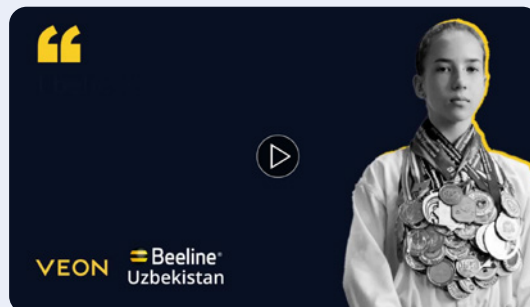


### The Tumaris.HACK

Our group's first female only Hackathon event – brought together over 500 young female developers and programmers from across Kazakhstan, Uzbekistan, Kyrgyzstan, Tajikistan and Turkmenistan. Overall, 550 applications were submitted for participation in the hackathon with the average age of the participants of 20 years. The winners 'DNK' developed an innovative app for tracking pet health. 'Made to top' clinched second place with an educational platform for medical institutions using neural networks, and 'Fazo' an AI based supermarket anti queuing ecosystem, came in third.



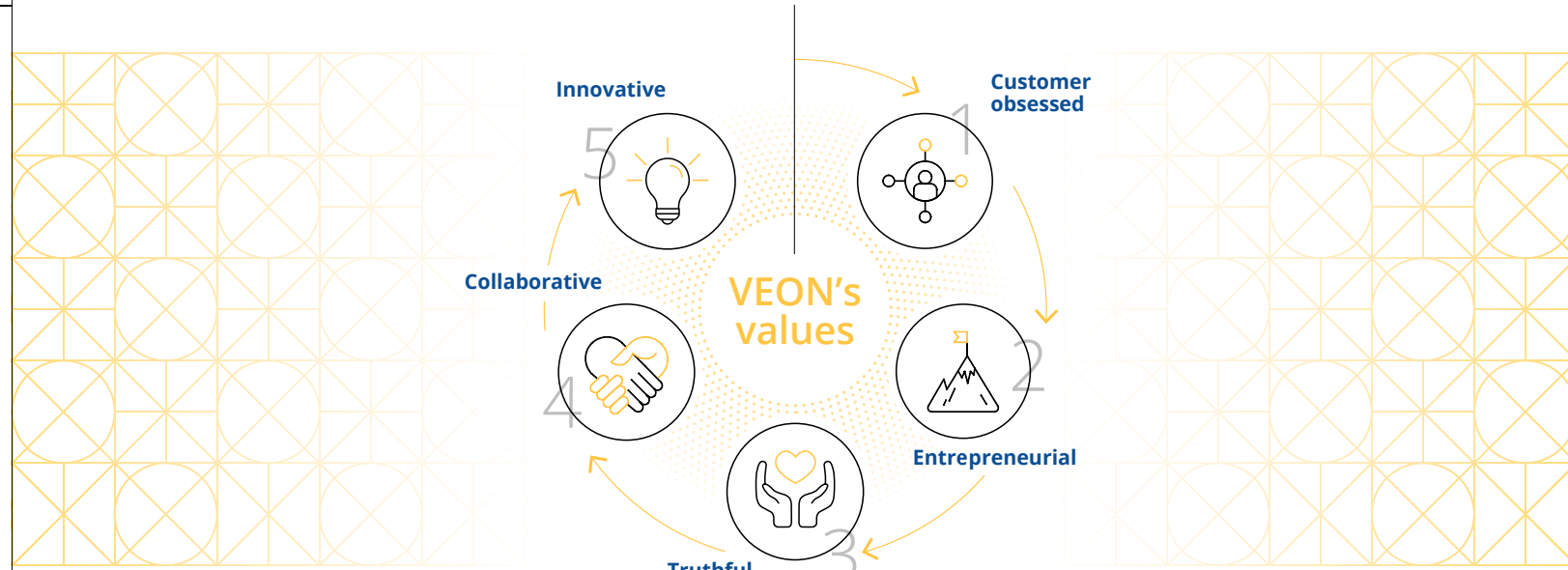
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Creating a better future continued

# Purpose-driven values

We believe that communications is a basic social need, connecting people and communities with resources essential for growth, well-being and development. Our colleagues bring our purpose to life through role modelling our values as they go about their work with all of our stakeholder communities.



1

**Customer obsessed**

We have a passion for our customers as they are at the heart of everything we do.

We are able to make difficult decisions when we know it is in our customers' best interests.

We keep an eye on our competitors but it is our customers who are always front of mind.

We are driven by our customer insight that all our digital innovations are borne out of our customers' need.

2

**Entrepreneurial**

We have an ownership mentality, demonstrating passion and taking responsibility of the business as if it were our own.

We are agile and dynamic. We like to push boundaries and explore what is possible – we are not held back by a fear of failure and are always looking to develop new things.

We take smart risks, but only when it is in our customers' best interests.

We lead by example – we do what we say we are going to do.

3

**Truthful**

We are open, honest and demonstrate integrity and respect in all our dealings – both internally and externally.

We are trustworthy, keeping our promises, admitting our mistakes – whether it is to customers, peers, leadership or shareholders.

We are focused on upholding the highest level of ethics at all times.

We set clear expectations and clearly communicate feedback.

4

**Collaborative**

We bring people together, united by our passion for our customers.

We work with – not against – each other and we cherish the time of others.

We do not look to blame; we look for solutions to problems and we take ownership.

We partner with others – both internally and externally – in order to achieve more.

5

**Innovative**

We never stop. We are always moving, looking for the next disruptive digital ideas.

We are adventurous and excited about trying something new.

We are quick to bring about new digital products and services to market, always driven by a clear customer need.

We do not follow the status quo; we are passionate about creating our own path.

Creating a better future continued

PRINCIPLES OF GOVERNANCE



- Governing purpose
- Quality of governing body
- Stakeholder engagement
- Ethical behaviour
- Risk and opportunity oversight

A company's purpose, governance and accountability. This pillar includes metrics in relation to how companies set purpose, are governed responsibly and manage risks.

\* Joop Brakenhoff served on the GEC as Chief Internal Audit and Compliance Officer for the period under review ending 31 December 2022.

Effective from 1 May 2023, Joop Brakenhoff was appointed VEON's Group Chief Financial Officer.

Please Refer to page 69: Succession planning for the Group Executive Committee.

Joop Brakenhoff  
Chief Internal Audit and Compliance Officer\*



The GRC framework is VEON's way to organise, govern, monitor and control its business activities.

How we are governed

VEON is committed to responsible and effective corporate governance. Our governance arrangements are designed to promote integrity in everything we do, while ensuring that we conduct our operations with transparency and engaging with our stakeholders, embedding ourselves into the society that surrounds us.

Governance, risk and compliance framework

The Governance, Risk and Compliance (GRC) framework was developed during 2020 and marks a significant change in the way VEON approaches corporate governance, strong business ethics and compliance standards, with considerable operational authority delegated to each of VEON's operating companies to strengthen oversight.

The GRC framework is VEON's way to organise, govern, monitor and control its business activities, thereby agreeing the level of control between Board, GEC and OpCo management and defining OpCo's 'freedom within the framework', with Group management able to monitor and support OpCo management teams in realising their strategic objectives within the boundaries set by the GRC framework. The framework comprises the Company's strategic objectives, risk management activities, Group Authority Matrix (GAM) and Group operating policies.

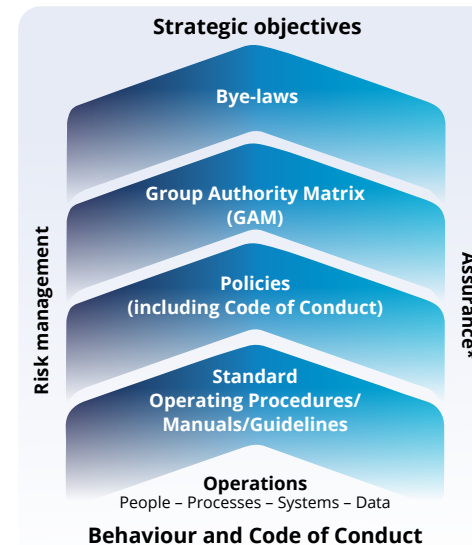
The GRC framework details the minimum standards to which each OpCo must comply in areas such as

employee behaviour, financial conduct, procedures for Group contracting, cybersecurity and data privacy. These policies form part of the charter of our various Business Risk Committees, People Committees and our OpCo Boards, setting common boundaries for behaviour while encouraging freedom to operate within these to maximise business opportunity.

The GRC, through the Group Authority Matrix (GAM) constitutes the Board's delegation of authority for the day-to-day management of the Group and sets out the Group's overall governance structure. The GAM sets out specific levels of authority for Group-level management, OpCo-level management and OpCo Boards, and reserves certain matters for the VEON Board, including additional matters not included as board reserved matters in the bye-laws GAM authority levels are designed to ensure OpCo CEOs and management are empowered and accountable for managing their businesses and make all decisions for their companies except for specified reserved matters such as material transactions, high-level strategy, budget and material people matters) these are known as "Reserved" matters and require approval by OpCo Boards and, in the case of board reserved matters, the VEON Board.

The VEON Board retains authority to amend the GAM from time to time, as it deems appropriate.

The Sarbanes-Oxley Act of 2002 Section 302 requires management to evaluate the design and operational effectiveness of financial controls quarterly. OpCo management teams provide quarterly certification of financial reporting controls (SOX) and certify twice a year the other GRC policies. The GRC framework and policies were certified by management for the 2022 financial year.



Compliance sets the behavioural tone of our business. It is embodied via our Code of Business Conduct

## Creating a better future continued

We use the ORCA model (objectives, risk, controls and assurance) as a tool for approaching the internal compliance function.



### Group internal audit and compliance (IA&C)

VEON approaches internal audit and compliance with a business mindset, aligning and optimising the Group's various activities and ensuring the resources, competencies and expertise are available to add value in each of our OpCos where our day-to-day business is conducted. The governance model empowers our operating businesses to embrace and manage risk across the markets they serve in preference to a centralised compliance framework.

The Group's IA&C team combines the functions of Internal Audit (third line of defence) and those of Compliance and Investigations (second line of defence). Together they represent key pillars of good governance in VEON's risk strategy.

Audit provides us with a highly structured, standardised approach to testing whether we are managing risk in line with our risk appetite across all of our business activities.

Our approach is to foster a culture of doing the right thing. That means defining clear objectives, roles and responsibilities, maintaining minimum requirements in accordance with our GRC framework, and having transparent discussions about strategy, operations and business dilemmas. OpCo management teams provide quarterly certification of compliance with the GRC framework, including an overview of non-compliance and control deficiencies and actions to remediate the related risks.

Compliance sets the behavioural tone of our business. It is embodied via our Code of Business Conduct, as well as, for instance, the 'SpeakUp' system for the anonymous reporting of compliance concerns, and our compliance requirements related to bribery and corruption.

Investigations exists to review conduct and behaviours in instances where there is serious doubt around employee behaviour and stands ready to act whenever it is called upon.

### Employees ethics

For VEON, ethics refers to the moral principles that govern our behaviour. Our business performance and our success are earned through transparency, honesty and by keeping our promises. VEON accordingly holds its employees to ethical and compliance standards.

### A strong culture of integrity

Ethics and compliance events take place on a regular basis around our Group to engage with our employees around the standards and behaviours we require of them. For VEON, communication activities, events and e-learning are important ways to promote ethics and compliance, both internally and externally. VEON has specific KPIs around ethics and integrity on which management are incentivised.

### Ethics and integrity:

#### Particulars

#### Training about anti-corruption / bribery policies and procedures

The percentage of GEC members and GEC minus 1 that received training about anti-corruption / bribery policies and procedures

Percentage of OpCo CEOs and CEOs minus 1 that received training about anti-corruption / bribery policies and procedures (percent)

	2022	2021	2020
– Ukraine	100%	100%	100%
– Pakistan	80%	96%	67%
– Bangladesh	60%	100%	0%
– Uzbekistan	100%	100%	100%
– Kazakhstan*	N/A	100%	100%
– Kyrgyzstan	100%	100%	100%

The total number of employees that received training about anti-corruption / bribery policies and procedures\*

	2022	2021	2020
– Ukraine	332	552	534
– Pakistan	1,037	1,043	436
– Bangladesh	192	583	34
– Uzbekistan	139	218	19
– Kazakhstan	717	905	333
– Kyrgyzstan	182	153	158
– HQ	115	98	116

Percentage of employees that received training about anti-corruption / bribery policies and procedures (percent)\*\*

	2022	2021	2020
– Ukraine	9%	14%	15%
– Pakistan	20%	20%	10%
– Bangladesh	16%	54%	3%
– Uzbekistan	9%	15%	13%
– Kazakhstan	17%	24%	13%
– Kyrgyzstan	38%	32%	30%
– HQ	100%	73%	80%

#### Incidents of breaches of Code of Conduct and actions taken

Total number of SpeakUp reports

	2022	2021	2020
– Ukraine	41	68	96
– Pakistan	95	112	135
– Bangladesh	34	44	35
– Uzbekistan	45	75	51
– Kazakhstan	33	51	48
– Kyrgyzstan	20	19	21
– HQ	4	7	13

Percentage of substantiated or partially substantiated SpeakUp reports (percent)

	2022	2021	2020
	54%	50%	48%

Total number of internal disciplinary actions related to SpeakUp reports

	2022	2021	2020
	224	195	220

\* No new hiring at a senior management level.

\*\* The employees who received training were selected from medium and high risk functions only.

#### Certification

The Sarbanes-Oxley Act of 2002 Section 302 requires management to evaluate the design and operational effectiveness of disclosure controls and procedures. Financial reporting controls to be certified quarterly, with the remaining GRC policies being certified twice per year (year-end and mid-year).



Bukhara

Po-i-Kalyan complex, Bukhara

# Our strength lies in our focus on delivering

We meet our financial and business goals and priorities, even in exceptionally challenging circumstances. Our businesses exemplified their agility to adapt to changing conditions.

**In this section**

CFO review	37	
Country performance	41	
Ukraine	41	Uzbekistan 52
Pakistan	44	Kyrgyzstan 54
Bangladesh	47	Divested markets 56
Kazakhstan	50	

## CFO review

New VEON may be a **business borne out of adversity**, yet is one that defines our ability to adapt, transform and channel this into future opportunity

## Service revenue

**USD 3,600 million**

-2.4% YoY

+13.9% YoY in local currency

## EBITDA

**USD 1,743 million**

-5.3% YoY

+12.6% YoY in local currency

## Total cash and cash equivalents

**USD 3.1 billion**

+37.9% YoY

USD 2.5 billion at HQ

Serkan Okandan  
Group Chief Financial Officer\*



**2022 was a busy year, where our priority has been to ensure that the Group remains in a strong financial position.**

\* Serkan Okandan served on the GEC as Group Chief Financial Officer for the period under review ending 31 December 2022. Effective from 1 May 2023, Joop Brakenhoff was appointed VEON's Group Chief Financial Officer.

Please Refer to page 69: Succession planning for the Group Executive Committee.

2022 brought unprecedented financial challenges as conflict engulfed two of our largest markets. Chief Financial Officer Serkan Okandan explains how the Group adapted to this profound change in our operating environment and laid the financial foundations for a New VEON.

#### Strength through adversity

VEON entered 2022 with high ambitions. The success of our digital operator model opened up a wealth of revenue opportunities in all markets for the Group throughout 2021 and galvanised growth in our 4G customer base.

The outbreak of hostilities between Ukraine and Russia in February 2022 brought about a wholesale change in our operating environment. Two of our largest markets, together representing around 70% of our business, were plunged into military conflict overnight. The following 12 months saw an unprecedented level of disruption to our operations in each.

This involved the physical impact of the hostilities on our customers, employees and infrastructure in Ukraine, as well as the financial impact on the Group as a result of international sanctions.

A year on from the start of the conflict, VEON is transformed. We adapted fast to new realities and repositioned our business. We embarked on the sale of Beeline Russia, bringing about a financial transformation that will see the emergence of a New VEON focused on the growth potential of six dynamic emerging markets.

The financial achievements of the Group in 2022 are no less remarkable given this backdrop. Together, these six markets delivered year-on-year (YoY) revenue growth of 14% in local currency terms – an outcome that is testament to the resilience, hard work and ingenuity of our local management teams during one of the most testing periods in our Company's history.

#### Immediate priorities

We had three immediate priorities following the outbreak of the hostilities in Ukraine. The first was to maximise the pool of liquidity available to the Group by drawing down the USD 1.1 billion revolving credit facility (RCF) extended to us by nine international banks. This augmented our cash holdings, which were boosted in August 2022 by the finalisation of the sale of VEON's remaining 45.6% stake in its Algeria business, netting proceeds of USD 692 million. Together, these provided the Group with a sizeable liquidity pool of USD 3.0 billion, of which USD 2.5 billion at HQ to draw on as circumstances required.

The second priority was to ensure VEON remained fully compliant with sanctions regimes at all times. The pace at which these were imposed and modified in the weeks following the onset of hostilities required careful attention and agility to adapt given the multiple jurisdictions VEON operates in, both as a business and as a capital markets participant.

The success of our digital operator model opened up a wealth of revenue opportunities in all markets for the Group throughout 2021 and galvanised growth in our 4G customer base

CFO review continued



2022 was a difficult year for cash flow management given the complexities of sanctions, capital controls and the disruption brought by the devastating floods in Pakistan

**Immediate priorities continued**

Sanctions had a considerable impact on our financing arrangements. One of our first actions was to restructure RUB 120 billion (around USD 2 billion) of debt outstanding to three Russian banks, early repaying one bank entirely and novating the remainder from other two banks to our local operation in April 2022 to ensure that VEON held no debt from Russian banks at the Group level.

Separately, we held discussions with the bondholders of two issues of our 2023 USD-denominated notes, due in February and April 2023, to extend their maturity while we concluded the sale of our Russian business. A Scheme of Agreement was approved by the UK courts in January 2023 to extend these maturities by eight months from their respective maturity dates. This amendment enables the Group to avoid payment difficulties that would otherwise have arisen given restrictions imposed by sanctions.

Our third priority was operational resilience. This meant ensuring that we maintained the highest levels of performance throughout our portfolio of businesses despite the operational challenges experienced in Ukraine and Russia. For these two markets, that also meant protecting our operations in Ukraine from physical damages and preserving the value of our Russian business while we achieved an orderly exit.

As a strategic national asset serving close to 50 million customers and employing 29,000 people, our exit from Russia inevitably took time as we navigated the needs of a complex group of stakeholders. However, I am pleased that our diligence and patience were eventually rewarded with a transaction, expected to be concluded on or before 1 June 2023.

**Financial performance**

The decision to exit our Russian business, which we announced to the market in November 2022, means that Beeline Russia is held as an asset for sale in the Group's consolidated financial statements at the end of financial year 2022. In order to facilitate comparisons, we have restated the presentation of our results throughout this report to exclude Beeline Russia for both financial years 2021 and 2022.

On this basis, the 14% YoY local currency revenue growth the Group delivered in 2022 demonstrates the growth potential of the six markets that now constitute the New VEON. These are characterised by young populations with a voracious appetite for the services offered by our digital operators. With the exception of Ukraine, each delivered double-digit local currency revenue growth for the year as they expanded 4G adoption, which stood at 53.9% of our total subscriber

base at end-December 2022, a 19% growth YoY to 85 million 4G users.

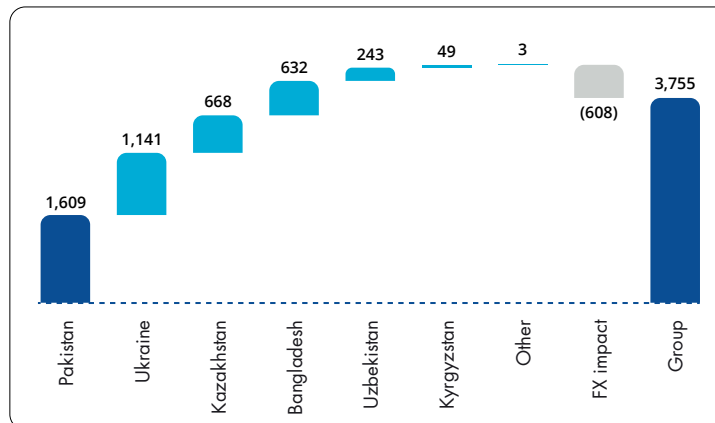
This, in turn, enabled a rise in customer uptake of our multiplay offers, which we served to 28.8 million customers by the end of 2022, versus 19.9 million at the close of 2021.

We continued to make progress in reducing our corporate overhead during 2022 while enjoying the margin benefits of a growing customer base in a number of our markets. These contributed to a 12.6% rise in Group EBITDA in local currency terms, with particularly strong performances from Uzbekistan (+25.2%), Kazakhstan (+20.8%) and Pakistan (+14.3%).

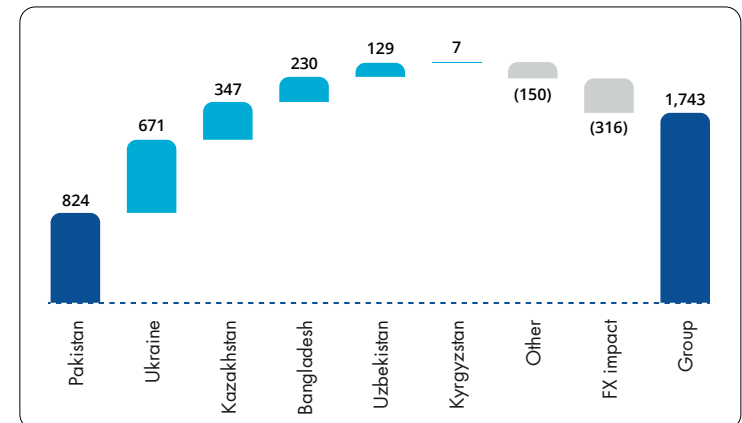
US dollar strength was a dominant feature throughout 2022 given rising US interest rates and the risk aversion brought about by conflict in Ukraine. This is reflected in the Group's reported revenue of -2.4% and EBITDA of -5.3% in US dollar terms for the financial year compared to the prior year.

2022 was a difficult year for cash flow management given the complexities of sanctions, capital controls and the disruption wrought by the devastating floods in Pakistan. In spite of these challenges, the Group still managed to deliver in 2022 an equity free cash flow level (EFCF before licences) identical to that reported in 2021.

Revenue in 2022 (USD million)



EBITDA in 2022 (USD million)



## CFO review continued

### Balance sheet

as at 31 December

USD million	2022	2021	YoY
<b>Total assets</b>	<b>15,096</b>	<b>15,921</b>	<b>(5.2%)</b>
<b>Cash and cash equivalents</b>	<b>3,106</b>	<b>2,252</b>	<b>37.9%</b>
Working capital	904	1,397	(35.3%)
Fixed assets	4,414	8,419	(47.6%)
Goodwill	394	1,542	(74.4%)
Assets held for sale	5,805	1,864	211.4%
Other assets	473	447	5.8%
<b>Total liabilities</b>	<b>14,320</b>	<b>14,417</b>	<b>(0.7%)</b>
Working capital liabilities	2,341	3,331	(29.7%)
Debt	7,571	10,360	(26.9%)
Liabilities held for sale	4,244	391	984.2%
Other liabilities	164	335	(51.1%)
<b>Total equity</b>	<b>776</b>	<b>1,505</b>	<b>(48.4%)</b>
<b>Total liabilities and equity</b>	<b>15,096</b>	<b>15,921</b>	<b>(5.2%)</b>
<b>Gross debt, of which</b>	<b>7,479</b>	<b>10,258</b>	<b>(27.1%)</b>
Bonds and loans	6,670	7,582	(12.0%)
Cash pooling	-	13	n.m.
Lease liabilities	809	2,662	(69.6%)
<b>Net debt</b>	<b>4,461</b>	<b>8,123</b>	<b>(45.1%)</b>
Net debt / LTM EBITDA	2.56x	4.41x	(1.9pp)
<b>Net debt excluding leases</b>	<b>3,657</b>	<b>5,471</b>	<b>(33.2%)</b>
Net debt excluding leases / LTM EBITDA	2.36x	3.24x	(0.9pp)

**Total cash and cash equivalents** increased YoY to approximately USD 3.1 billion, of which USD 2.5 billion is cash and cash equivalents held by VEON's headquarters (HQ) in Amsterdam denominated in US dollars and Euro, including USD 1.1 billion drawn under the RCF. The decrease was primarily impacted by classification of Russian operations as held for sale. The HQ-level cash and cash equivalents are held in bank accounts, money market funds and on-demand deposits at a diversified group of international banks.

**Gross debt** decreased to USD 7.5 billion as of 31 December 2022, compared with USD 10.3 billion at the end of 2021. The decrease in gross debt was largely attributed to the classification of Russian operations as 'held for sale' as well as to the YoY depreciation of the Russian ruble against the US dollar, resulting in lower reported currency levels of bank loans and lease liabilities denominated in this currency. As of 31 December 2022, our RCF was fully drawn with USD 1.1 billion outstanding.

**Net debt excluding leases** decreased in the year to USD 4.5 billion and to USD 3.7 billion, respectively, resulting in net debt/EBITDA ratios of 2.56x and 2.36x, respectively, as of 31 December 2022. The YoY decrease in net debt was due to the classification of Russian operations as 'held for sale', as well as to the depreciation of the Russian ruble against the US dollar as mentioned above.

### Debt maturity

#### Debt maturity schedule 2023 – 2024 as of 31 December 2022 (pro-forma for anticipated amendment of 2023 Notes)<sup>1</sup>

USD 1,055 million outstanding under the RCF, can be rolled over until the final maturity of the RCF in 2024 (USD 250 million) and in 2025 (USD 805 million).

Maturity period	Mar 2023	Sep 2023	Oct <sup>1</sup> 2023	Dec <sup>1</sup> 2023	Dec 2023	2023 other	Mar 2024	Mar <sup>2</sup> 2024	Jun 2024	Sep 2024	2024 other
<b>Outstanding debt, USD equivalent (million)</b>	26	26	529	700	21	78	26	250	533	26	45
<b>Outstanding debt, debt currency</b>	PKR 6,027	PKR 6,027	USD 529	USD 700	UAH 760	MIX	PKR 6,027	USD 250m	USD 533	PKR 6,027	MIX
<b>Entity</b>	Pakistan Mobile Communications Limited	Pakistan Mobile Communications Limited	VEON Holdings B.V.	VEON Holdings B.V.	Kyivstar	Other	Pakistan Mobile Communications Limited	VEON Holdings B.V.	VEON Holdings B.V.	Pakistan Mobile Communications Limited	Other

<sup>1</sup> As per terms of scheme of arrangement if by 2 May 2023 relevant licences are not received or if VEON indicates licences will not be received, the notes become due and payable, and if the licences are received before 2 May 2023, the notes become subject to a put at 102%, which should only be open to international investors.

<sup>2</sup> Assuming RCF rollover until maturity in March 2024.



## CFO review continued

### Results

as at 31 December

USD million	2022	2021	YoY	YoY local currency
<b>Total revenue, of which:</b>	<b>3,755</b>	<b>3,850</b>	<b>(2.4%)</b>	<b>14.0%</b>
Total service revenue	3,600	3,690	(2.4%)	13.9%
Data and digital revenues	1,937	1,950	(0.7%)	15.7%
<b>EBITDA</b>	<b>1,743</b>	<b>1,840</b>	<b>(5.3%)</b>	<b>12.6%</b>
<b>Profit / (loss) for the period</b>	<b>(164)</b>	<b>801</b>	<b>n.m.</b>	
<b>Profit / (loss) for the period attributable to VEON's shareholders</b>	<b>(317)</b>	<b>674</b>	<b>n.m.</b>	
<b>Capex</b>	<b>832</b>	<b>808</b>	<b>2.9%</b>	
Capex intensity	22.1%	21.0%	1.1pp	
<b>Equity-free cash flow</b>	<b>142</b>	<b>141</b>	<b>0.7%</b>	
Licences payments	(296)	(76)	(291.8%)	
<b>Equity-free cash flow (after licences)</b>	<b>(154)</b>	<b>66</b>	<b>n.m.</b>	
<b>Total customers (million)</b>	<b>160.5</b>	<b>156.3</b>	<b>2.7%</b>	
Mobile customers (million)	156.9	152.8	2.7%	
4G users (million)	84.6	70.8	19.4%	
4G subscriber base penetration	53.9%	46.4%	7.5pp	
Fixed-line broadband customers (million)	3.6	3.5	2.1%	

VEON's total 2022 **revenues** amounted to USD 3,755 million, -2.4% YoY in reported currency (+14.0% YoY local currency), service revenues were USD 3,600 million, -2.4% YoY in reported currency (+13.9% YoY in local currency).

2022 **EBITDA** was USD 1,743 million, -5.3% YoY in reported currency (+12.6% YoY local currency).

2022 **capex** of USD 832 million for the full year was 2.9% higher than in 2021, with capex intensity up 1.1 pp as the company invested in 4G network expansion.

13.8 million **4G users** were added in 2022, with a total reaching 84.6 million at the end of the year. As of 31 December 2022, 4G subscribers accounted for 53.9% of our total subscriber base, up 7.5 pp from a year earlier supporting the execution of VEON's Digital Operator strategy.

We are encouraged by the **stabilisation** we are seeing in **operational cash flow** following the difficulties of 2022

### A year of transition

Events in Ukraine set about a year of transition for VEON as we adapted quickly to new realities in our operating environment. Yet it also underscored the health of our core portfolio of digital operators and their ability to deliver impressive financial performance through market-leading connectivity and digital services.

These high-growth markets are the future of a New VEON. Collectively, they comprise a growth opportunity unique within emerging markets given strong demographics and adoption rates for 4G and digital services that remain at an early stage. Success in executing on this opportunity will define our business in the years to come and the value we are able to realise for our shareholders.

This includes our dividend, where our policy remains unchanged. We are committed to paying at least 50% of EFCF after licences as a dividend while maintaining Net Debt-to-LTM EBITDA at around 2.4x on a pre-IFRS 16 basis, subject to our assessment of medium-term investment needs and opportunities. Given the financial volatility of the past year, we announced at the time of our full year results in May 2023 the Board's decision not to pay a dividend for financial year 2022. However, we have every confidence in

the long-term potential of our business model to increase returns for shareholders once this period of transition is behind us.

### New VEON

As well as a clearer focus on growth markets, the events of the past year have seen VEON make considerable changes to our financing arrangements and debt structure. The Group now has a significantly reduced exposure to ruble debt but will likely maintain some exposure to it for some time, resulting from its HQ RUB bonds and remains committed to financing its operations via local credit markets where conditions allow.

Over time, we expect leverage at the Group level to fall as we move towards an asset light model through the sale of towers and other local infrastructure which we anticipate in the year ahead. From an accounting perspective, these will result in a smaller value of lease liabilities held on our balance sheet under IFRS 16.

### Serkan Okandan

**Outgoing Group Chief Financial Officer**

April 2023

### New priorities

VEON moves into 2023 a leaner business with an abundance of growth opportunity. Although the ongoing conflict in Ukraine means we are unable to provide financial guidance for 2023, we remain optimistic in the long term potential of our markets to deliver double-digit growth in local currency revenue and EBITDA.

We are encouraged by the stabilisation we are seeing in operational cash flow following the difficulties of 2022. Similarly, we anticipate the declining trend in capex intensity we saw in 2022 will continue following completion of the sale of Russia, which in recent financial years had been the largest recipient of Group investment.

We view 2023 with renewed confidence from a financing perspective. Once complete, our exit from Russia should allow us to return to international capital markets with a strong growth story through which to galvanise our relationships with creditors and ratings agencies.

New VEON may be a business borne out of adversity, yet is one that defines our ability to adapt, transform and channel this into future opportunities.

### Joop Brakenhoff

**Group Chief Financial Officer**

June 2023

## Country performance

## Ukraine



## Revenue

UAH 31.1 billion

## EBITDA

UAH 18.3 billion

## EBITDA margin

58.9%

## 4G customers

13.1 million

## 4G base penetration

53.0%

Aleksandr Komarov  
Chief Executive Officer



The sudden displacement of a large proportion of our customer base overseas was one of the most immediate challenges of war.

Kyivstar is an intrinsic part of Ukraine's mobile and digital infrastructure. With around 50% share of both customers and industry revenue, we play a vital role in connecting people and investing in the development of the nation's digital capabilities.

The onset of war in February 2022 brought this role into sharper focus than ever before. The devastation and displacement brought about by hostilities has placed an overwhelming emphasis on essential connectivity as people were forced from their homes and in many instances found safety overseas.

We set four fundamental priorities for Kyivstar at the outset which have guided our response throughout. The first priority is people safety, both employees and customers. The second is network resilience to ensure we extend core voice, data and digital services to customers at home and abroad. The third is business resilience in order to protect our critical infrastructure and operations. And the fourth is support for Ukraine, its people and the rebuilding of our country that is to come.

LO1

MM1

## Challenges and response

The sudden displacement of a large proportion of our customer base overseas was one of the most immediate challenges of war. We collaborated quickly with international carriers to put in place 'Roam Like Home' to provide displaced customers with unlimited access to other networks across 27 European countries. In addition, we suspended charges for customers on the front line of hostilities. Both these arrangements remain in place as we move into 2023.

MMS

Our Board measures put in place to support our employees from the outset, providing extra allowances and financial assistance and ensuring their safety wherever possible through the home working arrangements we developed under Covid-19. We extended financial support to the nation, providing more than UAH 500 million of free services and around UAH 500 million in aid both directly and through

United-24, the state's fundraising programme for the restoration of Ukraine.

LO1

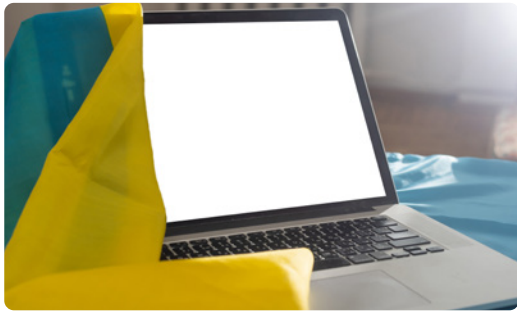
Protecting and adopting our network infrastructure to the physical impact of war has been a major undertaking from day one. The sudden change in customer distribution required immediate changes to our network to ensure basic voice and broadband services could be maintained. We undertook many thousands of modernisations to base stations and operated running repairs to restore network capacity. This actually accelerated our 4G rollout programme, providing us with the opportunity to upgrade base stations as we adapted our network footprint to the changing pattern of its use.

MM1

The dedication and heroism of our people throughout was remarkable. It has enabled an operational resilience we never thought possible. Our employees worked

The dedication and heroism of our people was remarkable. It has enabled an operational resilience we never thought possible

## Country performance continued



An initiative that spans both our crisis response and the **Company's broader corporate social responsibility (CSR) ambitions is our investment**, announced in August 2022, in Helsi Ukraine, the country's largest medical information system and leading digital healthcare provider

## Ukraine continued

quickly and heroically to repair damaged equipment, rebuilding the first base station in Kherson just two days after it was liberated. Despite more than a year of hostilities, blackouts and occupation, 90% of Kyivstar network is fully operational.

Cyber attacks have been another threat vector of war. Throughout 2022, these have become more frequent, longer and more powerful. Denial of service (DDoS) attacks more than tripled, phishing attacks quadrupled, and malware attacks quintupled during course of the year. Throughout, Kyivstar's cybersecurity defences stood firm, successfully repelling over 13,000 instances of phishing and 450 DDoS attempts, one of which lasted for 29 hours.

**MMB**

War has had a lasting impact on our backend infrastructure. We built a new national core technology site in the west of the country in order to mitigate the risk of communication loss. For a project that would normally take a year, this was achieved in just six months. We consolidated our regional core sites in order to increase network resilience and boosted the range of suppliers we rely on in order to reinforce supply chain sustainability. This was mirrored in our energy strategy, where we have doubled the number of generators at our disposal to ensure network continuity and have begun to instal new batteries with longer cell life to improve the efficiency of our off-grid energy use.

### 2022 performance

Although war corner stoned 2022 for Kyivstar, it failed to break us operationally. Full-year revenues exceed our early expectations, rising by 8.2% YoY despite the concessions we extended to displaced and front line customers. Mobile service revenues grew by 8.6% reflecting a rise in our 4G customer base and increased data usage.

**LO4**

Despite a significant rise in operational costs brought about by the war, including higher energy prices, a rise in the indexation of frequency fees and financial support to those affected by hostilities, EBITDA declined by just 4.7% – a remarkable achievement in the circumstances.

Our fixed line business was understandably impacted but managed to post revenue growth of 1.1% for the year despite a decline in broadband revenues of 4.5% as customers relied instead on mobile internet. This included 4G, where our user base reached 13.1 million at the end of 2022, an 8.1% rise from end-2021, to account for 53% of our customers. This helped to drive a 18.3% YoY rise in average revenue per user (ARPU).

Kyivstar saw a 5.5% YoY decline in its overall subscriber base as some regions remain without mobile network coverage and as emigration impacted subscriber numbers. However, within this Kyivstar's digital products supported an increase in multiplay customers (+14.6% YoY) and multiplay revenues rose by 34.1% YoY.

Capex increased by 7.4% YoY as Kyivstar continued to restore essential connectivity in the country and maintain business resilience and continuity. Since 24 February 2022, Kyivstar has built over 700 new 4G base stations, upgraded and modernised to 4G more than 7,000 base stations for higher throughput.

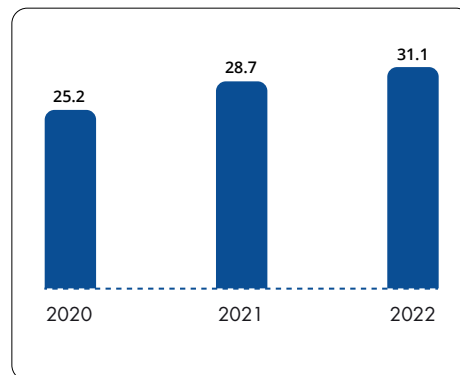
### ESG milestones and ambitions

In wartime, it is impossible to separate the humanitarian and organisational response to a crisis from normal operations. As a provider of strategic infrastructure, Kyivstar is part of the very fabric of our national efforts to protect lives and sustain livelihoods as much as possible throughout these extremely difficult days.

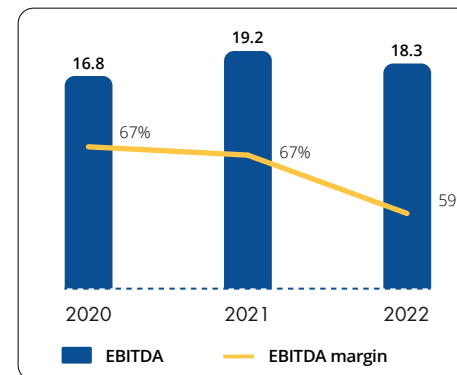
The swiftness of our response is thanks in part to the corporate governance arrangements put in place under VEON's new operating model introduced in 2020. By conferring greater operational autonomy at the digital operator level and through introducing local Boards with independent talent, these arrangements were a clear benefit to quick and informed decision-making. The Company responded quickly and efficiently to the humanitarian needs of society. Throughout 2022, Kyivstar donated UAH130 million in aid to charitable funds to address the community's humanitarian needs and provided free services and bonuses to its subscribers with a value equivalent to UAH577 million.

**LO3**

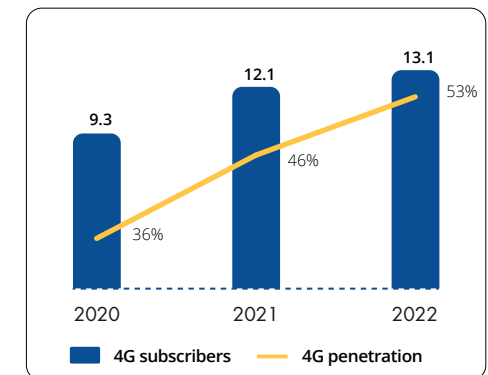
**Revenue**  
(UAH billion)



**EBITDA and EBITDA margin**  
(UAH billion and percentage)



**4G base user and penetration**  
(Million and percentage)



## Country performance continued

### Strategic pillars



#### Infrastructure accelerator

# 4G sites



**23% increase YoY**

16k sites

(2021:13k)



#### Digital operator

#### Multiplay customers penetration



**3pp increase YoY**

17% base penetration

(2021:14%)



#### Ventures

MAUs<sup>1</sup> of digital services



**59% increase YoY**

1.1 million MAUs

(2021: 691 thousand)

<sup>1</sup> MAUs = monthly active users

## Ukraine continued

An initiative that spans both our crisis response and the Company's broader CSR ambitions is our investment, announced in August 2022, in Helsi Ukraine, the country's largest medical information system and leading digital healthcare provider. Through this strategic investment, Kyivstar aims to extend telemedicine to the entire population of Ukraine, both at home and overseas, as part of our commitment to the rebuilding of the nation. By delivering this via the Kyivstar network, we hope to codify Helsi as the nation's first responder and help overcome the challenges of ruined infrastructure and community displacement for healthcare delivery.

LOS

### Forward priorities and ambitions

The events of the past 12 months have had a profound impact on Kyivstar. Yet our response has ensured that our business fundamentally strong for when peace returns.

While responding to the crisis of war, we have never lost sight of our strategic priorities and the importance of the whole organisation moving together towards these shared goals.

We have seven priorities:

The **first** is our customer focus to ensure we maintain our market leadership earned through their trust and enthusiasm for our services. That means doubling down on the success of our digital operator model in broadening the scope of our services.

MM5

The **second** is our people focus, particularly how we deepen Kyivstar's culture so that our employees feel grounded and supported in the very difficult circumstances they are now encountering.

LO1

**Third** is our multiplay strategies, which are vital vehicles through which we can establish strong long-term relationships with our customers that reach beyond this current period of upheaval and uncertainty.

The **fourth** is network leadership, reinforced by our investment in technology leadership, our **fifth** priority. This includes introducing new partners and services, ensuring their fast integration and constantly improving the customer's experience.

MM1

MM4

**Sixth** is new business opportunities as we search for organic and non-organic growth avenues in areas such as enterprise infrastructure and big data. Complementing this, our **seventh** priority is the digital transformation of our business from a services perspective to ensure we continue to evolve the customer experience. That is the essence of the digital operator strategy that we see working so effectively across VEON's markets.

MM4

The experience of war has sharpened our focus on the future: how we will develop as an organisation considering the huge opportunities that will come about once we rebuild Ukraine. This will no doubt involve collaboration with our industry partners and involve broad discussion of the technologies that will underpin Ukraine's networks of the future. In the meantime, we will work to keep our employees and customers connected until the day we can bring our people home and set about the rebuilding of our country.



## Country performance continued

## Pakistan



## Revenue

**PKR 261.2 billion**

## EBITDA

**PKR 134.0 billion**

## EBITDA margin

**51.2%**

## 4G customers

**41.3 million**

## 4G base penetration

**56.0%**

**Aamir Ibrahim**  
Chief Executive Officer



**Pakistan is a dynamic society in which Jazz enjoys leading market share, providing a range of connectivity, entertainment and digital financial services to 73,7 million customers.**

Now VEON's largest digital operator by revenue, Jazz Pakistan is a success story in how we can empower opportunity through embedding our local services in the social and financial fabric of a nation.

Pakistan is a dynamic society in which Jazz enjoys leading market share, providing a range of voice, data and digital services to 73 million customers. Our size and brand presence enable Jazz to make a significant contribution to the development of the nation by extending digital literacy and inclusion throughout communities eager for opportunity and betterment.

The size and scale of our Company makes Jazz one of Pakistan's largest corporate taxpayers, with around half of our revenues returned by way of the various taxes and fees our services attract.

MM2 LOS

They enable us to act as a beacon of hope and stability when natural disasters strike, providing essential connectivity, humanitarian relief and financial assistance

when needed, as we did during 2022's catastrophic floods which inundated around one-third of Pakistan and impacted the lives of more than 30 million people.

MM1

#### Expanding the rainbow

Digital inclusion is a key enabler of social and economic change in Pakistan and one in which Jazz plays a leading role. Our digital financial service JazzCash is the nation's largest. It is accelerating the digitisation of payments across the economy, helping to break down social barriers to economic inclusion while combating barriers to growth like corruption through digital fingerprinting.

JazzCash extends financial services to the nation's unbanked, who represent around four-fifths of Pakistan's adult population. Many of these are women who would otherwise be locked out of the financial economy. And as the nation's fastest-growing digital lender, extending around 40,000 micro loans each day,

JazzCash is helping to sustain individuals at the bottom of the socioeconomic pyramid at a time of rising living costs.

LOS

The success of Jazz's services lies in our ability to entertain, as well as to empower. Tamasha, our HD video streaming platform, has transformed our ability to serve our customers with premium TV channels, movies and dramas alongside the very best in live sport. This has captivated a nation passionate about cricket, ensuring our customers never miss a beat by delivering live matches to their smartphones in HD format alongside a host of other sporting fixtures and content.

MM4 MM5

In everything we do, we share the passion of our customers for our country, the vibrancy of our culture and the boundless opportunity we can harness together through the services we enable.

Digital inclusion is a **key enabler of social and economic change** in Pakistan and one in which Jazz plays a leading role

Country performance continued



One of our ambitions is to **improve the lives and livelihoods of Pakistan's women through technology**

**Pakistan** continued

**Mobilink Microfinance Bank (MMBL)**

Expanding financial inclusion is also a core mission of Mobilink Microfinance Bank (MMBL), VEON's leading digital bank in Pakistan. With over 40 million registered users and a network of over 196,000 branchless banking agents, MMBL is dedicated to harnessing the power of technology to boost lending to the bottom of the nation's socioeconomic pyramid.

MMBL has pioneered a series of recommended policy interventions to foster digital financial inclusion through regulatory interventions in key areas such as microfinance, agriculture finance and digital lending. MMBL's 9-Point Agenda for Financial Inclusion highlights challenges and opportunities across multiple sectors alongside recommended policy solutions. These have diversity and inclusion at their heart and are designed to help bring about a balanced, sustainable economic transformation of Pakistan's grassroots communities that will bolster national growth and development.

MMBL has been the proud recipient of a number of industry awards over the past decade in recognition of its achievements. In 2022, these included the Global Business Outlook Award for nation's Most Innovative Microfinance Bank and the RBI Trailblazer Award for the Best Retail Bank in Pakistan.



**2022 performance**

2022 was a challenging year for Pakistan's economy. Global economic and political instability had an amplified impact, with inflation of energy prices and supply issues

in global supply chains sharply drove costs up in Pakistan. In order to cope with the drastic increase in operating expenses and ring fence the profitability of the company, Jazz continued to adopt a disciplined approach to monetize its services in line with the inflation, which helped it capture more than 50% of industry revenue market share during the year. Hence, ending the year with a gain in revenue market share of 1.1% to 44.9% (0.7% to 44.4% normalised for once-off reversal of provision).

Jazz reported double-digit revenue growth for the second consecutive year in 2022, with revenue rising by 14.3% YoY. The growth was driven by a 21.8% YoY increase in mobile data revenues and strong revenue performances by both MMBL and JazzCash. The expansion of the 4G customer base, which rose by 17.9%, to reach 41.3 million also contributed to the revenue growth. At the end of 2022, Jazz's total subscriber base was 73.7 million, of which 56% were 4G users.

EBITDA grew by 28.2% YoY in 2022, driven by double-digit revenue growth and effective cost management. The size of increase is affected by the reversal of a provision following a favourable decision from the Islamabad High Court on pending litigation, increasing the recorded EBITDA by PKR 20.2 billion. Adjusted for this contribution, YoY EBITDA growth was 8.9%.

In 2022, Jazz's digital operator strategy continued to drive growth in its multiplay customer base, which increased by 41% YoY, accounting for 23.7% of the total

monthly active customers by the end of the year. This growth in multiplay customers, who have three times the ARPU of voice-only users, contributed significantly to the B2C service revenues, which amounted to 44.1% in the fourth quarter of 2022, representing a YoY rise of 9 percentage points.

JazzCash continued to be a star performer, with its revenue growing by 54.5% YoY, supported by the expansion of its retail presence to 130,870 active agents and 185,906 active merchants. JazzCash processed PKR4.2 trillion in gross transactions in 2022, a 31.3% increase from the previous year. Its reputation as the most popular digital wallet in Pakistan was reaffirmed by the Karandaaz Financial Inclusion Survey, with 69% of respondents recommending JazzCash as Pakistan's most recommended mobile money service.

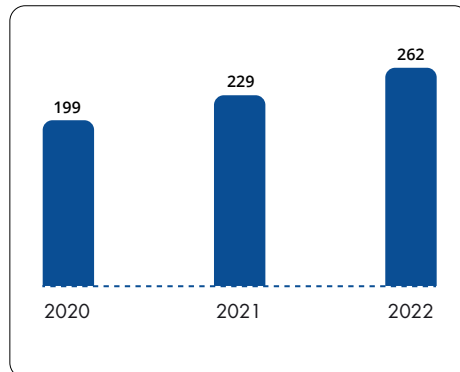
Our streaming service, Tamasha, also performed well, attracting a record number of users to its live HD streaming of the Cricket and Football World Cups during the fourth quarter. This drove its monthly active user base to 4.3 million by year end.



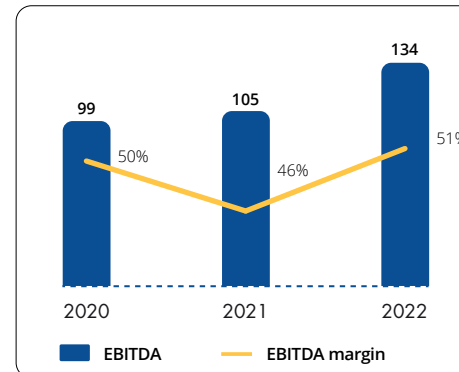
**ESG milestones and ambitions**

The principles of ESG are fundamentally embedded in Jazz's products and business practices. Our role as a leading corporate in Pakistan society compels us to think about our governance responsibilities spanning a range of social and environmental interests, not just in terms of organisational issues.

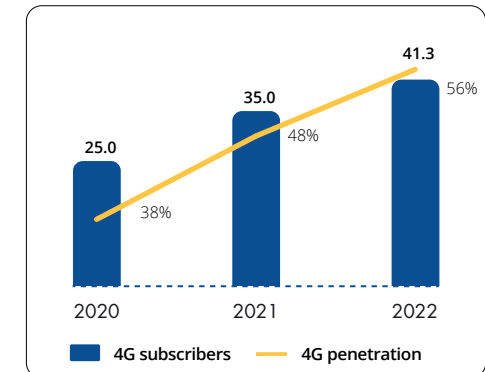
**Revenue**  
(PKR billion)



**EBITDA and EBITDA margin**  
(PKR billion and percentage)



**4G base and penetration**  
(Million and percentage)



## Country performance continued



<sup>1</sup> MAUs = monthly active users

## Pakistan continued

We are incredibly proud of the impact JazzCash is making in advancing financial inclusion again. This goes to the heart of our ambition to improve the lives and livelihoods of Pakistan's women through technology. Like many developing economies, Pakistan has gender gaps that keep women disenfranchised from various aspects of society. We over-index our participation of women in JazzCash's lending activities while extending a set of services that were previously unavailable to most, empowering a vast demographic with financial independence for the first time.

MM2 LOS

The needs of women were uppermost in our minds as we extended relief to communities impacted by last year's floods. Jazz set up mobile healthcare units for women and provided specialist care for those pregnant and nursing mothers. These were delivered alongside a financial and logistical support.

Jazz was the first Company to pledge a billion rupees worth of aid for flood relief, including food, medicines and tents. We also extended free calls in flood-affected areas to enable people to stay connected throughout the emergency. And we are continuing to help the government prepare for future natural disasters through our development of the national SMS warning system, augmenting this with capabilities to help direct relief like seeds for farmers to guard against Pakistan slipping from floods into famine.

Environmental governance extends to climate impact. A switch to batteries from diesel generators is one way we can decrease our carbon footprint in remote areas; so too is our increasing use of solar energy. These are important as we work to decrease our GHG emissions while finding long-term solutions to rising energy costs.

LOS

### Focused on outcomes

As a sustainable business, Jazz and MMBL operate a host of CSR programmes and activities to ensure the benefits of our capabilities extend to all our stakeholders.

These include Jazz's SDG Bootcamp, operated in partnership with the United Nations Development Programme in Pakistan. Inspired by the United Nations Sustainable Development Goals (UNSDGs), the SDG Bootcamp provides social enterprises the opportunity to compete in friendly competition in developing products and services that support the SDGs' objectives. In 2022, the Bootcamp played host to 131 social enterprises, including 42 female-led initiatives and 71% of its participants were women. The winners included a

vendor app made for and by women and a healthcare Company that uses drone technology to deliver medical supplies.

Nurturing entrepreneurial talent is a core mission of Pakistan's National Incubation Centre (NIC), a successful public-private partnership which Jazz is proud to have co-founded with the Federal Government. The NIC is home to Jazz's xlr8 accelerator programme, a flagship initiative that helps business start-ups reach maturity and scale. In 2022, xlr8 was particularly proud to support DeafTawk, a digital Company helping to overcome the challenges faced by deaf people around the world. DeafTawk acts as a bridge between deaf and hearing people by providing ready access to qualified sign language interpreters and has helped improve the lives of more than 466 million deaf people since its launch.

The needs of women are at the heart of MMBL's flagship empowerment programme, the Women Inspirational Network, which it operates in partnership with CARE International in Pakistan. The network provides training and support to improve the digital and financial skills of the nation's women in order to encourage sustainable development by eliminating barriers to their opportunity. The programme has helped over 900 women entrepreneurs develop business skills and in November 2022 was recognised as a best practice case study by the Women Empowerment Conference in Karachi in partnership with the International Labour Organisation (ILO).

In 2022, MMBL expanded its empowerment initiatives by providing ecommerce capabilities to female

entrepreneurs and advisory services for farmers via smartphones. By offering substantially discounted Digit 4G handsets pre-loaded with MMBL's digital banking application and an agricultural app developed in partnership a leading local AgriTech Company, BaKhabar Kissan, MMBL aims to boost the participation of these underserved groups in Pakistan's digital economy and help unlock their potential in driving development and prosperity for the nation.

MM2 LOS

### The road ahead

We remain confident in Jazz's ability to deliver double-digit growth as we continue to grow the range and reach of our digital services. Over time, this should lift customer ARPUs; a key ambition for our business while balancing pricing with affordability.

At the heart of our digital operator model, the success of JazzCash and Tamasha demonstrate the ability to captivate customers with services that drive engagement levels higher. Each will remain valuable channels through which to provide our customers with a growing range of products designed to extend opportunity and entertainment to the nation.

Our mission throughout is to demonstrate Jazz cares in everything we do. That means standing by our customers in good times as well as bad, and alongside the nation when the unforeseen strikes. Above all, it means being a dependable partner to all who share our excitement in the digital opportunities ahead of us.



The first discounted 4G handset, bundled with Mobilink Microfinance Bank's self-service banking app, is presented by VEON CEO, Kaan Terzioğlu and Mobilink Microfinance Bank Ltd President & Chief Executive Officer, Ghazanfar Azzam, to Ayesha Shafique, a budding entrepreneur, to help her scale her cosmetics & beauty salon business in Pakistan through access to digital financial services

<https://www.veon.com/newsroom/press-releases/veons-mobilink-microfinance-bank-promotes-financial-inclusion-and-supports-farmers-with-programmes-to-drive-economic-prosperity-in-pakistan>

## Country performance continued

## Bangladesh



banglalink



TOFFEE

## Revenue

**BDT 53.7 billion**

## EBITDA

**BDT 19.6 billion**

## EBITDA margin

**36.4%**

## 4G customers

**16.1 million**

## 4G base penetration

**42.9%**

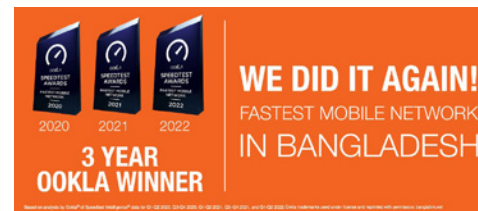
Erik Aas  
Chief Executive Officer



### Banglalink's fastest 4G network paves the way for Bangladesh's digital revolution: unlocking a world of opportunity.

With over 180 million mobile phone subscribers and over 124.42 million internet users, Bangladesh is an oasis of digital opportunity, and it is moving forward at an incredible rate towards the achievement of its government's Smart Vision 2041 goal.

As the nation's fastest-growing digital operator, Banglalink is on a mission to accelerate this growth by providing a diverse portfolio of connectivity tools and digital services via Bangladesh's fastest mobile network, for which Banglalink has consistently received the Ookla Speedtest Award for the last three years:



In 2022, Banglalink, with its extensive digital portfolio, launched an ambitious strategy to transform from a regional operator to a national digital operator. Our network infrastructure has been significantly expanded in order to achieve this goal, with our base station count increasing by more than 4,000 in 2022, bringing the total to more than 14,100. Additionally, our radio spectrum has doubled, and we have expanded our network reach. As we move forward to achieve our goal, we will continue to upgrade existing base stations to provide "4G for all" throughout Bangladesh with an exciting range of digital services for all to enjoy.

MM1

In alignment with our infrastructural expansion, customer uptake for Banglalink's digital services has been impressive. From a standing start when we launched the country's first User-Generated Content (UGC) platform Toffee, this digital video streaming service now has the most monthly active users of any other online entertainment platform in Bangladesh.

In addition, we have witnessed a digital portfolio expansion with the introduction of AppLink: a Digital Services Marketplace for users and developers, and our self-care platform, MyBL Super App, which has grown by 80% in 2022 and now serves 5.7 million customers. The platform, powered by our open API architecture, is meeting customer demand by placing a growing range of services at their fingertips, such as health, entertainment and education.

MM4 MM5

### 2022 performance

In 2022, Banglalink achieved remarkable financial success, exceeding projected revenue and growth targets by a significant margin. The expansion of our brand and growing customer preferences for our digital services were reflected in our financial performance in 2022. Surpassing the market expansion and growth rate of all other telecommunication and digital operators in the country, Banglalink reported a 12.1% YoY rise

In alignment with our infrastructural expansion, customer uptake for Banglalink's digital services has been impressive



Country performance continued



We observe an **Ethics and Compliance Week** to ensure that our employees are aligned with the organisation's principles and core values

**Bangladesh** continued

in its revenue in 2022. This growth was driven by an approximately 7.1% expansion in our customer base, which stood at 37.6 million in 2022 with a revenue market share of 19%.

Furthermore, demand for our digital services contributed to a 26.6% YoY increase in data revenue and a 5.5% increase in Average Revenue Per User (ARPU). Toffee's exclusive coverage of the FIFA World Cup Qatar 2022™, which allowed millions across the country to watch the exciting World Cup matches live in a seamless and uninterrupted manner, was a major catalyst in this acceleration. Over 25 million unique viewers tuned in for the "Round of 16," resulting in a fivefold increase in daily active users of Toffee, which stood at 5.2 million at the end of the year.

MM4 LO4

In line with the popularity of our digital services, Banglalink's multiplay customer base increased by 86.6% in 2022, accounting for 29% of total multiplay revenues by the fourth quarter. The continued expansion of our 4G network was a key enabler of this

growth, as we reached 81.1% of customers by the end of 2022, up 12pp YoY, and contributed to a 34.2% increase in Banglalink's 4G user base. With 16.1 million users, this equates to 42.9% 4G penetration and continues to be a key enabler of digital services as we expand our geographic reach.

MM2

The investment we are making in nationwide network coverage reflects Banglalink's expansion strategy. This increased capex by 142.1% YoY while contributing to a 2.1% reduction in EBITDA as network-related expenses decreased and continued investment in our digital services was reflected in our margin. As we build the most modern telecoms infrastructure in the country, this investment is yielding tangible benefits for network quality and reliability.

**Cybersecurity**

In line with our growth as a digital operator, we acknowledge that robust cybersecurity infrastructure is an essential component in our efforts to provide

secured and uninterrupted high-quality digital services to Banglalink customers, which was recognised when we received the ISO 27001:2013 certification: reflecting our organisation's highest level of cybersecurity.

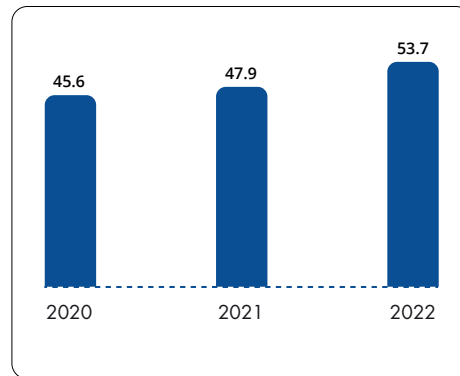
MM3

**Employee well-being and fostering a workplace culture that values respect and opportunity**

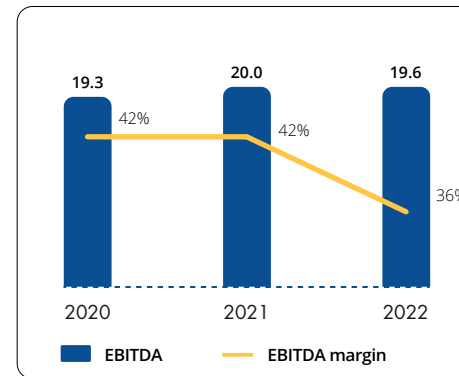
Our corporate culture is one of mutual support and personal development, where people see success in empowering the people around them. In our mission to ensure that our employees live a happy and healthy life, we observe Banglalink Safety and Wellness Week. This observation week features a variety of exciting events focused on vitality, occupational health, safety, and mental well-being.

We observe an Ethics and Compliance Week to ensure that our employees are aligned with the organisation's principles and core values. During this week, a series of educational and awareness-raising activities for internal

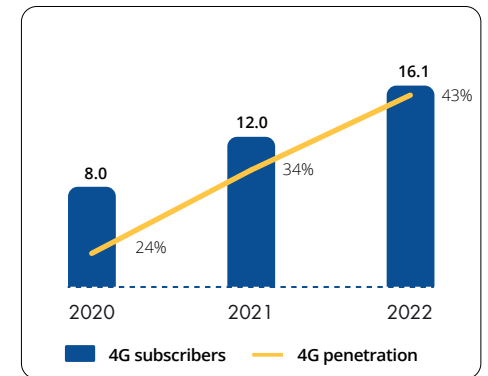
Revenue (BDT billion)



EBITDA and EBITDA margin (BDT billion and percentage)



4G base and penetration (Million and percentage)



## Country performance continued

### Strategic pillars



#### Infrastructure accelerator

# 4G sites



**43% increase YoY**

14k sites

(2021:10k)



#### Digital operator

Multiplay customers penetration



**6pp increase YoY**

15% base penetration

(2021:8%)



#### Ventures

MAUs<sup>1</sup> of digital services



**234% increase YoY**

21.2 million MAUs

(2021: 6.3 million)

<sup>1</sup> MAUs = monthly active users

## Bangladesh continued

customers are arranged to reinforce the principles of ethics and compliance ingrained in the Company's culture.

As a result of efforts to keep our employees motivated and aligned with our values, we enjoy very high levels of employee engagement: over 85% in the most recent employee survey and are proud to have been recognised as one of the top five employers of choice in Bangladesh by the Nielsen Business School Campus Track Survey in October 2022.

LO1 LO2 LO3

### Empower communities and solve problems in a sustainable manner while promoting digital inclusion and literacy

One such initiative was the Banglalink IT Incubator, which provided co-working spaces and mentorship opportunities to early-stage tech start-ups in order to foster the growth of promising digital start-ups in the country. Thus far, 25 start-ups have graduated from this incubator and are making waves in their domains.

We host the SDG Hackathon, where undergraduate students join forces to develop digital solutions for the achievement of the UNSDGs. Banglalink's 'Learn from The Start-ups' programme offers aspiring entrepreneurs the opportunity to engage with some of the nation's most successful start-ups through learning sessions hosted by leading individuals in their field.

During natural disasters in Bangladesh, it is crucial for communities to have access to reliable and efficient communication methods to stay informed and connected. When such needs arise, Banglalink steps forward in a powerful way to support communities and help them recover by the exemption of voice and data charges and provision of pertinent and timely relief packages.

MM1 MM2 LO2 LO5

### Looking forward

We plan on expanding our 4G footprint to approximately 95% of the country's population over time. Our long-term goal is to increase revenue market share

further. Furthermore, we hope to resort to sustainable business practices such as resource sharing in order to grow in an environmentally friendly and cost-effective manner.

Building on the success of Toffee, we are deploying an ecosystem of digital services. These portfolios are already started benefitting subscriber growth and ARPU while enabling the development of new adjacent revenue streams such as AdTech, where we established a fledgling business in 2022 showing early signs of success.

MM1 MM2 MM4 MM5

As we move forward with our business and corporate ambitions, Banglalink commits to working hard to ensure that our networks remain the fastest in the country, that our employees are among the happiest in the industry, and that our Company continues to play a leading role in the development of Bangladesh's exciting digital future.



Padma bridge

## Country performance continued

## Kazakhstan



Beeline



Simply

## Revenue

**KZT 293.1 billion**

## EBITDA

**KZT 147.8 billion**

## EBITDA margin

**50.4%**

## 4G customers

**7.2 million**

## 4G base penetration

**68.3%**

Evgeniy Nastradin  
Chief Executive Officer



**Our core ambition is to provide the highest quality of services to every citizen, regardless of where they live, in order to eliminate the digital divide between communities.**

With close to four-fifths of its population owning smartphones, Kazakhstan is one of VEON's most advanced markets for digital services.

#### The nation's leading digital operator

Here, Beeline is playing a leading role in the nation's digital transition through a digital operator strategy that embeds these capabilities at the core of its telecoms offer. These include BeeTV, Kazakhstan's largest OTT entertainment platform, hitter, our new local music app, and the nation's first neobank, Simply.

Constant innovation has helped cement Beeline's position as Kazakhstan's largest mobile operator and its reputation as the nation's leading provider of digital services for residential and business users.

MM4

At the heart of this success is a digital-led approach to services that has transformed the customer acquisition and service journey. The result is a growing number of customers using one or more of our digital products even before choosing Beeline as their mobile operator.

Our 'Multiplay Anywhere' strategy has enabled us to expand both our customer base and new revenues

through a connectivity-agnostic approach that does not depend on upselling subscribers from our existing core services. This has helped us to grow our digital revenues contribution from zero three years ago to over 9% today through a suite of products serving 5.2 million customers. It has contributed to the success of iZI, the nation's first digital teletainment (telecom + entertainment) operator, which is enabling us to expand our customer footprint beyond the Beeline brand.

We are extending our digital and network capabilities to B2B segment of users by developing capabilities in big data, AdTech, cloud, Internet of Things (IoT) integrations and cybersecurity through the constant upgrading of our infrastructure and automation of our operations.

MM2 MM3

2022 was a turbulent and challenging year, with social unrest at home underlining the vital importance of staying connected with each other. Throughout, we stood strong with our customers, who rewarded us with their loyalty and enabled us to record our fifth consecutive year of double-digit growth.

MM5 LO4

#### 2022 performance

Beeline Kazakhstan delivered YoY local currency revenue growth of 20.8% in 2022, supported by a 7.1% expansion in its customer base to 10.6 million. Fixed-line revenue growth was particularly strong (+40.4% YoY), helped by continued growth in Beeline's broadband customer base (+14.1% YoY) and a 15.1% rise in broadband ARPU. Mobile service revenue rose by 16.6%, driven by further growth in data revenue, which increased 19% YoY.

LO4

This was helped by greater customer engagement via our MyBeeline app, which increased its monthly active users (MAUs) by 33.1% YoY to 3.9 million, adding 1.0 million MAUs during 2022. The popularity of MyBeeline was illustrated recently when named the second most popular communications app in Kazakhstan by number of Google Play downloads.

Beeline's digital services enjoyed good customer traction during the year and helped us to grow new business streams, which comprised 9.5% of our operating revenues. Our BeeTV entertainment platform benefitted from streaming of FIFA World Cup games in December and reached 859,000 MAUs at the end of 2022 (+61.4% YoY), with 79.3% of its customers using the mobile version of the service.

We stood strong with our customers, who rewarded us with their loyalty and enabled us to record our fifth consecutive year of double-digit growth

## Country performance continued



## Kazakhstan continued

Beeline Kazakhstan's digital-first sub-brand iZI saw significant growth in its customer base, which rose six times YoY in 2022 to almost 380,000 monthly active subscribers. Elsewhere in mobile financial services, our pioneering digital payment card, Simply, saw a 30.2% YoY increase in MAUs to 246,000 at the end of 2022.

Beeline demonstrated success in bundling its digital services for customers by growing multiplay customers by 40% YoY. These accounted for 38% of Beeline's customer base at the end of 2022 and, with higher ARPU and lower churn, collectively contributed to 51.8% of B2C revenues for the year.

MM2 MM4 MM5

### ESG milestones and achievements

As a provider of high-speed internet connectivity, Beeline plays a vital role in the sustainable development of Kazakhstan. Our core ambition is to provide the highest quality of services to every citizen, regardless of where they live, in order to eliminate the digital divide between communities.

LO5

Key to realising this vision is the continued investment we are making in our network infrastructure under our 'LTE Everywhere' programme. This aims to equip 97% of our base stations with 4G capabilities in order to provide our customers with the best possible experience of our services.

In parallel, we are proud to partner with our fellow operators in the government's 250+ programme to bring high-speed internet connectivity to every community in Kazakhstan with over 250 inhabitants. Since inception in 2020, Beeline has extended its services under this programme to more than 1,500 villages that enjoyed access to the internet for the first time.

MM1

Throughout our network, we are constantly optimising frequencies and upgrading technology in order to reduce energy consumption while experimenting with power alternatives to grid electricity. At the same time, we are strengthening our collaboration with competitors, consultants and regulators to develop clean energy solutions that can lower our carbon footprint and that of the wider industry.

Beyond connectivity, Beeline continued to invest in the educational future of our younger generations throughout partnership with the international student organisation Enactus. In 2022, we continued to support education through our investment in the Kazakhstan Khalkyna Fund. We invested over KZT 2 billion to provide modern equipment to eight schools in rural parts of the country. These schools are now equipped with high-end tools such as TV studios, STEM labs, etc. Children have access to state of the art education thanks to a three-year professional development program for teachers. Since 2018, 15 youth start-ups have received financial support from Beeline, and students from over 40 schools and universities have taken part in the digital project competition Beeline operates through Enactus.

In parallel, our Safer Internet Project has enabled Beeline to partner with the nation's largest educational platform, Bilim Media Group, to help over 200,000 school students develop vital online skills through digital literacy lessons.

MM2 LO5

None of this would be possible without the skills and enthusiasm of our employees. Beeline's 'growth from within' mindset creates a working environment that cultivates talent through a meritocratic culture of succession. This offers all employees equal opportunity to develop their careers through constant development and self-improvement through courses offered by our internal Beeline Academy and several schools such as Coding, Big Data, RPA, QA and Frontend School. The growth-minded culture this creates is united through a shared entrepreneurial spirit and an excitement about what we can achieve together as a business.

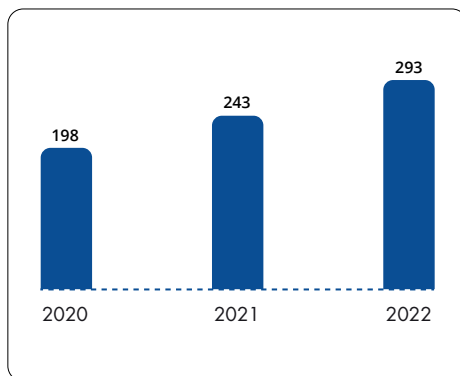
LO2

### Forward ambitions

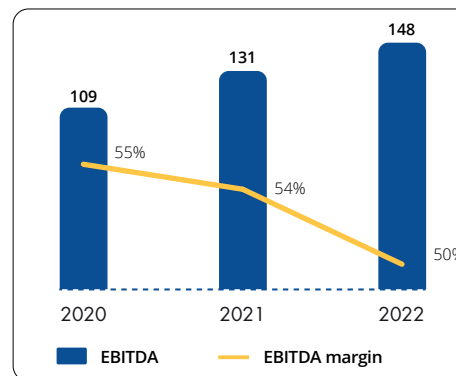
Some of the most exciting benefits we can offer our communities lie within our services as we reach beyond entertainment, financial services and payments to embrace social needs in the realms of healthcare and education.

By developing services that meet every day needs while offering wider social benefits, we are confident Beeline will continue to play a defining role in Kazakhstan's digital future.

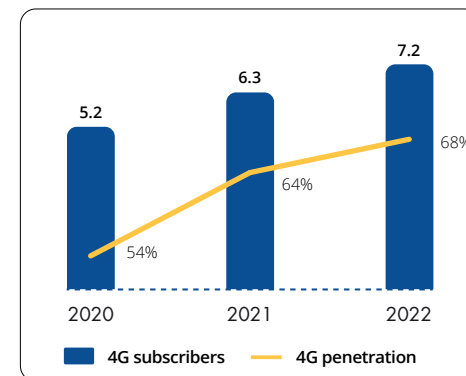
Revenue (KZT billion)



EBITDA and EBITDA margin (KZT billion and percentage)



4G base and penetration (Million and percentage)



## Country performance continued

## Uzbekistan



## Revenue

**UZS 2,575 billion**

## EBITDA

**UZS 1,372 billion**

## EBITDA margin

**53.3%**

## 4G customers

**5.5 million**

## 4G base penetration

**65.8%**

Andrzej Malinowski  
Chief Executive Officer



**Our digital operator Beeline is playing a leading role in the expansion of data and digital services across Central Asia's largest and youngest population.**

Uzbekistan is a country in which our business and national development go hand-to-hand. Our digital operator Beeline is playing a leading role in the expansion of data and digital services across Central Asia's largest and youngest population. Smartphone adoption remains at a relatively early stage and the concept of bundled services, pioneered by Beeline, is still in its infancy. The popularity of these services, underpinned by our ambitious 4G network expansion programme, is rewarding Beeline with a pace of growth that ranks among the Group's fastest.

Much of this growth stems from new customer acquisition given that the penetration of SIM cards within the population remains low at around 80%. This provides Beeline with an organic growth opportunity which our digital operator strategy is tailored to. Beeline is the industry's pathfinder here, offering a differentiated range of bundled services that are transforming the smartphone experience of customers through a range of products including media streaming, mobile financial services and edtech.

MM2

The popularity of Beeline's offer is reflected in the growth of our customer base. This grew by 18.8% in 2022, from 7.1 million to 8.4 million, with a rising proportion opting for our 4G services as we continued to this network across a nation with a growing appetite for digital products.

#### 2022 performance

Beeline delivered 25.2% revenue growth in 2022. This reflects the rise in customer numbers, as well as strength in data revenue, which rose by 35.7% YoY as our 4G customer base expanded. 4G was taken by 28.4% of our total customers by the end of 2022; still a relatively small proportion by global standards, underscoring the 4G growth runway we have ahead of us in Uzbekistan.

Beeline's bundled digital services continued to attract new customers. Our multiplay offer was taken by 39.6% of our customers by the end of 2022, contributing over a half of our B2C revenues. The popularity of our Beepul mobile services app was boosted in the summer after Beeline was granted a licence to provide payment services, enabling our customers to use Beepul to pay

for around 500 services. Our digital entertainment platforms, including Beeline TV and Beeline Music, saw growth and together accounted more than 1.5 million MAUs by year end, a 24.2% YoY rise.

MM4 MM5

EBITDA grew by 45.2% YoY, helped by the rise in our multiplay customers and higher usage of our digital services, as well as successful cost control. Throughout, Beeline continued to invest and extend its 4G network, which recorded a 16 percentage-point rise in coverage in 2022 to 78% of the country. This now includes the Tashkent Metro, where passengers now enjoy high-speed data access in each of the capital's 31 metro stations.

#### ESG milestones and ambitions

As the nation's largest mobile operator, Beeline's value proposition extends beyond our customers and our shareholders to the development needs of Uzbekistan itself. Our scale and the nature of our services enable us to play a leading role in advancing digital literacy and

Beeline's value proposition extends beyond our customers and our shareholders to the development needs of Uzbekistan itself

## Country performance continued

### Strategic pillars



#### Infrastructure accelerator

# 4G sites



**26% increase YoY**

4k sites

(2021:3k)



#### Digital operator

Multiply customers penetration



**10pp increase YoY**

40% base penetration

(2021:30%)



#### Ventures

MAUs<sup>1</sup> of digital services



**25% increase YoY**

1.8 million MAUs

(2021: 1.4 million)

<sup>1</sup> MAUs = monthly active users

## Uzbekistan continued

education across communities while modernising the infrastructure through which is this delivered.

MM2 LOS

During 2022, Beeline invested USD 50 million in network upgrades, its largest investment ever. We view this as genuinely sustainable investment, since it is expanding the reach of services such as digital education which offers access to self-improvement opportunities that currently lie beyond the reach of many. We are currently in the process of expanding these via an integrated education platform that will offer modules at a variety of attainment levels, from elementary through to vocational in areas including cybersecurity and software development. Importantly, these will be offered in Uzbek, addressing a pressing shortage of local language education resources available elsewhere.

MM1

Our investment in network and services is reinforcing access to high-speed connectivity across Uzbekistan. Yet it is conferring valuable skills to its workforce in an important process of knowledge transfer that Beeline is proud to facilitate. In a nation where around 12% of GDP is derived via remittances from Uzbeks working abroad, there is a clear need to develop both local skills and the opportunities for these to be employed at home. We view this as an opportunity for Beeline to invest in human capital in a very real sense. With the majority of the population under the age of 30, we have a golden

opportunity to equip individuals to pursue careers in technology-related industries such as ours.

LOS

This ambition starts at home. Throughout Beeline, we place positive pressure on our managers to develop their successors from our pool of local talent, and over time, this will help ensure that technology businesses do not need to draw on expat expertise to fill roles, while curbing the exodus of talent from Uzbekistan in search of opportunity elsewhere.

LO2

One of the areas we are particularly excited in developing local talent is Big Data management, specifically in the realm of AdTech. We plan to develop a local centre of excellence around this capability, developing skills and capabilities that will benefit both our people and our Company through adjacent revenue streams.

Alongside this, we see a growing opportunity in Cloud Storage. One of our priorities for 2023 is to establish our own commercial data centre to provide a highly secure domestic storage facility. This will help strengthen the foundations of data sovereignty within Uzbekistan by helping to ensure this digital commodity is stored and monetised locally, not offshore by global tech companies. We see this encouraging a circular economy in itself as local enterprises develop expertise and services around data, widening the pool of knowledge and prosperity it generates locally.

LO3

One initiative we are particularly proud to support is Tumaris. Tech, a regional project designed to boost the participation of women in information technology. In May 2022, Beeline hosted the nation's first ever women-only hackathon, bringing together individuals from across Central Asia to create prototype digital products that address pressing socioeconomic problems facing their societies. IT remains a male-dominated industry in Uzbekistan, and we are proud that the vast majority of Beeline's Data Management team is female, which reflects the focus we place on workplace diversity.

LOS

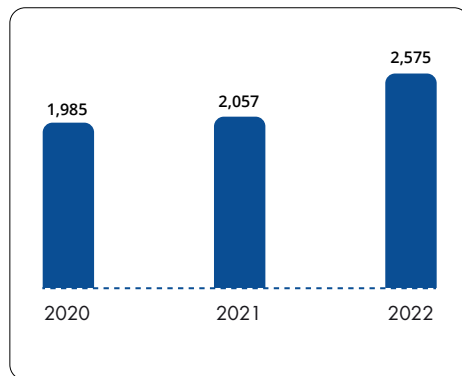
### Forward ambitions

As market leader in a digital marketplace, we have ourselves defined, our ambitions for Beeline are bigger than our already considerable achievements. We are challenging ourselves to deliver even faster revenue growth in 2023 as we build on the growth momentum of our digital services. We shall continue to develop the breadth of these while extending the 4G networks that deliver them, with the long-term aim of raising our 4G coverage to 85% from the 78% achieved at the end of 2022.

In doing so, we will to the best of our abilities deliver a business that matches the needs of its customers as well as that of wider society, playing our role in transferring knowledge and skills to a nation which we hope has become a better place for Beeline's role in it.

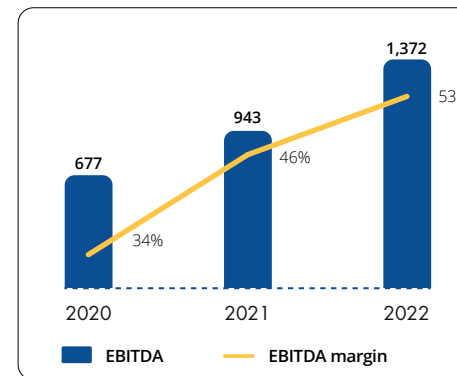
### Revenue

(UZS billion)



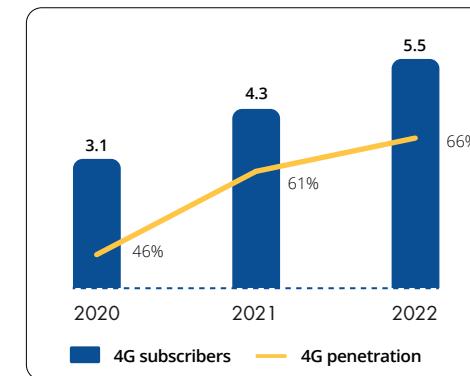
### EBITDA and EBITDA margin

(UZS billion and percentage)



### 4G base and penetration

(Million and percentage)



## Country performance continued

## Kyrgyzstan



Beeline

## Revenue

**KGS 4.1 billion**

## EBITDA

**KGS 1.6 billion**

## EBITDA margin

**38%**

## 4G customers

**1.3 million**

## 4G base penetration

**68%**

Andrey Pyatakhin  
Chief Executive Officer



**Beeline Kyrgyzstan now offers 4G across much of the country to ensure customers stay connected in an increasingly digitally-connected world.**

A nation of 6.2 million people with growing access to mobile broadband and smartphones, Kyrgyzstan is a country with an abundance of opportunity for VEON's digital operator model.

Beeline Kyrgyzstan is one of the nation's leading mobile operators, serving just under a third of the population with voice, data and a growing range of digital services. Kyrgyzstan has a young population, with almost half of the population under the age of 25. A similar proportion also owns a smartphone, which is fuelling growing demand for mobile and internet services.

Kyrgyzstan is one of our strongest markets in terms of 4G penetration, which reflects the progressive expansion in Beeline's 4G network across the nation's challenging mountainous terrain. The Company has made game-changing investments in the country's telecommunications infrastructure in recent years and was the first to provide 3G services. Beeline Kyrgyzstan now offers 4G across much of the country to ensure customers stay connected in an increasingly digitally connected world.

Although at an earlier stage of deployment than our other markets, Beeline is expanding the range and reach of digital services offered through our digital operator platform. These include digital payments via our mobile wallet, Balance.kg, as well as our entertainment streaming service Beeball. 2022 was a watershed year as these services moved into profitability, making a positive EBIT contribution to our business and demonstrating their ability to become a valuable contributor to future returns.

MM1 MM2

**2022 performance**

Beeline Kyrgyzstan reported double-digit growth in revenue in 2022, which in local currency terms rose by 14% YoY. This was helped by continued growth in Beeline's 4G subscriber base and a 15% YoY rise in data revenue.

On a reported basis, EBITDA fell by 21%, primarily reflecting the impact of the release of a withholding tax

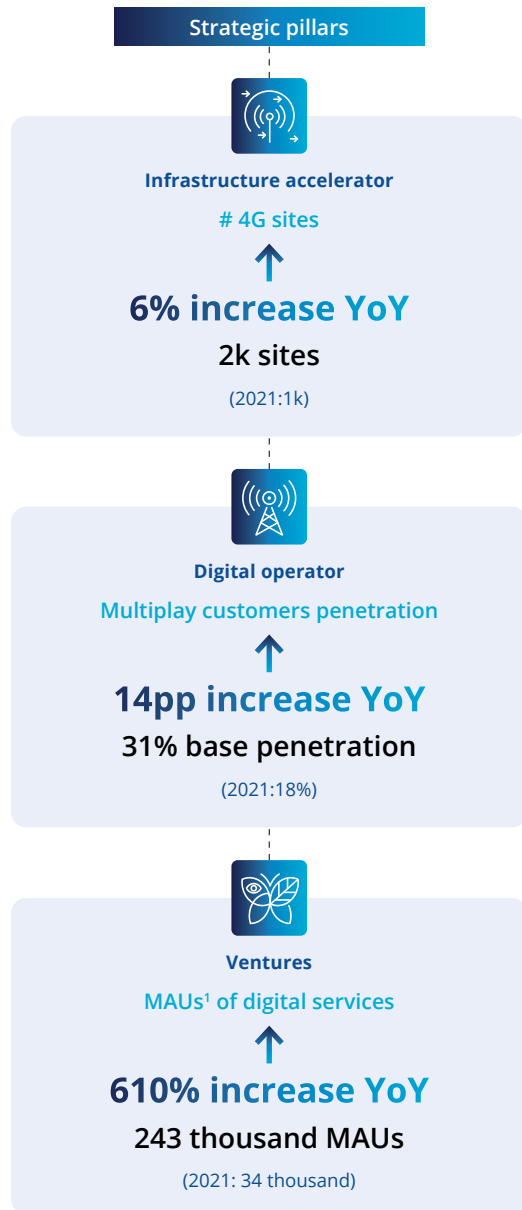
provision in 2021 which boosted last year's EBITDA performance. Adjusting for this, local currency EBITDA rose by 19% on an organic basis.

2022 saw further investment in the quality and reach of Beeline's 4G network. This complemented the investment we made in an additional spectrum licence during the year to expand our spectrum capacity. We adopted a balanced investment strategy targeting specific geographic areas of improvement, including Bishkek, the nation's capital, where we doubled our subscriber base during the year and now offer the city's fastest mobile network. The south of the country was a similar focus for network expansion, which contributed to a doubling of our 4G subscriber base there.

MM1 LO4

Beeline Kyrgyzstan reported double-digit growth in revenue in 2022, which in local currency terms rose by 14% YoY

# Country performance continued



<sup>1</sup> MAUs = monthly active users

# Kyrgyzstan continued

## ESG milestones and ambitions

The nation's digital transformation is a key development goal in Kyrgyzstan's 2018 – 2040 National Strategy. As a leading digital operator, Beeline sees a valuable role in helping to realise this ambition through encouraging digital innovation throughout the country's schools and universities.

This starts in the classroom. Beeline has created co-working centres in universities and libraries to provide students and budding entrepreneurs a bright, modern environment with free access to computers and Wi-Fi. Additionally, masterclasses in programming, project and productivity management software, and personal and professional development have been provided to support young people in developing their skills, knowledge and entrepreneurial potential while strengthening our brand awareness among socially aware subscribers.

Within Beeline itself, the opportunity for us to equip our people to advance digitisation throughout society is one we take very seriously. A lack of vocational opportunity within Kyrgyzstan is fuelling a migration of professional talent overseas. Not only can Beeline offer captivating opportunities for these individuals at home, but it can actively expand the ICT knowledge pool through the ongoing professional development we offer our employees.

Meanwhile, Beeline employees actively participate in the Company's social activities through educational projects, experience sharing and mentoring.

Vitality, these are opportunities we offer to everyone, regardless of their gender or background. Diversity is a core principle of Beeline's corporate culture. We are proud of the equality we have achieved in our workplace. Around half of our leadership team are women and we believe wholeheartedly in promoting women to leadership positions across our organisation. This is a core principle we extend with our services throughout Kyrgyzstan society, advancing digital literacy and financial inclusion to a nation where opportunities for women remain heavily influenced by culture and tradition.

MM2 LO2 LO5

## The road ahead

2022 was a year of investment for Beeline as we focused on network quality and reach. 2023 will see us focus on monetising these achievements while continuing to grow the ecosystem of digital services they enable.

Mobile financial services (MFS) is a prime opportunity for us. Over time, we see scope to double our MFS revenues as the adoption of digital wallets seeds growth in customer demand for smartphone-enabled payments. Financial services is a competitive marketplace, with

traditional banks dominating customer wallet and mindshare. Yet we see indications of this changing and continue to work with local regulators to explore how Beeline can play a leading role in the nation's digital financial transition.

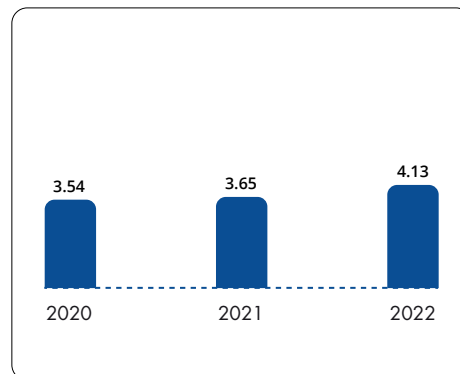
We see similar scope for growth in digital entertainment though the curation of local music and media, delivered to our customer base through sub-branded services. As with MFS, we view this opportunity as connectivity-agnostic, offering Beeline avenues to attract customers from beyond its current subscriber base.

MM2 MM4 MM5

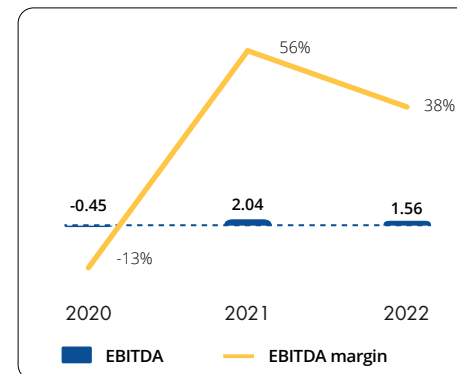
Away from retail, B2B is a digital opportunity still in its infancy but one ripe for monetisation. Data storage is a service dominated by international providers and lacks the local competition it has attracted in other markets. In partnership with others, we see scope over time for Beeline to play a leadership role in the development of local data centres. In doing so, we can help advance the cause of local data sovereignty by preventing this valuable commodity from being exported overseas, instead contributing to the development of new expertise and capabilities for its commercialisation at home.

There is much to be done to unlock the digital potential of our young country and we are excited by Beeline's role in helping the nation build its digital future.

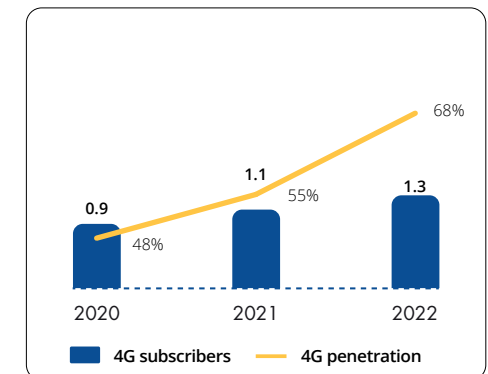
**Revenue**  
(KGS billion)



**EBITDA and EBITDA margin**  
(KGS billion and percentage)



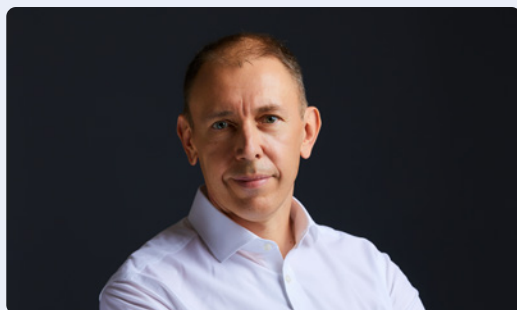
**4G base and penetration**  
(Million and percentage)





## Divested markets

# Algeria Georgia



**Dmitry Shvets**  
Group Head of Portfolio Management

Our portfolio of markets is subject to ongoing review by VEON's Board to ensure they provide the most attractive opportunities for our operating model.

## 2022 saw three changes as we completed an exit from Algeria and Georgia and embarked on the sale of our Russian operations.

These transactions result in certain accounting considerations, each of which is outlined below alongside an overview of the sale process in each market.

### Algeria

Algeria is a challenging market in which our operating company, Djezzy, outperformed its competitors with a substantial advantage in profitability. In a market that has experienced a significant overall contraction in total mobile revenue over the past several years, Djezzy managed to maintain healthy EBITDA margins with percentages in the mid-40s range, a 10pp lead on its nearest competitor. Unlike VEON's other markets however, Algeria is yet to create the regulatory frameworks we enjoy elsewhere for the successful development of our digital operator model. It was within this context that VEON embarked on a process to sell its Algerian operations in July 2021.

Prior to the sale, VEON owned a 45.6% shareholding in Djezzy, held indirectly through its subsidiary Global Telecom Holding, with the Algerian Government (via the National Investment Fund) owning most of the remaining shares.

Under this arrangement, VEON possessed a put option to sell its stake in Djezzy to the government. VEON exercised this right in July 2021 and was paid a transaction value of USD 682 million in August 2022 following a third-party evaluation process that established the fair value of the shares. The cash proceeds from the transaction strengthened the liquidity

position of the Group, which on receipt in August 2022 increased to USD 3.1 billion.

Today, Djezzy remains Algeria's most advanced mobile operator. Its leadership team substantially comprises today of the same Algerian nationals that contributed to the operational turnaround for the business in the years leading to 2021, which is when the Company returned to growth, before accelerating its revenue momentum that saw a doubling of its rate of growth in 2022. We are confident Djezzy has a bright future and will continue to serve the needs of its customers under its new ownership.

In line with the requirements of IFRS 5, VEON's Algeria subsidiary became a discontinued operation following the exercise of the put option in July 2021 and has been accounted for as "held for sale" since. As a consequence, Djezzy does not contribute to the base performance of VEON for both the current and prior year in this report.

In terms of balance sheet accounting, Algeria has been valued at the lower of (i) the carrying amount of the discontinued business and (ii) its fair market value, less costs pertaining to the sale. Any deviation from this value in respect of the final valuation resulted in a gain/loss, which was accounted for as a profit/loss from discontinued operations.

### Georgia

In June 2022, VEON completed the sale of its operating subsidiary in Georgia to the Group's former local partner within the country.

Under VEON's ownership, Beeline Georgia had established itself as a leading digital operator in 4G services. As such, the decision to exit Georgia reflected its comparatively small financial contribution to our Group. The decision was taken considering VEON's strategy of a strong focus on the Group's portfolio of high-growth markets with a critical mass of users that is essential for scaling our operating model.

The transaction value of the sale was USD 45 million, equating to a 2021 EBITDA multiple of 3.5x on a pre-IFRS 16 basis. We leave the business in very capable hands and have no doubt Beeline Georgia will continue to play a leadership role in the digital transformation of the nation.

Financial and operating results for Georgia were deconsolidated from VEON Group numbers following the completion of the sale in June 2022. Georgia also does not contribute to reported numbers of customer base, 4G users and 4G penetration for both the current and prior year in this report.

### Key financial and operational indicators

	2020	2021	2022	YoY (2022 vs. 2021)
<b>Algeria (Djezzy)</b>				
Service Revenue (DZD million)	86,661	88,525	<b>93,226</b>	5.3%
EBITDA (DZD million)	38,282	39,124	<b>42,037</b>	7.4%
EBITDA Margin (percent)	44.0%	44.0%	<b>45.0%</b>	1.0pp
Customer base (million)	14.1	14.3	<b>14.9</b>	4.1%
Data users (million)	9.2	10.2	<b>11.3</b>	10.7%
<b>Georgia (Beeline)</b>				
Service Revenue (GEL million)	105.3	121.6	<b>139.4</b>	14.7%
EBITDA (GEL million)	33.0	41.4	<b>46.4</b>	12.1%
EBITDA Margin (percent)	31.3%	34.0%	<b>33.3%</b>	(0.7pp)
Customer base (million)	1.3	1.4	<b>1.4</b>	3.8%
Data users (million)	0.8	1.0	<b>1.0</b>	8.5%

## Divested markets continued

# Russia



The sale of our Russian operations is subject to **certain closing conditions**, including the receipt of **necessary regulatory approvals and licences** before the transaction can be finalised

### Russia

In November 2022, VEON announced that following a competitive process, it had entered into an agreement to sell its Russian operations to senior members of the current management team of PJSC VimpelCom, which operates mobile and digital services in Russia under the Beeline brand.

Russia has been a highly competitive market in recent years, requiring significant levels of management focus and investment by VEON in order to bring about an operational turnaround for PJSC VimpelCom following a period of underperformance prior to 2020. Under the leadership of CEO Alexander Torbakhov, a new leadership team successfully achieved this through expanding the quality and reach of Beeline's 4G networks and improving the experience of its customers through a host of new digital services.

As set out in our Chairman's statement (refer to page 3), the onset of war in Ukraine in February 2022 presented VEON with no viable alternative than to sell its Russian operations given the material risks to the Group that continued ownership would present. Concluding an agreement that unlocks positive shareholder value while ensuring continuity for Beeline's more than 50 million customers and 29,000 employees is, we believe, an outcome that achieves the best possible balance between the complex needs of all stakeholders involved.

The sale of our Russian operations is subject to certain closing conditions, including the receipt of necessary regulatory approvals and licences before the transaction can be finalised. The target completion date for the transaction is on or before 1 June 2023, with options on

both sides for extensions in case any required pre-closing conditions have not been met.

Following the execution of the agreement, the Russian business has, in line with the requirements of IFRS 5, become a discontinued operation and is accounted for as "held for sale" in the Group's consolidated financial statements. As such, our Russian operations do not contribute to the base performance of VEON for both the current and prior year in this report.

As part of the transaction, ownership of VEON's Kazakhstan operations was transferred to VEON in December 2022. This ensures that VEON will continue to consolidate its Kazakhstan operations, with VEON Holdings B.V. taking direct ownership of the Group's 75% stake in Kar-Tel, which operates under the Beeline brand in the country.

The table below represents revenue and EBITDA excluding intercompany amounts, that would be included into VEON Group results had Russian operations not been classified as 'held for sale' and 'discontinued operations'.

### Key financial and operational indicators

RUB million	2020	2021	2022	YoY ('22 vs. '21)
<b>Total revenue</b>	273,674	289,955	<b>286,196</b>	(1.3%)
Service revenue	246,423	254,501	<b>262,389</b>	3.1%
<b>EBITDA</b>	108,220	108,983	<b>118,466</b>	8.7%
EBITDA margin	39.5%	37.6%	<b>41.4%</b>	3.8pp
Capex	74,061	74,983	<b>59,303</b>	(20.9%)
Capex intensity	27.0%	25.9%	<b>20.7%</b>	(5.1pp)
<b>Mobile</b>				
4G users (million)	22.6	25.5	<b>25.3</b>	(0.7%)
4G coverage	88%	89%	<b>90.0%</b>	1.0pp
<b>Fixed line</b>				
Service revenue	37,657	40,648	<b>42,159</b>	5.8%
Broadband revenue	11,307	12,112	<b>12,779</b>	5.5%
Broadband customers (million)	2.8	2.9	<b>2.9</b>	0.7%

For the 12 months ended 31 December 2022, based on estimated managerial reporting, if the Russian operations were not classified as 'held for sale' and 'discontinued operations', Group total revenue growth would be 3.3% YoY in reported currency (+6.4% YoY in local currency) and Group EBITDA growth would be 6.3% in reported currency (+11.0% YoY in local currency).



Wazir Khan mosque, Lahore

VEON is committed to fostering  
a **risk aware culture**

The 'three lines of defence' approach provides a simple and effective way to enhance communications around governance, risk management and control.

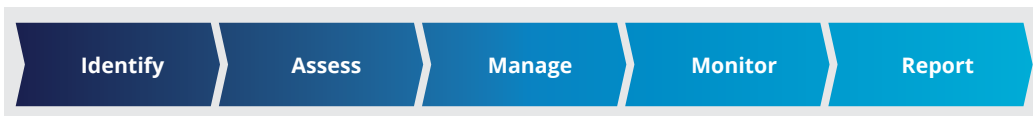
**In this section**

How we manage risks 59  
Our principal risks 62

## Our principal risks

# How we manage risks

VEON has adopted the criteria set forth in Enterprise Risk Management – Integrating with Strategy and Performance (2017), issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), as the foundation of our enterprise risk management (ERM) approach. Through VEON’s ERM framework, our management and Board aim to identify, assess, adequately manage, monitor and report risks that could jeopardise the achievement of our strategic objectives.



The VEON ERM framework is implemented and consistently applied throughout the organisation through a well-defined governance structure and a robust ERM process. The ERM framework supports identifying opportunities that enable us to achieve our strategic objectives and enable sustainable growth.

### Strengthening our risk culture: three lines of defence

The three lines of defence approach provides a simple and effective way to enhance communications around governance, risk management and control by clarifying roles and responsibilities. VEON has adopted this model to provide reasonable assurance that risks to achieving strategic objectives are identified and mitigated.

#### First line of defence

VEON recognises that the first line of defence consists of the business, which owns and is responsible and accountable for directly assessing, controlling and mitigating risks. Since 2016, targeted communication campaigns have been launched globally to foster risk and control awareness across the Group.

To embed a culture aligned with our risk appetite and individual responsibilities in relation to risk management we embarked on a programme in 2019 which continued through 2022. This programme involved an awareness campaign using sport, games and the idea of teamwork to highlight the importance of every individual's contribution to effective risk management and a strong control environment, which was launched to reinforce

accountability and ownership for risk management and the internal control environment.

During 2022, a risk culture survey assessment was performed for the second time since 2021, across our operating companies (OpCos) and our HQ with the help of an external consultancy firm. This exercise was aimed at supporting management in assessing the risk culture within the organisation based on eight risk culture dimensions, and to identify potential actions to strengthen or improve VEON's risk culture in comparison with an external benchmark. Based on the results of the survey, all risk culture dimensions at VEON outperformed the external consultant's benchmark with exception of two which were in line with the external consultant's benchmark, which demonstrates a continued very positive outcome.

To further improve risk culture and capitalise on survey results, a set of recommendations was provided by the external consultant tailored for each OpCo and HQ based on the assessment of each of the eight dimensions. The recommendations were not mandatory in nature but were embraced as an opportunity to ensure a continuous improvement in risk culture and served as the basis for action plans development.

Risk appetite table

Risk category	Category description	Risk appetite
Strategic risk	Risks arising from strategic changes in the business environment and from adverse strategic business decisions impacting prospective earnings and capital	
Operational risk	Risks arising from inadequate or failed internal processes, people and systems or external events impacting current operational and financial performance and capital.	
Financial risk	Risks relating to financial loss arising from uncertainties, decisions impacting the financial structure, cash flows and financial instruments of the business, including capital structure, insurance and fiscal structure, which may impair VEON's ability to provide an adequate return	
Compliance risk	Risks resulting from non-compliance with applicable local and/or international laws and regulations, internal policies and procedures, ethical behaviour, compliance culture also including legal and regulatory risks that could result in criminal liability.	

Status of the action plans and progress of the OpCos is tracked periodically and reported to the OpCos' Business Risk Committees (BRC) and the Group Audit and Risk Committee (ARC).

### Second line of defence

The second line of defence monitors and facilitates the implementation of effective risk management practices and internal controls by the first line. The second line comprises Group Internal Control, Group Enterprise Risk Management, Group Ethics and Compliance and Group Legal, among other Group functions. The second line supports the business functions in identifying what could go wrong and provides the methods, tools and guidance necessary to support the first line in managing their risks.

Group ERM provides general oversight on ERM activities in the OpCos, such as quarterly risk reporting as well as facilitating the Group functions with the performance of regular deep dives on specific risks, for example, regulatory and tax risks, and assessments of Anti-bribery and Corruption (ABC), Anti-money Laundering (AML), and International Sanctions and Export Controls risks. The ERM process is embedded into the strategy setting and business planning process to ensure consistency and completeness of VEON's risk profile and that informed risk-based decisions are taken. Group ERM provides guidance on ERM reporting at BRC and leads the annual process of reviewing and revising VEON's risk appetite with the VEON Group Executive Committee members, approving it with the Group CEO and presenting the outcome to the ARC. The risk

appetite is then formally communicated to OpCos for local application in decision-making and submission of business decision approvals to their respective OpCo Board.

### Third line of defence

The Group Internal Audit function comprises the third line of defence and is responsible for providing independent assurance to senior management on the effectiveness of the first and second lines of defence. The function conducts financial, information technology, strategic and operational audits in accordance with its annual plan and special investigations or audits, as and when considered necessary. Throughout, Internal Audit conducts its activities in a manner based on a continuous evaluation of perceived business risks.

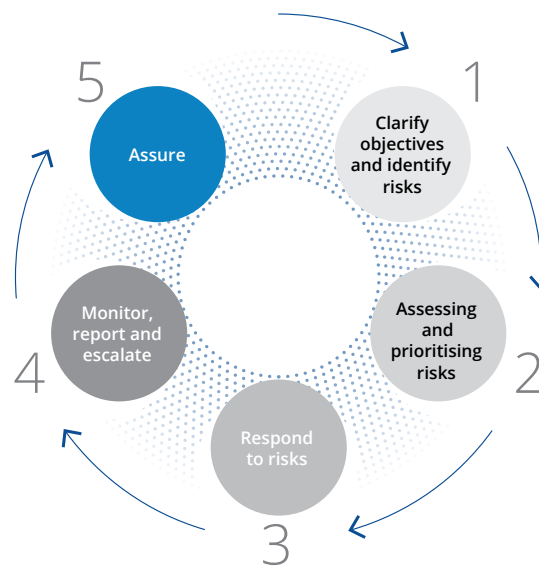
### Defining our risk appetite

Defining our risk appetite in line with the COSO framework, the VEON ERM) framework groups risk into four risk categories: Strategic, Operational, Financial and Compliance.

Our risk appetite is defined for each of the four risk categories by considering our strategic and business objectives, as well as potential threats to achieving these objectives. On an annual basis, the VEON appetite statements for each category of risk are revised and approved by the VEON Group Executive Committee and presented to the ARC. These statements are then integrated into the business through our Group policies and procedures and our risk management cycle.

# Our principal risks continued

## Risk management in execution



Effective risk management requires a continuous and iterative process and involves the following five steps:

1

### Clarify objectives and identify risks

VEON's strategy is developed with a comprehensive understanding of the inherent risks involved in doing business. We consider the potential effects of the business context on our risk profile as well as possible ways of mitigating the risks we are exposed to.

2

### Assess and prioritise risks

Risks identified as relevant for VEON are assessed in order to understand the severity of each risk on the ability to execute VEON's strategy and business objectives. The severity of risk is assessed at multiple levels of the business as it may vary across functions and operating companies.

3

### Respond to risks

The assessed severity of the risk is utilised by management to determine an appropriate risk response (Take, Treat, Transfer or Terminate) which may include implementing mitigations, taking into account the risk appetite.

4

### Monitor, report and escalate

VEON's Group Executive Committee reviews significant risks assessed and prioritise based on the Group's ERM framework. The top Group risks are reported to VEON's Board of Directors, in particular to the Audit and Risk Committee (ARC) (at least on a quarterly basis), to evaluate material Group risks. Top Group risks include HQ-specific risks, as well as consolidated assessment of key risks from the OpCos. Local risk assessments are reviewed by OpCo CEO and senior management and are reported to the BRCs and OpCo Boards.

The Board of Directors maintains a number of committees, including the ARC, OpCo Boards and BRCs, which provide independent oversight of the ERM framework and the timely follow-up on critical actions based on the progress updates.

To ensure strong governance and oversight of our risks, we established in each of our OpCos a BRC and an OpCo Board. Each OpCo BRC is chaired by either the Group Chief Financial Officer, his nominee or the Group Chief Internal Audit and Compliance Officer. The purpose of the OpCo BRC is to consider the overall risk profile of the OpCo and the Group and ensure risk informed decision-making. The OpCo BRC regularly reviews the OpCo's governance and decision-making framework and compliance with VEON Group and OpCo requirements, including those set out in the VEON Group Authority Matrix/Delegation and policies. The BRC receives, reviews and makes recommendations on reports from OpCo management regarding any noncompliance with the VEON Group Authority Matrix/Delegation and policies. The BRC provides active VEON Group-level governance, oversight and policy guidance and aligns the activities of the Group's various assurance functions to coordinate and manage actions efficiently in support of the local OpCo VEON Board and the VEON Board in its oversight role for the VEON Group.

Each of the OpCos are managed by way of OpCo Boards which comprises of the respective OpCo CEO and management team with the oversight by their respective Board of Directors. Each OpCo's overall risk profile is presented to its OpCo Board regularly (at least once per quarter) and is accompanied by recommendations of its OpCo Business Risk Committee. This programme is continuously monitored by OpCo management and the OpCo Boards, and reviewed by both OpCo and Group Internal Audit, with the Group Audit and Risk Committee providing ultimate oversight, with each OpCo Business Risk Committee providing active monitoring and engagement with the OpCo on all enterprise risks, control, compliance and assurance matters.

5

### Assure

On a quarterly basis, through our management certification process, OpCo CEOs and CFOs certify that significant risks have been considered and appropriate measures have been taken to manage the identified risks in accordance with the Group's ERM policies and procedures, including our risk appetite.

## Our principal risks continued



Our internal control system is designed to **provide reasonable assurance** regarding the reliability of financial reporting and the preparation and fair presentation of VEON's published consolidated financial statements under generally accepted accounting principles

### Control framework

VEON is publicly traded on a US Stock Exchange and registered with the US Securities and Exchange Commission. Thus, it must comply with the Sarbanes-Oxley Act (SOX). Section 404 of SOX requires that management perform an assessment of the Internal Control over Financial Reporting (ICFR) and disclosures to confirm both the design and operational effectiveness of the controls.

Our internal control system is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation and fair presentation of VEON's published consolidated financial statements under generally accepted accounting principles. The VEON ICFR framework incorporates risk assessment as part of our scoping process, an assessment of the design effectiveness of the required controls, testing of the operating effectiveness of the key control activities and monitoring of our financial reporting at entity-wide and functional levels.

VEON has established uniform governance, policies and control standards that apply to controlled subsidiaries. Our ICFR testing results are reported into our OpCo Business Risk Committees, OpCo VEON Boards, members of our Group Executive Committee, and our Audit and Risk Committee at least on a quarterly basis as part of our assurance model.

Our Disclosure and Review Committee supports our Group Chief Executive Officer and Group Chief Financial Officer in ensuring that public disclosures made by VEON are accurate and complete, fairly present VEON's

financial condition and results of operations in all material respects, and are made on a timely basis, in compliance with applicable laws, stock exchange rules and other regulatory requirements.

Local management is responsible for business operations of our subsidiaries, including risk mitigation and compliance with laws, regulations and internal requirements. We have created uniform governance and control standards for all our levels of operations. The standards apply to all our subsidiaries with the same expectation: that they conduct business in accordance with ethical principles, internal policies and procedures, and applicable laws and regulations. The standards are intended to define and guide conduct with respect to relevant compliance and ethics principles and rules, and to create awareness about when and where to ask for advice or report a compliance or ethics concern, which includes the use of VEON's SpeakUp channels. The principles apply to all VEON employees in all operating businesses and headquarters. Employees receive annual Code of Conduct (Code) training, which includes certification to comply with the Code. Our group-wide Code applies to all VEON employees, officers and directors, including our Chief Executive Officer and Chief Financial Officer. Our Code is available on our website at <http://www.veon.com>, under "About Us/Values & Ethics" (information appearing on the website is not incorporated by reference into this Annual Report).

A Group Authority Matrix/Delegation has been established and is regularly reviewed and updated. It provides clarity on the role and focus of the VEON's corporate HQ, empowers OpCos to ensure they have the appropriate scope of authority and accountability to

operate and manage local businesses, and ensures requisite oversight and control across the Group by CEOs and management teams and OpCo and VEON Boards, among others.

We have a Group-wide, quarterly management certification process in place, which requires the Chief Executive Officer and Chief Financial Officer at each of our OpCos and certain Group Functional directors at our HQ to certify compliance with the uniform governance and control standards established in VEON, including:

- Compliance with our Code of Conduct and related Group policies and procedures, including compliance with VEON's principles, procedures and policies on ethics and compliance, fraud prevention and detection, accounting and internal control standards, and disclosure requirements.
- Compliance with local laws and regulations.
- Compliance with the VEON Accounting Manual.
- Internal disclosure obligations.
- Deficiencies, if applicable, in design and operation of internal controls over financial reporting have been reported.

## Our principal risks continued

### Key risks table for VEON and examples of mitigation and 2022 developments

Prioritisation of strategic, operational and financial risks is based on EBITDA business impact's thresholds and likelihood scales from one to five. Once the identified risks are assessed and prioritised based on the above scales, the risk response strategy (terminate, transfer) is decided and mitigating action plans are defined and/or updated, the outcome of the risk assessment information is captured in our Global GRC Tool. The risk response strategy is determined based on the business context, risk appetite, severity and prioritisation. In addition, further the risk response must consider the anticipated costs and benefits commensurate with the severity and prioritisation of the risk and address any obligations and expectations (e.g. industry standards, shareholder expectations, etc.).

Prioritisation of some compliance risks such as non-compliance to anti-bribery and corruption (ABC) laws, and non-compliance with international sanction and export laws and regulations is performed qualitatively, due to their nature, based on external factors sourced from independent non-governmental reports (where possible) and internal factors sourced from VEON's business processes by the local ethics and compliance and legal teams.

The sequence in which the risks and mitigating actions are presented below are not intended to be in any order of severity, chance or materiality:

**Risk trend:**  
(Qualitatively assessed of net risk i.e., considering mitigating actions):

Risk increased

Risk decreased

Risk stable

Risk	How we mitigate	2022 developments
<b>1. Market</b>		
<b>Our business is subject to a variety of market-related risks across our geographies</b>		
The ongoing conflict between Russia and Ukraine and the related responses of the United States, the European Union, the United Kingdom and certain other nations, as well as related responses by our service providers, partners, suppliers and other counterparties, have and will continue to impact our operations in Russia, Ukraine and elsewhere, including via reputational harm.	<ul style="list-style-type: none"> <li>We closely monitor the developments related to international economic sanctions, including those recently imposed on Russia as well as counter-sanctions being rolled out by Russia, which allows us to adapt our services and capital structure accordingly in a timely manner and to ensure the Group acts in accordance with applicable sanctions requirements.</li> </ul>	<ul style="list-style-type: none"> <li>Project 'Optimum' was rolled out in 2021 throughout the Group to drive sustainable cost efficiency with P&amp;L impact, focusing on all structural costs and headquarters. The project is driving short-term tactical improvement and long-term structural savings. In 2022, a total of 167 savings initiatives in Pakistan, Bangladesh, Kazakhstan and Uzbekistan contributed to considerable organic savings.</li> </ul>
Foreign exchange-related risks since a significant proportion of our costs and liabilities are in US dollars while a proportion of our revenue is in a variety of other currencies.	<ul style="list-style-type: none"> <li>We hedge part of our exposure to fluctuations on the translation into US dollars of the revenues and expenditures of its foreign operations by holding borrowings in local currencies and by the use of foreign exchange swaps and forwards.</li> </ul>	<ul style="list-style-type: none"> <li>On 28 February 2022, the European Union imposed sanctions on Mikhail Fridman and Petr Aven, and on 15 March 2022, the United Kingdom imposed sanctions on then LetterOne shareholders, Mr Fridman, Mr Aven, Alexey Kuzmichev and German Khan, and the European Union additionally designated Mr Khan and Mr Kuzmichev (collectively, and with Mr Aven and Mr Fridman, the "Designated Persons"). Mr Fridman resigned from VEON's Board of Directors effective 28 February 2022.</li> </ul>
Unfavourable economic conditions and the impact of geopolitical developments and unexpected global events outside of our control, such as, pandemics, wars, international economic sanctions and export controls, especially those recently imposed on Russia, among other factors.	<ul style="list-style-type: none"> <li>We review and analyse opex and capex expenditures on an ongoing basis to optimise the cost structure while maintaining our commitments towards VEON's employees, government and financial institutions and our critical business partners.</li> <li>We manage a diverse portfolio of emerging markets businesses, which helps ensure that in the event of a market underperforming for whatever reason its impact on the financial and operating performance of the Group as a whole is limited.</li> </ul>	<ul style="list-style-type: none"> <li>Following the exercise of the put option for our stake in Algeria on 1 July 2021, the sale of our stake in Djezzy Algeria was completed on 5 August 2022 for a sale price of USD 682 million. In addition, on 8 June 2022, we announced that the sale of "VEON Georgia LLC", our operating subsidiary in Georgia, to our former local partner for USD 45 million was completed. Conclusion of these deals allows to further streamline our operations, with an improved focus on our core markets.</li> </ul>
Emerging markets-related risks given that all of our nine operating markets are in the developing world and are subject to a varying degree of political, economic and legal variability around issues such as capital controls and rules on foreign investment, as well as social instability and military conflicts.	<ul style="list-style-type: none"> <li>We have taken a number of measures to protect our liquidity and cash position, such as accumulating a significant cash balance at HQ and maintaining a RCF from a group of diversified lenders headquartered in the United States, Europe and Asia.</li> </ul>	<ul style="list-style-type: none"> <li>In June 2021, PMCL secured a PKR 50 billion (USD 320 million) syndicated credit facility from a banking consortium led by Habib Bank Limited. This 10-years facility is used to finance the Company's ongoing 4G network rollouts and technology upgrades, as well as to address upcoming maturities.</li> </ul>
Risk related to our ability to continue as a going concern as a result of the effects of the ongoing conflict between Russia and Ukraine.	<ul style="list-style-type: none"> <li>We develop and offer customers new digital products and services in line with our digital operator strategy, which is focused on delivering high-quality and seamless services to our customers.</li> </ul>	<ul style="list-style-type: none"> <li>As a result of current economic sanctions affecting Russian banks, we repaid our RUB 30 billion seven-year term loan with VTB Bank on 9 March 2022 and two of our Group-level loans with Sberbank and Alfa Bank respectively, totalling RUB 90 billion, were novated to PJSC VimpelCom, within the Russia operating segment, in April 2022.</li> </ul>
Competition since we operate in highly competitive markets which may impact our ability to attract, retain and engage customers and achieve our financial targets.	<ul style="list-style-type: none"> <li>We are monitoring and responding to technology developments and competitor activity that could have an impact on us achieving our goals.</li> </ul>	<ul style="list-style-type: none"> <li>On 24 November 2022, we announced the sale of our operations in Russia, which consist of PJSC VimpelCom (VimpelCom) and its subsidiaries (collectively, our "Russian Operations") to certain senior members of the management team of VimpelCom.</li> </ul>
Keeping pace with technology since our future success will depend on our ability to effectively anticipate and adapt to the changes in the technological landscape and deploying networks and services that these enable.		

## Our principal risks continued








Risk increased Risk decreased Risk stable

Risk continued	How we mitigate	2022 developments
<b>2. Operational</b>		
<b>VEON is a complex business operating across six markets at various levels of development and each with a variety of opportunities and challenges. These give rise to operational risks:</b>		
<p>Cyber attacks and other cybersecurity threats, to which telecoms providers are vulnerable given the open nature of their networks and services, and as heightened by the ongoing war in Ukraine, which could result in financial, reputational and legal harm to our business should these succeed in disrupting our services and result in the leakage of customer data or of our intellectual property.</p>	<ul style="list-style-type: none"> <li>• We monitor and log our network and systems, and keep raising our employees' security awareness through training, and operate a structured vulnerability scanning process within our security operations centres.</li> <li>• Each OpCo monitors the business continuity risks and ensures appropriate mitigation action plans, activities and systems are put in place to minimise risks of network instability and disruption.</li> </ul>	<ul style="list-style-type: none"> <li>• Our updated cybersecurity policy came into effect in February 2022. We have a monthly cybersecurity forum to allow for structured and consistent governance throughout VEON, which is used to enforce the implementation of our cybersecurity policy, share best practices, lessons learned, industry developments, and other industries' experiences. We have established and continue to improve our VEON Group-wide horizontal experience exchange mechanism to share best practices in cybersecurity as well as to report and track operational alarms, ongoing attacks and more across operating companies to enable us to respond to cyber threats of global scale.</li> </ul>
<p>Network stability and business continuity risks given that our equipment and systems are subject to damage, disruption and failure for various reasons, including as a result of the ongoing conflict between Russia and Ukraine.</p>	<ul style="list-style-type: none"> <li>• We reduce our reliance on single vendors to the extent possible and opt for use of alternative suppliers where possible and ensure compliance with the applicable licensing and approval requirements in case of sanctions and export control restrictions.</li> </ul>	<ul style="list-style-type: none"> <li>• Furthermore, our cybersecurity policy requires each of our operating companies to meet international best practice standards including ISO 27001. Our operating companies in Bangladesh and Pakistan completed ISO 27001 (Information Security Management System) certification during 2022.</li> </ul>
<p>Supply chain risks since we depend on third parties for certain services and products important to our business and there may be unexpected disruptions to supply chains due to a variety of factors, including regulatory (e.g. trade and export restrictions such as a result of the ongoing conflict between Russia and Ukraine), natural disasters, pandemics and similar unforeseen events.</p>	<ul style="list-style-type: none"> <li>• We conduct risk-based due diligence on our business partners and mitigate apparent risks through contractual requirements, representations, indemnities, warranties, etc.</li> <li>• We regularly monitor the media presence and reputations or our partners and respond accordingly.</li> </ul>	<ul style="list-style-type: none"> <li>• As part of our initiative to digitise our core telecommunications business, we intend to continue focusing on increasing our capital investment efficiency, including with respect to our IT, network, and distribution costs. We intend to maintain our focus on achieving an asset-light business model in certain markets, where we own only the core assets needed to operate our business.</li> </ul>
<p>Challenges in local implementation of our strategic initiatives, which could be affected by a variety of unforeseen issues, including (but not limited to) technological limitations, regulatory constraints and insufficient customer engagement.</p>	<ul style="list-style-type: none"> <li>• We remain committed to simplifying our business structure, which extends to our local partnerships.</li> </ul>	<ul style="list-style-type: none"> <li>• As part of the execution of our digital operator strategy, in 2022, a special focus was given to the development, improvement and maintenance of our IT and cybersecurity systems. In 2022, we completed upgrade of the digital business support systems (DBSS) across our operating companies in Bangladesh, Pakistan, Ukraine, Georgia, and Kyrgyzstan. DBSS enhancements are currently ongoing in Russia, Uzbekistan, and Kazakhstan.</li> </ul>
<p>Partnership risks given that we participate in strategic partnerships and joint ventures in a number of countries, agreements around which may affect our ability to execute on our strategy and, where the consent of our partners is required, to withdraw funds and dividends from these entities. Partnerships could also give rise to reputational and indirect regulatory risks with respect to the behaviours and actions of our partners, as well as risks surrounding losing a partner with important insights in the local market.</p>		<ul style="list-style-type: none"> <li>• In February 2023, we completed the sale of our 55.37% share in joint-venture Buzton LLC to the joint-venture partner, JSC Uzbektelecom.</li> <li>• Ukrainian OpCo have thus far managed to repair most of our network assets that incurred damage in Ukrainian territory that is not under Russian occupation, as a result of the ongoing conflict between Russia and Ukraine there can be no assurance that our Ukrainian network will not sustain additional major damage.</li> </ul>
<p>Infrastructure risks given that the physical infrastructure in some of our markets is in poor condition and may require significant investment by local governments or additional substantial and ongoing expenditures by us, in order to sustain our operations, in addition to risk of maintaining our infrastructure in Ukraine and responding to the ongoing conflict as it develops further.</p>		<ul style="list-style-type: none"> <li>• We launched the TowerCo project of the sale of towers to external parties – we seek to execute our “infrastructure” strategy and sell our tower assets, as we have done in Russia in December 2021.</li> <li>• Banglalink has reached an agreement with Bangladesh Telecommunications Company Limited (BTCL) for a tower sharing initiative. It centres around an asset-light business model that enables us to focus on providing our customers with high-quality connectivity and world-class digital services. By reducing our direct ownership of capex-intensive tower infrastructure, we can focus on these high-growth digital services, delivering greater value to our shareholders and our customers.</li> </ul>
<p>Spectrum and licence rights given that the success of our operations depends on acquiring and maintaining spectrum and licences in each of our markets, most of which are granted for specified terms with no assurance that they will be renewed once expired, or at what price.</p>		
<p>Interconnection agreements with other operators upon which the economic viability of our operations depend. A significant rise in these costs, or a decrease in the interconnection rates we earn, could impact the financial performance of our business, as could adverse local regulation of Mobile Termination Rates (MTRs), which govern the rates at which carriers compensate each other for carrying calls that originate on one another's networks.</p>		



## Our principal risks continued

Risk increased  Risk decreased  Risk stable 

Risk continued	How we mitigate	2022 developments
<b>3. Legal</b>		
<b>Our business is subject to a variety of laws and regulations:</b>		
<p>Regulatory and compliance risks given that we operate in a highly regulated industry and are subject to a large number of laws and regulations, which change from time-to-time, vary between jurisdictions and can attract considerable costs, including fines and penalties, with respect to regulatory compliance. </p>	<ul style="list-style-type: none"> <li>We maintain good bilateral relationships with the regulatory authorities in our operating markets in order to help us understand and adapt to their concerns with respect to local regulation.</li> </ul>	<ul style="list-style-type: none"> <li>As of 16 June 2023, the Company continues to conclude that neither VEON Ltd. nor any of its subsidiaries is targeted by sanctions imposed by the United States, European Union (and individual EU member states) and, the United Kingdom.</li> </ul>
<p>Sanction and export controls risks since we are subject to, depending on the transaction or business dealing, laws and regulations prescribed by various jurisdictions, including the United States, the United Kingdom and the European Union and especially in connection with the ongoing conflict between Russia and Ukraine. Applicable requirements remain subject to change and may impact our ability to conduct business in certain countries and with certain parties with which we have services, supply or other business arrangements. The risk of export restrictions for Chinese vendors has also gained relevance at the end of 2022. </p>	<ul style="list-style-type: none"> <li>We closely monitor the developments related to international economic sanctions and export controls to comply with applicable sanctions and export control requirements and restrictions.</li> <li>We operate a policy of diverse sourcing with respect to equipment suppliers to ensure that we are not overly reliant on any single vendor should a supply disruption arise, including as a consequence of the imposition of sanctions and export controls laws.</li> </ul>	<ul style="list-style-type: none"> <li>Management has actively engaged with sanctions authorities where appropriate. On 18 November 2022, VEON announced that the U.S. Department of the Treasury, Office of Foreign Assets Control (OFAC) issued General License 54 authorising all transactions ordinarily incident and necessary to the purchase and receipt of any debt or equity securities of VEON Ltd. that would otherwise be prohibited by section 1(a)(i) of Executive Order (E.O.) 14071. OFAC General License 54 applies to all debt and equity securities of VEON Ltd. that were issued before 6 June 2022, and confirms that the authorisation applies not only to the purchase and receipt of debt and equity securities, but also to transactions ordinarily incident and necessary to facilitating, clearing, and settling of such transactions. This General License ensures that all market participants can trade the relevant securities with confidence that such trading is consistent with E.O. 14071, which targeted "new investment" in Russia, and was issued following active engagement with OFAC on the topic. On 18 January 2023, OFAC has replaced the General License 54 originally issued on 18 November 2022, with General License 54A to now include both VEON Ltd. and VEON Holdings B.V.</li> </ul>
<p>Unpredictable tax claims, decisions, audits and systems, as well as changes in applicable tax treaties, laws, rules or interpretations, which could give rise to significant uncertainties and risks that could complicate our tax planning and business decisions. </p>	<ul style="list-style-type: none"> <li>Our ethics, compliance and legal teams maintain oversight and expertise from HQ and rely on dedicated local teams with knowledge of the legal and regulatory requirements of each of our operating markets and supplement with external counsel when required.</li> </ul>	<ul style="list-style-type: none"> <li>The Tone at the Top (TaTT) model was introduced in 2021 and continued in 2022, which focuses on fully embedding the new operational model and proper change management to realise value creation, protect and strengthen VEON's reputation, and better align the Board, GEC and OpCo management on Company culture.</li> </ul>
<p>Unethical or inappropriate behaviour, including potentially bribery and corruption, which could result in fraud or a breach of regulation or legislation and could, in turn, expose VEON to significant penalties, criminal prosecution and damage to our brand and reputation. </p>	<ul style="list-style-type: none"> <li>We maintain an ethics and compliance programme which includes a comprehensive approach to detecting, investigating, remediating and reporting misconduct, as well as fostering a strong Tone at the Top (TaTT) to encourage discussions about behaviour and values and to optimise the cooperation and communication between HQ and OpCos to ensure appropriate standards of behaviours are communicated throughout the Group and enforced locally.</li> </ul>	<ul style="list-style-type: none"> <li>On 8 March 2023, following a previous announcement and approval by the Board of Directors a change of ratio in the Company's ADR programme became effective. The change of ratio comprised a change in the ratio of American Depositary Shares (the ADSs) to VEON common shares (the Shares) from one (1) ADS representing one (1) Share, to one (1) ADS representing twenty-five (25) Shares (the Ratio Change).</li> </ul>
<p>Money laundering rules which require AML and Counter-Terrorism Financing (CTF) systems and controls due to our expansion of digital and mobile financial services (DFS and MFS) offerings beyond our core telecommunications services. </p>	<ul style="list-style-type: none"> <li>We maintain appropriate know-your-customer (KYC) and AML controls across our DFS and MFS products and services as required by local rules and international best practices.</li> </ul>	
<p>Data privacy since we collect and process customer personal data, we are subject to an increasing amount of data privacy laws and regulations. In some cases, these laws and regulations also bring restrictions on cross border transfers of personal data and surveillance related requirements to store data and contents of communication for minimum periods. </p>	<ul style="list-style-type: none"> <li>We maintain a privacy programme that includes data privacy controls such as privacy assessments, data breach response and individual rights processes, to ensure we comply with EU and local data privacy laws for the collection and processing of personal data for our services, human resource management and compliance processes.</li> </ul>	
<p>Volatility in the market price of our ADSs may prevent holders of our ADSs from selling their ADSs at or above the price at which they purchased our ADSs. The trading price for our ADSs may be subject to wide price fluctuations in response to many factors, including adverse geopolitical and macroeconomic developments, including caused by the ongoing conflict between Russia and Ukraine; involuntary deconsolidation of our operations in Ukraine; breach or default of the covenants in our financing agreements; etc. </p>	<ul style="list-style-type: none"> <li>OpCo Business Risk Committees (BRCs) are utilised to ensure Group management is in close alignment with local OpCo managers and key risks they face, and that effective, informed and risk-based decision-making by the local OpCo Boards and VEON's Board takes place.</li> </ul>	

## Our principal risks continued

Risk increased  Risk decreased  Risk stable 

Risk continued	How we mitigate	2022 developments
<b>4. Liquidity and capital</b>		
<b>Our business requires considerable financial capital in order to invest in the growth opportunities we identify. This requires us to manage a number of risks relating to capital and liquidity:</b>		
<p>Liquidity risk since as a holding company, VEON Ltd. depends on the performance of its subsidiaries and their ability to pay dividends, and may therefore be affected by changes in exchange controls and dividends or currency restrictions in the countries in which its subsidiaries operate, as well as the ongoing conflict between Russia and Ukraine, impacting local economies and our operations in those countries.</p>	<ul style="list-style-type: none"> <li>• We have a centralised treasury function whose job is to manage liquidity and funding requirements as well as our exposure to financial and market risks.</li> <li>• Our policy is to create a balanced debt maturity profile and to use market opportunities to extend the maturity and reduce the cost of its borrowings as they arise.</li> <li>• We monitor our risk to a shortage of funds using a recurring liquidity planning tool. Our objective is to maintain a balance between continuity of funding and flexibility through the use of bonds, bank overdrafts, bank loans and lease contracts.</li> <li>• The primary objective of our capital management is to ensure that it maintains healthy capital ratios, so as to secure access to debt and capital markets at all times and maximise shareholder value. We manage our capital structure and make adjustments to it in light of changes in economic conditions.</li> <li>• We adopt a prudent approach to managing our balance sheet leverage increasing the level of our local currency borrowing and maintain borrowing headroom in our revolving credit facilities.</li> </ul>	<ul style="list-style-type: none"> <li>• As of 31 December 2022, we had an undrawn amount of USD 44 million under the existing PMCL Term facility. On December 31, 2022, VEON had approximately US\$2.5 billion of cash held at the level of its headquarters (HQ) in Amsterdam, which was deposited with international banks and invested in money market funds and which is fully accessible at HQ. In addition, VEON's operating companies had a total cash around US\$0.6 billion.</li> <li>• On 24 November 2022, we launched a scheme of arrangement (the Scheme) to service our indebtedness as it related to the 2023 Notes, proposing an eight-month extension to the 2023 Notes as well as certain other amendments to the terms of the 2023 Notes and related trust deeds. While the extension under the Scheme provides us with additional time to pursue a number of strategic transactions, including the sale of the Russian Operations, it is possible that we could be required to make material payments in respect of the same amounts of interest and principal due on the 2023 Notes held through Russian depositaries and thus impact our liquidity.</li> </ul>
<p>Debt service risks given that substantial amounts of indebtedness and higher debt service obligations could materially impact our cash flow and affect our ability to raise additional capital, especially in case of breach of covenants, significant FX volatility or impaired ability to generate revenue due to the ongoing conflict between Russia and Ukraine.</p>		
<p>Access to capital since VEON's substantial amounts of indebtedness and debt service obligations may not be fully covered by our cash flow and VEON's worsened credit rating might hinder our ability to access capital markets on acceptable terms, both in terms of interest rate and financial covenants.</p>		
<p>Banking and Financial Counterparty risk given that the banking systems in many countries in which we operate remain underdeveloped and there are a limited number of creditworthy banks in these countries with which we can conduct business. In addition, restrictions on international transfers, foreign exchange or currency controls and other requirements might restrict our activity in certain markets in which we have operations, including as a result of the ongoing conflict between Russia and Ukraine.</p>		

## 5. Environment

The Group's operations are exposed to a variety of risks related to the environment, including, but not limited to, the increased frequency and severity of extreme weather events and regulatory challenges related to moving to a greener economy. We are committed to mitigating the Group's carbon footprint and the rollout of network energy-efficiency measures, which will contribute to a low-carbon economy, as well as offer us the potential to reduce our operating costs over time. We continue to upgrade existing diesel- and petrol-powered units with more energy-efficient, hybrid and renewable energy-powered network equipment and, where practical, increase the number of Base Transceiver Stations (BTS) situated outside to reduce the energy use involved in keeping them cool. In some markets we share tower capacity with other operators, which has had a direct positive impact on our energy consumption and our environmental footprint. We keep abreast of local environmental legislation and strive to reduce the environmental impact of our operations through responsible use of natural resources and by reducing waste and emissions.

Whilst we acknowledge the importance of the environment in the operation of our businesses, the nature of the business activities VEON conducts is not deemed to generate material environmental risks.

## Our principal risks continued

### 6. Sale of our Russian operations

#### Risk one:

VEON's sale of its operations in Russia, which consist of PJSC VimpelCom and some of its current subsidiaries (collective, the "Russian Operations") are subject to customary closing conditions, including receipt of requisite regulatory approvals and licences from relevant government authorities. The consummation of the sale might be delayed due to the time required to fulfil the remaining requests or approvals by the relevant regulatory authorities or lenders. The terms and conditions of any further regulatory approvals, licences and consents that are ultimately granted may impose conditions, terms, obligations or restrictions on the conduct of VEON's business, which may have the effect of delaying the consummation of the sale of the Russian Operations or imposing additional material costs on VEON. In addition, any such conditions could result in the delay or abandonment of the sale. If VEON is unable to complete the sale, it will be exposed to additional risks.

#### Risk two:

VEON has incurred, and expects to continue to incur, significant costs in connection with the sale of its Russian Operations, including the fees of our professional advisors and separation costs in anticipation of the dis-integration of operations. VEON may also incur unanticipated costs associated with the sale, and these unanticipated costs may have an adverse impact on its results of operations following the effectiveness of the sale. In addition, if the sale is consummated, VEON expects to continue to incur additional separation costs following the consummation of the sale.

#### Risk three:

VEON's operating companies in Kazakhstan, Kyrgyzstan and Uzbekistan are currently using the trademark "Beeline" owned by PJSC VimpelCom ("VimpelCom") in accordance with trademark license agreements having an intergroup nature. Upon the completion of the sale of the Russian Operations, each of the operating subsidiaries in Kazakhstan, Kyrgyzstan and Uzbekistan and VimpelCom intend to enter into a new trademark license agreement, pursuant to which each operating company would receive a non-exclusive license in relation to "Beeline" name and associated trademarks for a term of five years (the "License Agreement"). VEON is currently negotiating the terms of the License Agreements with VimpelCom. Such License Agreements are expected to be subject to certain restrictions that may affect the operating subsidiaries' businesses. VimpelCom may also be entitled to terminate a License Agreement if the licensee does not comply with certain terms of the License Agreement. Further, VimpelCom may also retain the right to continue using the "Beeline" name and mark and grant license to use the trademarks to third parties. In this case, events or conduct by VimpelCom and such third parties that reflect negatively on the "Beeline" brand may adversely affect our reputation or the reputation of the "Beeline" brand on which VEON's operating companies in Kazakhstan, Kyrgyzstan and Uzbekistan will be relying upon completion of the sale of the Russian Operations. Consequently, VEON may be unable to prevent any damage to goodwill that may occur as a result of the activities of VimpelCom in relation to the "Beeline" brand.

Following the expiration of the initial five-year term of the License Agreement, each of the operating subsidiaries in Kazakhstan, Kyrgyzstan and Uzbekistan may need to extend the term of the License Agreement so that they can continue to use the "Beeline" brand and there is no guarantee that any operating company that chooses to pursue an extended licence term will be able to negotiate an extension on commercially reasonable terms, or at all. Alternatively, VEON may undertake a re-branding exercise in respect of any one or more of our operating subsidiaries that use the "Beeline" brand. VEON anticipates that any such rebranding strategy will involve substantial costs and may not produce the intended benefits if it is received unfavourably by our existing and potential customers, suppliers and other persons with whom it has a business relationship.

#### Risk four:

The ongoing conflict between Russia and Ukraine, and the responses of governments and multinational businesses to it, have created critical challenges for our business and operations, both in Russia and globally. These factors, including the specific risks outlined below, could materially adversely affect VEON's business, financial condition, results of operations and trading price if the sale of its Russian Operations does not complete or is significantly delayed:

- **Sanctions, Export Controls, Capital Controls, Corporate Restrictions and Other Responses:** The sanctions imposed on Russia by the United States, member states of the European Union, the European Union itself, the United Kingdom, Ukraine and certain other nations, countermeasure sanctions by Russia and other legal and regulatory measures, as well as responses by VEON's service providers, partners, suppliers and other counterparties, and the consequences of all the foregoing, are unprecedented and more complex and comprehensive than any such measures to date, and could continue to evolve. These make it challenging to continue VEON's Russian Operations. It may also have repercussions for entities remaining in the VEON group due to their nexus to a group with Russian subsidiaries and business ties. If the sanctions persist or further sanctions are introduced or otherwise impact our suppliers or other counterparties, this could result in substantial legal and other compliance costs and risks to VEON's business operations. Likewise, the countermeasures by Russia, including those that limit the transfer of foreign currency or Russian rubles from entities within Russia as well as corporate restrictions, could also materially impact VEON's business, financial condition, results of operations or prospects. Furthermore, VEON's Russian Operations have been negatively impacted by export restrictions, which has limited and could continue to limit the availability of certain supplies from reaching its Russian Operations.
- **Economic deterioration in Russia:** In Russia, the economic conditions and outlook have deteriorated significantly since the beginning of the conflict in Ukraine, including due to sanctions introduced by the United States, European Union (and its members), the United Kingdom and other countries, as a result of many U.S. and other multi-national businesses across a variety of industries leaving the Russian market, and Russia defaulting on certain of its sovereign debt obligations due to creditors being unable to receive debt repayments through international clearing systems in due course.
- **Volatility of the Russian Ruble:** During 2022, the Russian ruble experienced three significant declines in February, July and December. After reaching a record low in March 2022, the Russian ruble reached a seven-year high in June 2022. This volatility in the Russian ruble impacted VEON's U.S. dollar reported results of operations for its Russian operations during 2022 and VEON expects it will continue to impact its results of operation for its Russian operations moving forward if volatility in the Russian ruble to U.S. dollar persists.
- **Rising costs in Russia:** The sanctions and the resulting disruption of supplies into Russia have negatively impacted and could have a material adverse effect on VEON's costs in Russia, including the costs to power its networks, maintain or expand its infrastructure in Russia or otherwise manage its operations as a result of rising costs.
- **Auditors:** In the event the sale does not complete, VEON cannot rule out the possibility that it may not be able to appoint an auditing firm for the audit of our financial statements for the year ending December 31, 2023, due to sanctions restrictions on auditing services introduced by the United States, European Union, United Kingdom and other countries.
- **Access to Capital:** VEON's access to the capital markets is also impaired by certain sanctions restrictions. In addition, it could continue to face challenges with accessing capital after the completion of the sale of our Russian Operations, particularly if sanctions against certain ultimate beneficial owners of VEON's largest shareholder, LIT VIP Holdings S.à.r.l. make it difficult for it to appoint auditors or obtain capital through other financing means.

#### Risk five:

VEON could face continued challenges following the completion of the sale of our Russian Operations. Prior to its classification as a discontinued operation, VEON's Russian Operations represented its largest reportable segment. If VEON is able to obtain credit ratings again, it is not expected to be an investment grade rating, and moreover the credit rating may not be as favourable as its historical credit ratings, which benefited in the past from its Russian Operations, which were the highest rated part of our business. Furthermore, in the event VEON is able to access the capital markets again, it will be doing so as a smaller company, which VEON expects will carry a different credit and risk profile compared to VEON with our Russian Operations, and this may not be as attractive to investors or lenders. As a result, our costs of borrowing will likely be higher in the future and there is no guarantee VEON will be able to access the capital markets in the short term even after the completion of the sale. In addition, the completion of the sale of its Russian Operations may also cause disruptions in and create uncertainty surrounding our business, including with respect to our relationships with existing and future creditors, customers, suppliers and employees.



*Shah-I-Zinda mausoleum, Samarkand*

We are committed to delivering **high standards** of corporate governance

Good corporate governance extends beyond standard and mandatory practices.

**In this section**

Corporate governance	68
Board of Directors	70
Group Executive Committee	73
Board committees	74

## Corporate governance



**Omiyinka Doris**  
Group General Counsel\*

Our governance structure is designed to promote integrity in everything we do and we are committed to responsible and effective governance as a core element of our culture.

\* Omiyinka Doris served on the GEC as Acting Group General Counsel between October 2022 and May 2023. Effective from 1 June 2023, Omiyinka was appointed VEON's Group General Counsel.

### VEON's governance structure

VEON appreciates the importance of good corporate governance in supporting the delivery of our strategy. We recognise our duties to comply with the requirements of our ultimate parent company, a Bermuda corporation listed on NASDAQ and Euronext Amsterdam. We aspire to implement EU, UK and US best practices in corporate governance, as appropriate, to our Company structure and operating model. Our governance structure reinforces integrity by providing appropriate oversight over the decisions we make and the actions we take.

In accordance with applicable Bermuda law, the Company has adopted corporate governance practices and bye-laws which establish clear rules of governance, ranging from matters requiring approval of the Company's shareholders and members of its Board of Directors (the Board), conflict of interest requirements, and director and management duties and obligations.

### Key corporate governance developments

During 2022, the Company continued its efforts to extend our corporate governance practices beyond the standard and mandatory levels of compliance, thereby achieving a higher level of recognised best practices. Our priorities include:

- To rethink the operating model of VEON HQ, acting as a Company corporate centre, to address rescoping of the Company's operations and reduced number of geographies.
- To strengthen local Boards of operating companies to ensure solid local expertise and highly relevant support to their leadership teams.
- To refresh the structure, remit and responsibilities of VEON Board committees to address the emerging Company business agenda and the new governance model.
- To continue with regular VEON Board effectiveness assessment processes and to set up the Board's continuous improvement lifecycle based on insights received through such regular assessment.
- To maintain sustainable and highly relevant VEON Board expertise in the context of 2022 geopolitical and macroeconomic challenges and prepare for future evolution of the Board with a forward-looking Board succession framework which supports the Company's strategic priorities.
- To significantly progress the VEON Board's diversity.

### Strategic objectives and focus areas

- Support management to ensure the Company's ability to quickly analyse the changing situation, adequately respond and take timely necessary decisions in the current challenging geopolitical and macroeconomic environment.
- Full compliance with all applicable newly implemented sanctions with proper oversight from the Board.
- Optimisation of the Company's portfolio and capital structure, including divestiture of the Georgia and Algeria operations, divestiture of the tower portfolio, sale of Beeline Russia.
- Maintaining solvency of the Company's loan portfolio, including the implementation of a restructuring scheme for February 2023 bonds.
- Maintenance of Euronext and NASDAQ listings.
- Company business strategy and rollout of digital operator offering.
- Group and operating companies performance, budgets and business plans.
- Group cost optimisation programme.
- Bangladesh spectrum auction and review of Banglalink business plan in light of better-than-expected business results.
- Further update of the Company's governance framework and operating model, including role and operating model of HQ and dissolution of VEON Ventures as a separate operating entity.
- Further strengthening the leadership teams of the operating companies and empowering the local teams to fully manage day-to-day work of their businesses according to the Company's operating model.
- Retention and succession planning for the Company's senior executives.
- Appointment of the external auditor.

### Duties and powers

The Company's bye-laws empower the Board to direct the management of the business and the affairs of the Group. Our bye-laws require that the Board approves important matters including, among others, the Group's annual budget and audited accounts, reorganisations, significant transactions as well as changes to our share capital or other significant actions. Moreover, under Bermuda law, the Board has the right to require that any matter comes to the Board for

approval and any Board member may bring forward an item for the Board agenda, ensuring that the Board provides appropriate oversight over Group matters.

### Effectiveness

Customarily, our Board and Committees meet at least quarterly every year. In 2022, the Company was confronted with a series of extraordinary and complex challenges; and the Board significantly increased the frequency of its meetings to ensure an adequate and timely reaction to them. In total, the Board held 27 meetings in 2022 and each Committee met an average 13 times.

The Board takes significant efforts to ensure its effectiveness to deliver the long-term success of the Company and alignment with the long-term interests of the Company's shareholders. The Nominating and Corporate Governance Committee conducts an annual evaluation of the Board to determine whether it is functioning effectively and meeting its objectives and goals.

In doing so, the committee solicits comments from all directors, the Company's senior executives and everyone else it deems appropriate and reports its conclusions and recommendations for maximising the Board's effectiveness to the Board. A detailed action plan is prepared, and regular updates are reviewed by the Board to ensure implementation.

### Induction of directors

The Company has established an extensive onboarding programme for all incoming members of VEON Board. The directors are provided with comprehensive information on the structure of the Group, its key operating markets, financial and operational performance, the Company's leadership team, incentive programmes, governance and risk management frameworks, and ongoing top-priority projects. In addition, the Company arranges for the new directors a series of induction meetings with the key leadership team members based on the focus areas indicated by the director.

### Succession planning

The Board conducts succession planning to ensure the Board benefits from the most effective balance and seeks to select the highest calibre of people to be appointed to the Board. Succession planning at the Board level is overseen by the Nominating and Corporate Governance Committee. As such, we have brought together a group of uniquely qualified individuals.

## Corporate governance continued

New appointments will continue to be made to ensure that the **Board contains the necessary skills, experience, independence and diversity** to deliver the **sustainable success** of the business

The Nominating and Corporate Governance Committee regularly reviews Board composition to ensure our Board is as effective as possible and best fit to support the strategic priorities of the Company. New appointments will continue to be made to ensure that the Board contains the necessary skills, experience, independence and diversity to deliver the sustainable success of the business.


Succession planning for the Group Executive Committee (GEC) is overseen by the Compensation and Talent Committee. In response to our stakeholder engagements process, the Company has appointed a dedicated individual to focus on succession planning at a senior level. The purpose is to ensure a strong, seamless succession plan is in place which monitors existing contracts with GEC members, while developing internal talent and potentially attracting external people to join the VEON brand. This programme has proved successful.

This programme has proved successful with the appointments of Joop Brakenhoff as Group Chief Financial Officer, effective from 1 May 2023 and Omiyinka Doris as Group General Counsel, effective from 1 June 2023.

Joop replaced Serkan Okandan whose three-year contract as Group CFO expired at the end of April 2023. Serkan continues to serve VEON as a special adviser to the Group CEO and CFO.

Joop was appointed as Group Chief Internal Audit and Compliance Officer in July 2020, after joining VEON as the Company's Head of Internal Audit in January 2019.

Omiyinka was appointed as Acting Group General Counsel in October 2022, after joining VEON as Deputy General Counsel in July 2015.

 For further information on the responsibilities of the Nominating and Corporate Governance committee, refer to page 75.

### Board profile

For the majority of 2022 (after 28 February 2022), the Board consisted of 11 members. In H1 2022, eight of the Board members were independent. After the 2022 annual general meeting (AGM), nine of the Board members were determined to be independent, which is in compliance with NASDAQ rules and best practice that requires a majority of directors to be independent.

All Board members are elected by our shareholders through a cumulative voting process. Nominations to the Board are managed by its Nominating and Corporate Governance Committee, which during 2022 was led by Gunnar Holt, an independent member of the Board. The committee consists of individuals with sufficiently diverse and independent backgrounds.

All members of the Board possess relevant industry experience, including all nine independent members in 2022, and have been selected to provide the requisite experience required of our Board committees.

 Further details of the Board of Directors can be found on pages 70 to 72.

### Changes to the VEON Board during 2022

During the 2022 financial year, five directors stepped down from the VEON Board. Mikhail Fridman resigned with effect from 28 February 2022 and Robert Jan van de Kraats with effect from 7 March 2022. Leonid Boguslavsky, Gennady Gazin and Sergi Herrero each left the Board with effect from the 2022 AGM on 29 June 2022.



Padma bridge, Bangladesh

Corporate governance continued

# Board of Directors\*

Full CVs can be found at:

<https://www.veon.com/we-are-veon/leadership#c102>

Committee key:

- C** Chairman
- NGC** Nominating and Corporate Governance Committee
- CTC** Compensation and Talent Committee
- ARC** Audit and Risk Committee
- FIN** Finance Committee
- SIC** Strategy and Innovation Committee



**Gunnar Holt (69)**

**Chairman**  
*Independent*  
*Joined: 19 June 2015*

**Qualifications:**  
DBA, Corporate culture; MBA, Finance

**Functional background:**  
Finance



**Hans-Holger Albrecht (59)**

*Independent*  
*Joined: 1 June 2020*

**Qualifications:**  
PhD, Law

**Functional background:**  
General management/ESG



**Augie Fabela (57)**

*Independent*  
*Joined: 29 June 2022*

**Qualifications:**  
MA, International Relations and International Policy Studies

**Functional background:**  
Entrepreneur/ESG



**Karen Linehan (64)**

*Independent*  
*Joined: 4 January 2022*

**Qualifications:**  
BA, American Studies and Juris Doctorate

**Functional background:**  
Legal/IP/Compliance /ESG



**Morten Lundal (58)**

*Independent*  
*Joined: 29 June 2022*

**Qualifications:**  
MBA; Master of Business and Economics

**Functional background:**  
Strategy and business development/commercial/general management



**Stan Miller (64)**

*Independent*  
*Joined: 29 June 2022*

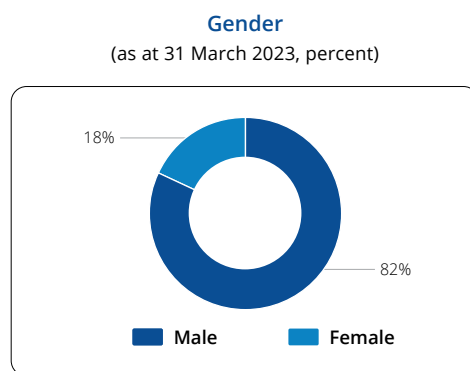
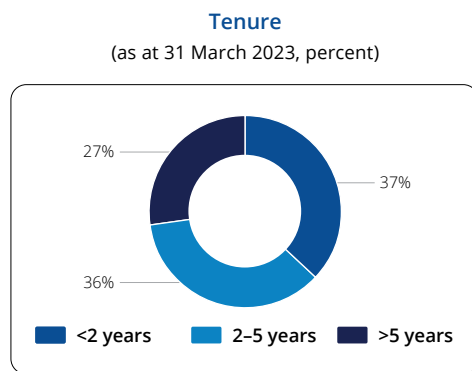
**Qualifications:**  
Diploma in Law and Administration

**Functional background:**  
Telecommunications/ Television/Legal/ESG/ Strategy/Corporate turnaround/Operations/ Corporate governance/M&A



## Attendance record for Board of Directors meetings

During director membership at the Board



	Total participated (%)	Total held		Total participated (%)	Total held
Hans-Holger Albrecht	93	27	Irene Shvakman	89	27
Augie Fabela	92	13	Vasily Sidorov	100	27
Yaroslav Glazunov	89	27	Michiel Soeting <sup>(1)</sup>	100	23
Andrei Gusev	96	27	Robert Jan van de Kraats <sup>(1)</sup>	100	3
Gunnar Holt	96	27	Leonid Boguslavsky <sup>(1)</sup>	86	14
Karen Linehan	96	27	Mikhail Fridman <sup>(1)</sup>	100	3
Morten Lundal	100	13	Gennady Gazin <sup>(1)</sup>	100	14
Stan Miller	100	13	Sergi Herrero <sup>(1)</sup>	79	14

<sup>(1)</sup> Attendee was not a member of the Board of Directors for the entirety of 2022.

\* On 29 June 2023, the Company held its 2023 Annual General Meeting of Shareholders during which the shareholders elected a new Board consisting of seven Board members.

Refer to page 72 for details of the Board of Directors following the 2023 Annual General Meeting of Shareholders.

# Corporate governance continued

## Board skills and experience

Number of Board members with experience

Telecom industry		7
Digital services and products		8
Decentralised HoldCo structures		10
Core VEON geographical markets		11
Multinational exposure		11
Finance		8
Strategy, business turnaround		10
Corporate governance		10
Legal/ Corporate structure		6
Regulatory/ Corporate affairs		10
Shareholder engagement/ Capital markets		7
M&A		10
Talent management		7
Risk and compliance management systems		7
Stakeholder/ ESG capabilities		5
Financial expert for ARC		3

# Board of Directors continued



**Irene Shvakman (55)**  
*Independent*  
 Joined: 10 June 2021  
**Qualifications:**  
 MBA, general; BSC, Biochemistry  
**Functional background:**  
 Fintech, Financial services



**Vasily Sidorov (52)**  
*Independent*  
 Joined: 10 June 2021  
**Qualifications:**  
 Master of Law; BSE, Finance  
**Functional background:**  
 Telecoms Operations, Strategy, Principal Investments, Finance & M&A



**Michiel Soeting (61)**  
*Independent*  
 Joined: 16 March 2022  
**Qualifications:**  
 PhD in Economics, MBA; Chartered Accountant  
**Functional background:**  
 Finance/External audit/ESG



**Yaroslav Glazunov (43)**  
*Non-independent\**  
 Joined: 27 October 2020  
**Qualifications:**  
 MS, Management  
**Functional background:**  
 HR/Exec search and CEO effectiveness

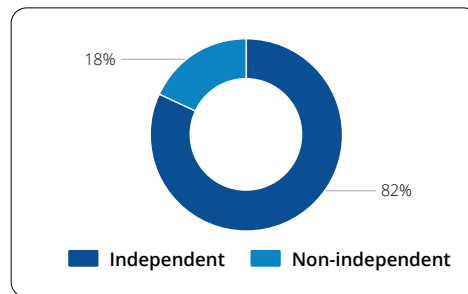


**Andrei Gusev (50)**  
*Non-independent\**  
 Joined: 1 April 2014  
**Qualifications:**  
 MBA; MS, Computer Science  
**Functional background:**  
 M&A, Asset management



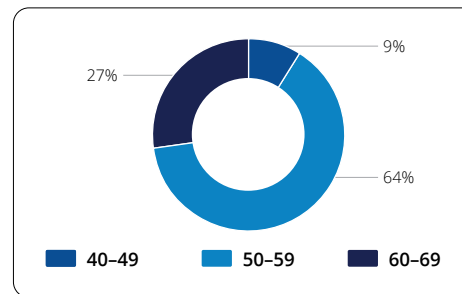
## Composition

(as at 31 March 2023, percent)



## Age

(as at 31 March 2023, percent)



## Committee key:

- Chairman
- Nominating and Corporate Governance Committee
- Compensation and Talent Committee
- Audit and Risk Committee
- Finance Committee
- Strategy and Innovation Committee



Corporate governance continued

# 2023 Annual General Meeting of Shareholders

# Inaugural 2023 Board Meeting and Election of Chair of the Board

**On 29 June 2023, the Company held its 2023 Annual General Meeting of Shareholders (the 2023 AGM).**

Shareholder votes were taken on the following proposals:

- To decrease the size of the Board from eleven to seven directors.
- To restate bye-law 42.1 of the Company's bye-laws to streamline the number of directors required to comprise the Board.
- To restate bye-law 43 of the Company's bye-laws to amend the standing committees of the Board.
- To appoint the seven Board approved director nominees as directors of the Company until the 2024 AGM of the Company.

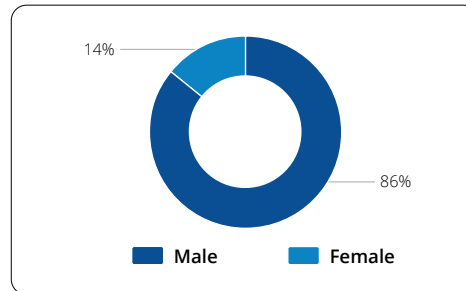
The Board of Directors recommended shareholders vote in favour of all proposals at the 2023 AGM. The changes to the Board size and the connected amendment to bye-law 42.1 allows for greater operational efficiency and was timely in light of the contemplated sale of VEON's Russian Operations. Similarly, the changes to bye-law 43 affords the Board greater flexibility regarding the structure of its committees, while ensuring that the Board always maintains committees with responsibility for audit, Board nominations and compensation.

Eligible shareholders approved [each] of the above proposals at the 2023 AGM, with the bye-law changes approved by Special Resolution and the election of the directors appointed by a cumulative voting process.

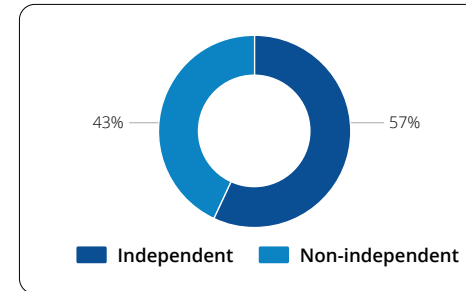
Subsequent to this election, the seven Board members appointed at the AGM who will serve until the Company's next AGM are Augie Fabela, Karen Linehan, Morten Lundal, Michiel Soeting, Yaroslav Glazunov, Andrei Gusev and Kaan Terzioğlu (the current Group CEO). The Board thanks Gunnar Holt, Hans-Holger Albrecht, Stan Miller, Vasily Sidorov and Irene Shvakman for their contribution and service to the Company. Resumes for all Board members are available on pages 94 to 96.

**On 29 June 2023, the newly elected Board held its Inaugural Meeting (the Post AGM Inaugural Meeting) and elected a new Chair of the Board.** Morten Lundal was appointed as the Chair of the Board.

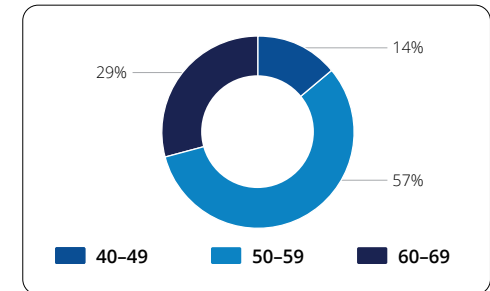
**Gender**  
(as of 29 June 2023, percent)



**Composition**  
(as of 29 June 2023, percent)



**Age**  
(as of 29 June 2023, percent)



## Corporate governance continued

# Group Executive Committee

## Group management

To ensure appropriate oversight, the Board delegates to the Group CEO the power to manage the Company's business, except in certain important matters that are reserved for Board approval. These include, among others, the Company's annual budget and audited accounts, and significant transactions, as well as reorganisations to our share capital or other significant actions.

To further reinforce integrity and accountability and provide appropriate oversight, the Board has adopted a Group Authority Matrix (GAM) which identifies matters requiring the approval of the Board, matters requiring the approval of the Group CEO, matters which are within the authority of certain members of the GEC, and matters which are within the authority of local Boards of the operating companies. In doing so, the Board ensures that the Group as a whole operates in an efficient, effective and compliant manner while providing that all activities and transactions across the Group are analysed and executed with proper authorities and accountability within a clear framework of compliance and controls. The GAM is reviewed on an annual basis.

## Group Executive Committee

The Group CEO in turn delegates certain matters to members of the GEC. This operates as an advisory committee focused on the management of the business affairs of the Company and its subsidiaries as a whole, including execution of the Group's strategy, driving financial

performance and overseeing and coordinating Group-wide initiatives.

As of 31 December 2022, the GEC was comprised of Kaan Terzioğlu, the Group CEO, and his direct reports, including Serkan Okandan, Group CFO; Omiyinka Doris, Acting Group General Counsel; Joop Brakenhoff, Group Chief Internal Audit and Compliance Officer; Dmitry Shvets, Group Head of Portfolio Management; Matthieu Galvani, Group Chief Corporate Affairs Officer; and Michael Schulz, Group Chief People Officer.

## Inclusion and diversity

The Company's commitment to diversity and Inclusion has been strengthened by appointing a Group Diversity and Inclusion Officer in December 2022, Ana de Kok-Reyes, ensuring our vision is aligned across our footprint and deploying best practices across our workforce. We are engaging with our leaders on devising a new policy at our Group HQ in Amsterdam to formalise diversity and Inclusion as a permanent feature of our working practices going forward a feature that will also be cascaded down to all our operating companies. Together, these initiatives contribute to employee satisfaction and retention, while increasing productivity across VEON's footprint.

## Operating company governance

The Company's commitment to delivering high standards of corporate governance extends to our operating companies.

The GAM empowers the local CEO of each of our operating subsidiaries to manage the business and affairs of their respective operating company within certain parameters, which are set out in the GAM.

Each operating company and its local CEO are fully accountable for all business and affairs of the operating company, including operational performance and ensuring proper compliance and controls. The CEO of each operating company is responsible for ensuring that all matters are properly approved in accordance with the GAM, Group policies and the Company's bye-laws.

Each operating company, as required by local law, maintains a board of directors or equivalent governing body. The Board of each operating company has specific duties and responsibilities under the operating Company's organisational documents.

The composition of each operating company's board includes, in part, certain members of the GEC, who ensure full compliance with the requirements of the operating company's governing documents and local law. These members work to create greater clarity on expectations for the operating company CEO and streamlined information between the operating company and the Group. In doing so, these members work to promote a culture of collaboration and entrepreneurship between the Group and our operating companies.

## Members of our Group Executive Committee

Full CVs can be found at

<https://www.veon.com/we-are-veon/leadership#c2226>

\* Serkan Okandan, Joop Brakenhoff and Omiyinka Doris served on the GEC as Group Chief Financial Officer, Chief Internal Audit and Compliance Officer and Acting Group General Counsel respectively, for the period under review ending 31 December 2022. Effective from 1 May 2023, Joop Brakenhoff replaced Serkan Okandan as Group Chief Financial Officer. Effective from 1 June 2023, Omiyinka Doris was appointed Group General Counsel.

Refer to page 69: Succession planning for the Group Executive Committee.



**Kaan Terzioğlu (55)**

**Group Chief Executive Officer**

*Joined: 1 November 2019*



**Joop Brakenhoff (57)\***

**Chief Internal Audit and Compliance Officer**

*Joined: 15 January 2019*



**Omiyinka Doris (47)\***

**Acting Group General Counsel**

*Joined: 1 July 2015*



**Matthieu Galvani (53)**

**Chief Corporate Affairs Officer**

*Joined: 14 March 2016*



**Serkan Okandan (52)\***

**Group Chief Financial Officer**

*Joined: 1 May 2020*



**Michael Schulz (56)**

**Group Chief People Officer**

*Joined: 1 July 2021*



**Dmitry Shvets (50)**

**Group Head of Portfolio Management**

*Joined: 15 April 2021*

## Corporate governance continued

# Board committees

# Supporting the Board in oversight and governance duties

### Committees

The Board has established committees to support it in fulfilling its oversight and governance duties. Each of these committees operates under a Board-approved charter. These can be found on our website at [www.veon.com/investors/governance](http://www.veon.com/investors/governance). These charters set out the purpose, membership, meeting requirement, authorities and responsibilities of each committee.

The Board has established a Nominating and Corporate Governance Committee, a Finance Committee, an Audit and Risk Committee, a Compensation and Talent Committee, and a Strategy and Innovation Committee. Each of these committees acts in an advisory capacity to the Board, and other than specific items set out in the charters of the Compensation and Talent Committee and the Audit and Risk Committee, none of the committees has decision-making authority unless such authority is specifically delegated to the committee by the Board.

 The committee reports on pages 75 to 80 set out in more detail how each has fulfilled their duties during the year.

### Interdependency of Board committees

Each committee operates within their charter. When a matter pertains to an area of expertise of more than one committee, they may hold a joint meeting to consider it and provide their advice to the Board; or, if deemed more appropriate, each of the committees will review the matter independently and provide a separate report to the Board. For example, the members of Nominating and Corporate Governance Committee may be invited to the meeting of Compensation and Talent Committee for review of the Company's approach to succession planning for senior executives.

Each committee provides a report on their activities at the Board meeting, which gives an opportunity to members of the Board and other committees to engage with and understand the activities of each committee. In addition, the Board holds quarterly committee chairmen's meetings, where the chairmen have the opportunity to discuss key focus areas of each of the committees and synchronise work plans.

When deemed necessary, the committees schedule informal working calls with the management team for in-depth review and discussion of any of the priority

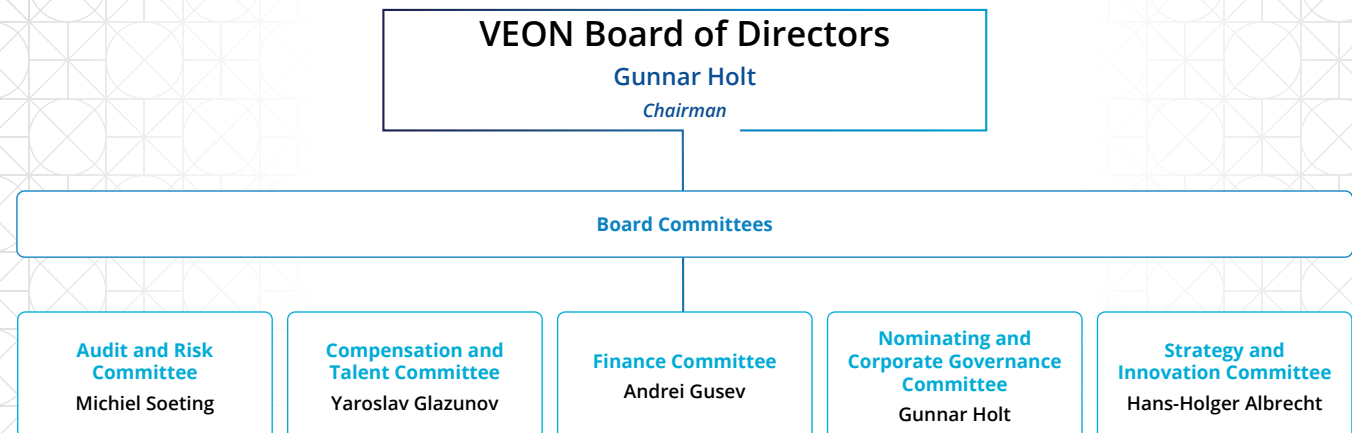
topics where they wish to gather broader insights, ensure rigid oversight, or provide management with additional support and advice.

In relation to strengthening Board oversight over operational companies, the following measures have been implemented at the Board level:

- Each of the operating companies provide a regular performance update report to the Board (Ukraine – on a quarterly basis, other geographies – on a biannual basis).
- For each of its meetings, the Board receives summary reports with key highlights and discussion points from the recent meetings of the Boards of operating companies.
- For each of its meetings, relevant VEON Board committees receive summary reports from the recent meetings of the Board committees of operating companies on key people matters; key business risk matters; and key strategic areas of focus.

### Access to specialists

Each of the committees of the Board, except for the Finance Committee, have the authority to obtain advice and assistance from internal or external advisers at the Company's expense as they deem advisable.



## Corporate governance continued

### Board committees continued

NCG


#### Nominating and Corporate Governance Committee

The committee consists of at least three members of the Board who are appointed or reappointed annually following the Company's AGM. A minimum quorum of two members is required to conduct a meeting.

The committee may request that any directors, officers or other employees of the Company, or any other persons whose advice and counsel are sought by the committee, attend any meeting of the committee to provide such pertinent information.

#### Role of the committee

The purpose of the Nominating and Corporate Governance Committee is to assist in the nomination of directors for the Company and advise the Board regarding the fulfilment of its corporate governance responsibilities, including recommendations concerning Board committees structure, membership, and operations, corporate governance practices and guidelines, periodical evaluation of the Board and its committees.

 For more information, please refer to the committee charter published on our website at [www.veon.com/investors/governance](http://www.veon.com/investors/governance).

On 21 April 2023 the Board approved changes to the composition of its Nominating and Corporate Governance Committee. As of that date, two directors (Michiel Soeting and Morten Lundal) are welcomed as new committee members. As a result, the committee now consists of five members.

#### Key focus areas going forward

- Review of governance development roadmap.
- Continue reviewing Board performance and effectiveness.
- Improvement of OpCo boards' effectiveness.
- Continue reviewing Board composition and director slate.
- Continue reviewing OpCo boards' composition.
- Further development and simplification of the GAM.
- Review of governance trends.
- Review of directors' training.
- Review of ESG strategy and execution plan.
- Review of HQ operating model evolution (including oversight of target HQ organisation implementation).

Gunnar Holt  
Chairman



#### Evaluation of performance

As per the committee charter, the committee has performed a self evaluation of its operation and confirms to the Board that it has been effective in discharging its responsibilities.

#### Attendance at meetings

Membership<sup>(1)</sup> and attendance

Chairman	Attendance	Appointed <sup>(2)</sup>
Gunnar Holt	16/16	June 2015
Members	Attendance	Appointed <sup>(2)</sup>
Yaroslav Glazunov	16/16	October 2020
Karen Linehan	16/16	January 2022

<sup>(1)</sup> Membership as of 31 December 2022.

<sup>(2)</sup> Date of appointment as member of VEON Board of Directors.

### Key activities

#### Board matters

- Reviewed Board skill set and developed recommendation on Board's director slate.
- Contributed to the achievement of greater gender diversity on the Board.
- Considered director independence.
- Considered appointments of lead directors.

#### OpCo Boards

- Reviewed and recommended changes to OpCo Boards composition.
- Considered assignment of the Board members to OpCo boards as observers.

#### Corporate governance

- Oversaw governance model effectiveness at Group and OpCo level.
- Considered approach to the extended Board oversight, governance framework and Board duties in relation to the external situation.
- Reviewed amendments to Group Authority Matrix / delegation.
- Reviewed amendments to Board committees charters.
- Reviewed updates to the Company's Code of Conduct.
- Reviewed governance implication of VEON ventures reorganisation.
- Reviewed HQ target organisation.

#### Board's performance

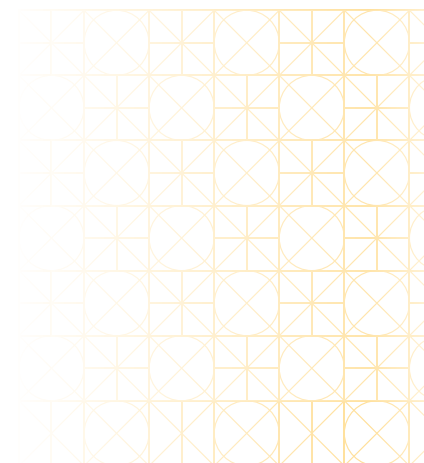
- Reviewed effectiveness of the Board and its committees (including self-assessments and external surveys).
- Reviewed effectiveness of OpCo boards.

#### Performance evaluations

- Assessed the adequacy of the committee's charter and its ongoing performance.

#### Consultants and advisers

- Reviewed appointment of local advisers to OpCo Boards.



## Corporate governance continued

### Board committees continued

#### CTC Compensation and Talent Committee

The committee consists of at least three members of the Board who are appointed or reappointed annually following the Company's AGM. A minimum quorum of two members is required to conduct a meeting.

The committee may request that any directors, officers or other employees of the Company, or any other persons whose advice and counsel are sought by the committee, attend any meeting of the committee to provide such pertinent information as the committee requests.

Yaroslav Glazunov  
Chairman



#### Role of the committee

The Board's Compensation and Talent Committee advises the Board with respect to the Board's responsibilities in overseeing the selection, termination, performance and compensation of the Company's CEO, his direct reports, the Chief Executive Officers of the Company's significant subsidiaries, and certain other positions which the Company determined as critical for its continuous operations. In addition, the committee assesses and makes recommendations to the Board on Board member compensation.

In addition, the committee is responsible for evaluating and approving the Group's director, executive and employee compensation and benefit plans, for supervising the administration of the Group's compensation and incentive programmes, and for periodically reviewing the compensation structure and guidelines of the Company subsidiaries, as well as their incentive plans.

The committee advises the Board in relation to the Company's overall culture and values, and talent management and succession planning programmes. In particular, the committee periodically assesses the substance and effectiveness of these programmes and considers employee feedback and level of engagement.

#### Evaluation of performance

As per the committee charter, the committee has performed a self-evaluation of its operation and confirms to the Board that it has been effective in discharging its responsibilities.

#### Attendance at meetings

##### Membership<sup>(1)</sup> and attendance

Chairman	Attendance	Appointed <sup>(2)</sup>
Yaroslav Glazunov	10/10	October 2020
Members	Attendance	Appointed <sup>(2)</sup>
Augie Fabela	4/5	June 2022
Stan Miller	5/5	June 2022

<sup>(1)</sup> Membership as of 31 December 2022.

<sup>(2)</sup> Date of appointment as member of VEON Board of Directors.

For more information, please refer to the committee charter published on our website at [www.veon.com/investors/governance](http://www.veon.com/investors/governance).

### Key activities

#### Remuneration framework

- Implemented new remuneration framework, in particular, in relation to rollout of the new long-term incentive programme (LTIP), for the Group CEO, his direct reports and CEOs of the Company's significant subsidiaries.
- Reviewed and advised on external assessment of the parameters and structure for compensation of the Group CEO and his direct reports.
- Reviewed and assessed possible implications from evolving sanctions on the Company's incentive programmes.
- Reviewed and updated compensation levels for the Company senior executives as needed to ensure alignment with current market conditions.
- Reviewed and advised on compensation levels for the Board.
- Reviewed and advised on grant of certain special awards to the Board members in connection with the directors' significant contribution to progression of the Company's top priority projects.

#### Incentive programmes

- Defined KPIs and targets, terms and conditions for the new tranches of the short-term incentive programme (STIP) and LTIP of the Company senior executives including the Group CEO, his direct reports and CEOs of the Company's significant subsidiaries, to ensure consistency with the Group's goals and objectives.
- Determined changes to the terms of ongoing tranches of LTIP and STIP appropriate in the context of challenging geopolitical and macroeconomic situation in 2022.
- Determined results of the vesting 2019 tranches of the LTIP for CEOs of the Company's significant subsidiaries.
- Determined results of the vested 2020 tranche of the Group's mid-term incentive programme.
- Approved issuance of special incentive awards to selected Company's senior executives to support execution of certain of the Company's top priority projects.

#### Performance assessment

- Reviewed and assessed annual performance of the Company senior executives against agreed 2021 performance indicators for short-term incentives and overall Group performance in 2021.

#### Talent management and succession planning

- Reviewed and advised on corporate People and Talent strategy, including the framework for talent management and succession planning.
- Reviewed and advised on the Company's approach to succession planning for its senior executives and validated identified successors.
- Reviewed and advised on the results of the effectiveness assessment of the GEC.
- Reviewed and advised on the results of the Company annual employee engagement survey.

#### Key appointments

- Approved final candidates and remuneration terms for key positions as needed.
- Approved extension of the contract duration and update of the contract terms for certain Company key executives.
- Approved termination of contract for certain Company key executives and associated changes to the Company's organisational structure.
- Regularly reviewed the progress for selection of candidates for the Company's critical roles.

#### Operating model and governance

- Regularly reviewed the conduct of people committees in operating companies and key topics and decisions.
- Reviewed and advised on remuneration considerations in relation to establishment of the Company's satellite office in Dubai.

## Corporate governance continued

### Board committees continued

#### CTC Compensation and Talent Committee continued

##### Looking forward

###### Remuneration framework

- Continue to review and provide advice to the Board on optimisation of compensation structure for the Board of Directors.
- Review future ESG requirements to listed companies and provide advice to the Board in relation to their reflection in the Company's incentive programmes.

###### Incentive programmes

- Define KPIs and targets, terms and conditions for the next tranches of STIP and LTIP of the Company senior executives (including the Company CEO, his direct reports and CEOs of the Company's significant subsidiaries) to ensure consistency with the Group's goals and objectives.
- Determine results of the vesting 2020 tranches of the LTIP for the Company's senior executives, including the Group CEO, his direct reports and CEOs of the Company significant subsidiaries.
- As necessary and as deemed appropriate by the committee, review and approve issuance of special incentive awards to selected senior executives to support execution of certain of the Company's top priority projects.

###### Performance assessment

- Review and assess annual performance of the Company's senior executives against agreed 2022 performance indicators for short-term incentives and overall Group performance in 2022.

###### Talent management and succession planning

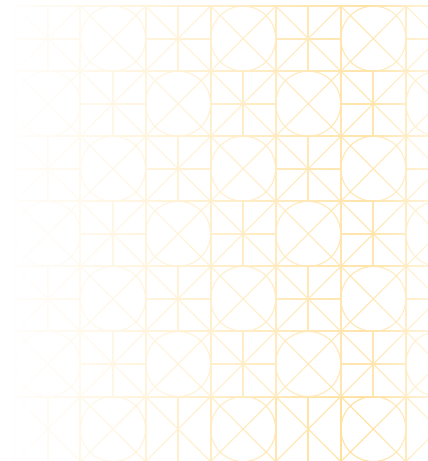
- Review the progress of the Company's corporate People and Talent strategy and advice on the potential next steps and changes.
- Regularly review and advise on the Company's succession planning for its senior executives and validate identified successors.
- Regularly review and advise on the Company's talent development and management plans for the Company's senior executives and their successors.
- Review and advise on the results of the next effectiveness assessment and proposed improvement actions for the GEC.
- Review and advise on the results of the Company's 2023 annual employee engagement survey.

###### Key appointments

- Review and approve final candidates and remuneration terms for key positions as needed.
- Review and approve extension of the contract duration, amendment of contract terms and/or termination of contract for certain Company key executives and any associated changes to the Company's organisational structure as needed.
- Continue regularly reviewing the progress for selection of candidates for the Company's critical roles.

###### Operating model and governance

- Continue regularly reviewing the conduct of people committees in operating subsidiaries and key topics and decisions.
- Explore potential areas for further strengthening interaction with and support to people committees of the Company's operating subsidiaries.



## Corporate governance continued

### Board committees continued

#### ARC Audit and Risk Committee

The committee consists of at least three members of the Board who are appointed or reappointed annually following the Company's AGM. A minimum quorum of two members is required to conduct a meeting.

##### Role of the committee

The primary role of the Audit and Risk Committee is to oversee the integrity of the Company's financial statements and its financial reporting, internal audit process, systems of Enterprise Risk Management (ERM) and internal controls, the Company's ethics and compliance programme. In particular, the Audit and Risk Committee monitors compliance with legal and regulatory requirements as well as the Company's corporate compliance codes and guidelines, including the Company's Code of Conduct.

The Audit and Risk Committee is responsible for the qualifications, engagement, compensation, independence and performance of the Company's independent auditor, and approval of annual audit plan and budget. In addition, the committee makes recommendation to the Board on the appointment or reappointment of the external auditor.

The work of the Audit and Risk Committee over the course of the year focuses on a variety of topics significant for the Company consolidated financial statements. Among other matters, the committee reviews audit findings, management's subjective accounting matters, considers the effectiveness of the risk and internal control framework, results of internal control testing and remediations measures.

In addition to the above, the Audit and Risk Committee supervises activities related to Company's relationships with the US and Dutch authorities with respect to ongoing disclosure requirements and inquiries.

The 2022 financial year posed unprecedented challenges for the Group. Among the topics addressed by the committee were the impact of the conflict in Ukraine on disclosure obligations, business continuity, mitigation of technology-based risks, including physical infrastructure damage and network disruption.

Since the beginning of the conflict, the committee oversaw activities aimed at protecting assets from regulatory risks in Russia and Ukraine (including potential nationalisation), ethics, compliance and internal audit response to the Russia-Ukraine conflict (e.g., measures aimed at reviewing social and humanitarian aid contributions, refocusing audit activities on pertinent risks).

Later in the year, the committee reviewed legal and financial aspects of Russian operations disposal alongside various stress-test scenarios and monitored transfer of the Group's critical IT systems hosted in Russia to other operations.

Michiel Soeting  
Chairman



Sanctions screening and compliance with the sanction regime, as well as the mitigation of related risks (including application for OFAC, UK, NL, and Bermuda licences) were other important focus areas. The committee also discussed priorities for Group risk (GR) function in general, reviewed regular updates on GR risks, mitigating measures, and ongoing and planned GR activities.

To ensure financial health and liquidity of the Group, the Audit and Risk Committee regularly monitored financial and non-financial covenants performance.

In the past year, the committee was focused on addressing the delay of the external audit due to the need to obtain confirmations from regulators about the application of licences and potential sanctions. The mitigation plan for the external audit delay included additional financial audits carried out by the Company's internal audit function, which the committee reviewed on a regular basis. It supervised related communications with investors, external lenders and other relevant stockholders. In addition, the committee oversaw management's plans and activities to secure external assurance. The committee also reviewed additional Board oversight activities.

As part of reviewing subjective accounting matters, the committee considered the impairment of Russia, continuity and going concern basis for the accounts, valuation of countries impacted by economic headwinds and currency devaluations, as well as Weighted Average Cost of Capital (WACC) assessment changes.

The committee discussed challenges with the Directors and Officers policy and coverage renewal and monitored related activities.

The committee discussed with the Company's internal audit function the quality and enhancement of the risk and control framework, has been briefed on the outcome of the effectiveness of the Group's SOX controls testing and oversaw deficiencies remediation progress.

The committee discussed adequacy of AML compliance resources in the Company's operating companies, reviewed the evaluation of ethics and compliance culture and oversaw a Group-wide behaviour improvement programme (TATT).

The committee conducted risk deep dives into cybersecurity matters, discussed decentralised operating model, reviewed enhancements to the quality and number of dedicated personnel, and monitored risks of cybersecurity attacks and mitigating measures. Among the other risk deep dives, the committee reviewed a tax risks analysis, focusing on amounts, materialisation probabilities and timelines and relevant mitigation measures as well as reviewed vendor associated risks.

In addition to the above, the committee reviewed the effectiveness of MMBL Bank risks oversight and governance and monitored progress in closing expertise gaps.

##### Key focus areas for 2022

- Impact of Russia-Ukraine conflict.
- Legal and financial aspects of Russian operations disposal.
- Delay in external audit and measures aimed at securing external assurance.
- Additional Board oversight activities.
- Sanctions screening and compliance.
- Directors and Officers (D&O) policy and coverage renewal.
- Efficiency and adequacy of internal controls and remediation of deficiencies.
- Cybersecurity, tax risks and mitigation measures.
- Ethics and compliance programme (TATT) progress.

##### Key focus areas for 2023

- Impact of Russia-Ukraine conflict.
- Legal and financial aspects of Russian operations disposal.
- Continue oversight of independent auditor.
- Continue oversight of internal audit.
- Continue oversight of ERM system.
- Continue oversight of internal controls.
- Continue oversight of external financial reporting process.
- Continue oversight of Legal, Ethics and Compliance, Investigations, Finance and GR departments.
- Ethics and compliance programme (TATT/culture and conduct) progress.

##### Attendance at meetings

###### Membership<sup>(1)</sup> and attendance

Chairman	Attendance	Appointed <sup>(2)</sup>
Michiel Soeting	11/11	March 2022
Members	Attendance	Appointed <sup>(2)</sup>
Gunnar Holt	5/6	June 2015
Karen Linehan	12/13	January 2022
Vasily Sidorov	13/13	June 2021

<sup>(1)</sup> Membership as of 31 December 2022.

<sup>(2)</sup> Date of appointment as member of VEON Board of Directors.

## Corporate governance continued

### Board committees continued

#### FIN Finance Committee

The committee consists of at least three members of the Board who are appointed or reappointed annually following the Company's AGM. A minimum quorum of two members is required to conduct a meeting.

The committee may request that any directors, officers or other employees of the Company, or any other persons whose advice and counsel are sought by the committee, attend any meeting of the committee to provide such pertinent information as the committee requests.

#### Role of the committee

The Finance Committee advises the Board with respect to the Board's oversight of the Group's capital structure, budgets and the execution of material transactions.

The committee acts in an advisory capacity to the Board, providing advice and recommendations on these and other matters, including mergers, acquisitions, divestitures and reorganisation transactions, the incurrance of indebtedness and finance policies, dividend policy, share capital matters, budget process and approval of budget, spectrum and licensing matters, as well as on listing decisions and investor relations matters, and any material settlements.

For more information, please refer to the Committee Charter published on our website at [www.veon.com/investors/governance](http://www.veon.com/investors/governance)

Andrei Gusev  
Chairman



#### Evaluation of performance

As per the committee charter, the committee has performed a self-evaluation of its operation and confirms to the Board that it has been effective in discharging its responsibilities.

#### Attendance at meetings

##### Membership<sup>(1)</sup> and attendance

Chairman	Attendance	Appointed <sup>(2)</sup>
Andrei Gusev	20/20	April 2014
Members	Attendance	Appointed <sup>(2)</sup>
Vasily Sidorov	20/20	June 2021
Michiel Soeting	9/9	March 2022

<sup>(1)</sup> Membership as of 31 December 2022.

<sup>(2)</sup> Date of appointment as member of VON Board of Directors.

### Key activities

#### Budgets and performance

- Oversaw development of the Company's budget for 2023.
- Oversaw and assessed execution of 2022 budget.
- Oversaw and assessed progress of the Company's cost optimisation programme.
- Oversaw and advised on the development and implementation of the Group capital allocation policy and framework.

#### Internal reorganisations, M&A transactions and divestitures

- Oversaw internal restructurings of ownership for various operating companies.
- Oversaw completion of execution the Company's put option for its subsidiary in Algeria.
- Oversaw sale of Georgia operations.
- Reviewed and advised on implementation of the Company's strategy for divestiture of towers infrastructure.
- Advised on participation in spectrum auction in Bangladesh and Kazakhstan, renewal of mobile cellular licence in Pakistan and network sharing agreement in Kyrgyzstan.

#### Financing transactions/indebtedness

- Oversaw developments for Group leverage profile, provided advice to the Board on maintaining business solvency in relation to servicing the Company's debt obligations, especially in the context of the evolving sanctions.
- Oversaw and advised on implementation of restructuring scheme for the Company's bonds with February 2023 and April 2023 maturity.
- Oversaw and advised on the development of a plan for the Company's capital structure update to address the geopolitical developments and future Company's priorities.
- Oversaw execution of major financing/refinancing transactions at Group level (including Group revolving credit facility (RCF) to support the Company's target debt structure and cash levels.

#### Finance policies

- Oversaw update of Group Treasury policy, Tax policy and Interest allocation policy.

#### Investor relations

- Reviewed and advised on the Company's plan for maintaining NASDAQ listing.

### Looking forward

#### Budgets and performance

- Oversee execution of 2023 budget in relation to interest expense budget.
- Advise on upstreaming potential of the Company's operating subsidiaries, including concomitant constraints and funding sources.

#### Internal reorganisations, M&A transactions and divestitures

- Continue oversight of the progression of internal restructurings of ownership for various operating companies, in particular, the Kazakhstan and Uzbekistan operating entities and clean-up of Global Telecom Holdings S.A.E. subsidiaries in Egypt.
- Continue oversight and advise on implementation of divestiture transactions for the Company's towers infrastructure and other non-core assets in several geographies, including Pakistan, Bangladesh, Uzbekistan, and Kazakhstan.
- Advise on participation of the Company's operating entities in spectrum auctions and any potential network sharing agreements as needed.

#### Financing transactions/indebtedness

- Continue oversight of the developments for Group leverage profile and provide advice to the Board on the management of the Company's indebtedness, especially in the context of existing sanctions.

- Oversee and advise on completion of restructuring scheme for the Company's bonds with February 2023 and April 2023 maturity.
- Continue oversight and advise on the Company's capital structure update to address long-term future Company priorities.
- Continue oversight of the execution of major financing/refinancing transactions at Group level (including Group RCF) and in the Company's operating subsidiaries to support the Company's target debt structure and cash levels.

#### Finance policies

- Periodically review and advise on update of the Company's finance policies, including, in particular, Dividend policy and Treasury policy.

#### Investor relations

- Continue oversight and advise on development and implementation of the Company's long-term listing strategy.
- Continue oversight and advise on potential local listing of certain operating entities of the Company.



## Corporate governance continued

### Board committees continued

SIC

#### Strategy and Innovation Committee

The committee consists of at least three members of the Board who are appointed or reappointed annually following the Company's AGM. A minimum quorum of two members is required to conduct a meeting. The affirmative vote of at least two members is required to authorise any action or recommendation of the committee.

The committee may request that any directors, officers or other employees of the Company, or any other persons whose advice and counsel are sought by the committee, attend any meeting of the committee to provide such pertinent information.

The committee has the authority, without having to seek Board's approval, to obtain, at the Company's reasonable expense, external advice, and support.

Hans-Holger Albrecht  
Chairman



#### Role of the committee

The strategy and Innovation Committee assists and advises the Board regarding the Group's strategy and business plan for core connectivity, infrastructure and digital operations, as well as monitors and challenges the Company's performance in these business lines.

#### Evaluation of performance

As per the committee charter, the committee has performed a self-evaluation of its operation and confirms to the Board that it has been effective in discharging its responsibilities.

#### Attendance at meetings

Membership<sup>(1)</sup> and attendance

Chairman	Attendance	Appointed <sup>(2)</sup>
Hans-Holger Albrecht	7/7	June 2020
Members	Attendance	Appointed <sup>(2)</sup>
Augie Fabela	2/2	June 2022
Morten Lundal	2/2	June 2022
Stan Miller	2/2	June 2022
Irene Shvakman	6/7	June 2021

<sup>(1)</sup> Membership as of 31 December 2022.

<sup>(2)</sup> Date of appointment as member of VEON Board of Directors.

#### Key focus areas looking forward

- Review of Group strategy, equity story and portfolio considerations.
- Review of digital operator strategy.
- Review of OpCo performance (including performance and strategy of Pakistan operations).
- Review of digital assets strategy and performance (including JazzCash and Tamasha).
- Cost efficiency performance oversight.
- Review of Ukraine investment plan.
- Review of 5G strategy.
- Oversight of major vendor contracts, partnerships, associated risks, and mitigation measures.

### Key activities

#### Monitor, review, consider and make recommendations to the Board regarding:

- The Group's overall business strategy and priorities.
- Strategies for core connectivity, infrastructure and digital business lines of the VEON Group and each of its operating subsidiaries (OpCos).
- Business plans for core connectivity, infrastructure and digital business lines and OpCos (including material deviations between the business plan and the budget whereupon the committee may request joint review with the Finance Committee).
- Portfolio strategy for core connectivity, infrastructure and digital assets (with focus on strategic fit).
- The Group's core connectivity, infrastructure and digital business lines operational and financial performance against the Company's strategy and business plan.
- Sales, acquisitions, mergers and joint ventures including transactions related to digital lines of business.
- Material vendor contracts, other material partnerships and transactions.
- The Group's and operating companies' cost performance and organisational and operational efficiency.

#### Key projects

- Reviewed 2023 investment plan for Ukraine.
- Reviewed OpCo digital assets plans and budgets.
- Reviewed and monitored "Project Optimum" (aimed at cost savings).
- Reviewed overall Company's strategy.
- Reviewed video content strategy.
- Reviewed investments in external digital assets (ShopUp, Dastgyr).
- Considered Pakistan's digital retail banking licence application.





5

*Badshahi mosque, Lahore*

Our **purpose** shapes how we **reward**  
**and remunerate** our people

Despite the challenges faced by the Company, the management team and employees worked diligently, with full commitment and passion to maintain the Company's performance and achieve its objectives.

# Remuneration report



**Yaroslav Glazunov**  
Chairman

On behalf of the Board, I am pleased to present the remuneration report for the Group for FY2022. We are deeply aware of the importance of this report as it provides transparency on how the Company rewards its executives and employees, ensuring they are appropriately incentivised. FY2022 was a challenging year for the Group, as it faced various external factors such as the war in Europe, political unrest in certain of its operations like Kazakhstan and Pakistan, as well as floods in central Asia. These events had a significant impact on the Company's operations, creating a need for it to adapt rapidly and evolve including remuneration practises.

Despite the challenges faced by the Company, the management team and employees worked diligently, with full commitment and passion to maintain the Company's performance and achieve its objectives. As such, the remuneration report for FY2022 reflects the Company's commitment to reward its employees fairly for their efforts.

In addition to financial compensation, the report may also include other forms of remuneration such as share awards, bonuses, and benefits packages. These incentives are designed to attract and retain talent in the relevant markets as well as to align the interests of executives and employees with those of the Company's shareholders.

Overall, the remuneration report for the Group in FY2022 represents a commitment to transparency and fairness in rewarding its employees, specifically in the face of challenging external circumstances.

## Our purpose shapes remuneration

The Company's purpose, transforming lives through converged connectivity and digital services, is enabled by our four pillars – entertainment, financial services, education and healthcare. We are committed to implementing fair, responsible and transparent remuneration practices that support our purpose-led business model and the achievement of our strategy.

Our people strategy is based on four pillars:

1. We are a nimble, agile and effective organisation.
2. We have established a culture of customer obsession that preserves the value we create.
3. We have the best and most diverse talent with digital operator and digital ventures capabilities in place at the right time in the right place.
4. We focus on rewarding and recognising long-term value creation to drive up our enterprise value.

## Linking remuneration to strategy and performance

The remuneration of the Company's employees, specifically short-term and long-term incentives, is tied to the performance of the Group and the OpCos.

- Rewarding achievement in aligning the Group and OpCo performance in terms of creating sustainable stakeholder value.
- Increasing the linkage of pay to performance – especially long-term performance to motivate and challenge our senior leaders.
- Streamlining incentives to focus leadership team members on consistent goals, providing a clear linkage to business strategy, and promoting teamwork and collaboration.
- Implementing incentive designs guided by international best practices, including ensuring that robust malus and clawback arrangements are in place.
- Simplifying incentive designs to improve transparency and communication, both internally and externally.

## Our people approach is guided by the following talent management framework pillars

### Leadership Framework

Creating leadership success profiles for GEC, OpCo CEOs and CXOs

### Talent Success and Succession

Creating a common language and delivering a diverse talent succession bench by assessing existing executive talent across the operating companies to mitigate succession risks and increase agility in leadership changes and operating model.

### Talent Data

Creating a core data platform for all stakeholders to access key talent insights

### Global Impact Learning and Development

Gathering critical input on the development needs from these assessments as well as from the Group CEO, Board and local CEOs. Designing customised and personalised development initiatives, including support from external partners. Steer cross-OpCo and HQ key moves at CEO-1 level as well as female talent via the People Committee and Group Chief People Officer forum.

## Compensation and Talent committee

The committee is responsible for evaluating and approving the Group's director, executive and employee compensation and benefit plans, supervising the administration of the Group's compensation and incentive programmes, and periodically reviewing the compensation structure and guidelines of the Company subsidiaries, as well as their incentive plans.

The committee advises the Board in relation to the Company's overall culture and values, talent management and succession planning programmes. In particular, the committee periodically assesses the substance and effectiveness of these programmes and considers employee feedback and level of engagement.

Refer to page 76.

For more information, please refer to the committee charter published on our website at [www.veon.com/investors/governance](http://www.veon.com/investors/governance).

## Key decisions taken during FY2022

### Remuneration framework

- Implemented a new remuneration framework approved in 2021, in particular, in relation to rollout of the new LTIP, for the Group's CEO and his direct reports.
- Reviewed and advised on external assessment of the parameters and structure for compensation of the Group CEO and his direct reports.
- Reviewed periodically, with external advisors, the compensation practices and contractual setup.
- Reviewed and assessed possible implications from evolving sanctions on the Company's incentive programmes.
- Reviewed and updated compensation levels for the Company's senior executives as needed to ensure alignment with current market conditions.
- Reviewed and advised on compensation levels for the Board members.
- Designed and implemented the OpCo CEO long-term incentives.

Refer to pages 86 to 88.

## Remuneration report continued

### Incentive programmes

- Defined KPIs and targets, terms and conditions for the new tranches of STIP and LTIP for the Company's senior executives (including the Group CEO, his direct reports and CEO's of the Company's significant subsidiaries) to ensure consistency with the Group's goals and objectives.
- Reviewed and confirmed the TSR peer Group for the GEC LTIP.
- Reviewed and confirmed the approach to the long term incentives for OpCo CEOs.

### Performance assessment

- Reviewed and assessed annual performance of the Company senior executives against agreed 2022 performance indicators for short-term incentives and overall Group performance in 2022.

### Talent management and succession planning

- Reviewed and advised on corporate people and talent strategy, including the framework for talent management and succession planning.
- Reviewed and advised on the Company's approach to succession planning for its senior executives and validated identified successors.
- Reviewed and advised on the results of the effectiveness assessment of the GEC
- Reviewed and advised on the results of the Company's annual employee engagement survey.

### Key appointments

- Approved final candidates and remuneration terms for key positions as needed.
- Recommended the extension of the contract duration and updates to the contract terms for certain key executives to be approved by the Board.
- Recommended the termination of contract for certain key executives and associated changes to the Company's organisational structure to be approved by the Board.
- Regularly reviewed the progress for selection of candidates for the Company's critical roles.

### Operating model and governance

- Regularly reviewed the activities of people committees in operating companies and key topics and decisions

### Focus areas for FY2023

#### Remuneration framework

- Continue to review and provide advice to the Board on optimisation of compensation structure for the GEC, and the members of the Board.
- Review future ESG requirements for listed companies and provide advice to the Board in relation to their reflection in the Company's incentive programmes.

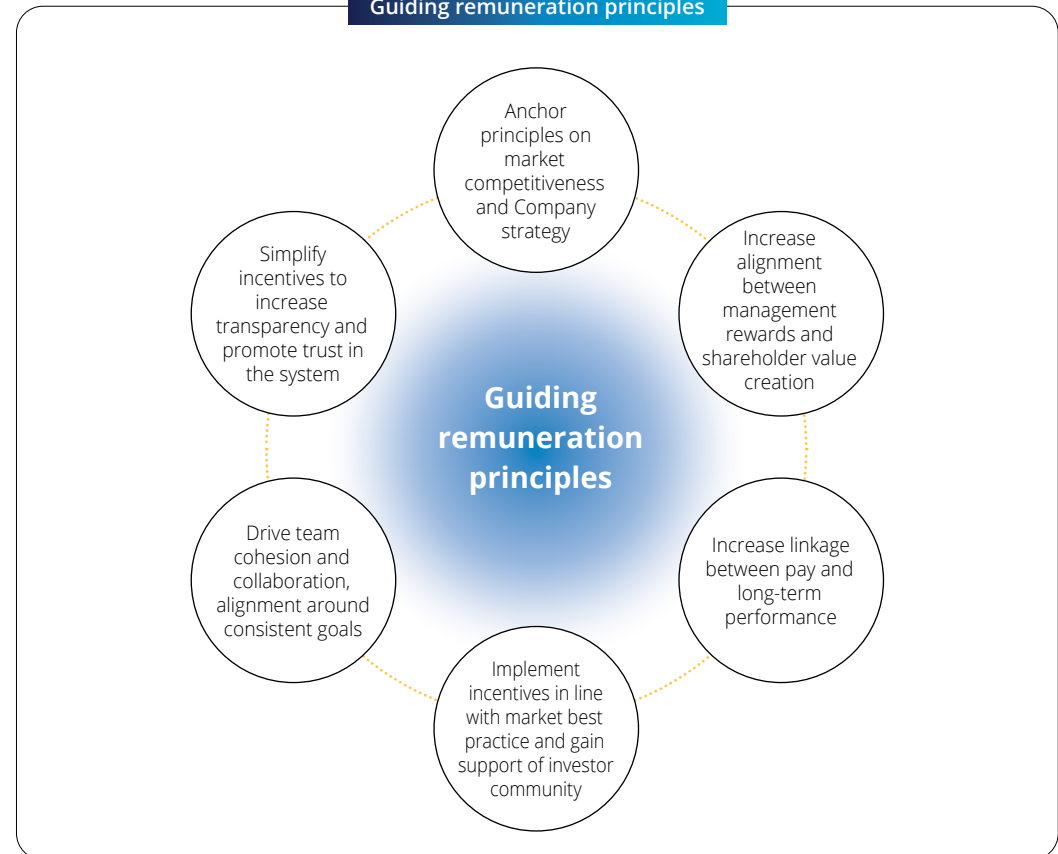
#### Incentive programmes

- Define KPIs and targets, terms and conditions for the next tranches of STIP and LTIP of the Company senior executives (including the Group CEO, his direct reports and CEOs of the Company's significant subsidiaries) to ensure consistency with the Group's goals and objectives.
- Determine results of the vesting 2021 tranches of the LTIP for the Company senior executives (including the Group CEO, his direct reports and CEO of the Company's significant subsidiaries).

#### Aligning performance and talent to create sustained value

- Review and assess annual performance of the Company senior executives against agreed 2023 performance indicators for short-term incentives and overall Group performance in 2023.
- Review the progress of the Company's corporate people and talent strategy and advise on the potential next steps and changes, including succession planning, talent development and management plans, effectiveness assessment and proposed improvement actions for its senior executives and validate identified successors.
- Support the transition to the new Company post the Russia transaction.
- Focus on talent mobility opportunities within the Company across OpCos and HQ from our own pool of talent.
- Review and advise on the results of the Company's 2023 annual employee engagement survey.
- Continue regularly reviewing the progress for selection of candidates for the Company's critical roles.
- Continue regularly reviewing the activities of people committees in operating subsidiaries, key topics and decisions, while exploring areas for further strengthening interaction with critical operating company talent.

### Guiding remuneration principles



### Our approach to Executives remuneration from 2022

Due to the transformation to the new Company, 2022 saw the implementation of the Group's new executives remuneration arrangements introduced at the end of the previous year. The renewal of the compensation system aligns the GEC's financial interest with those of our stakeholders and motivates team dynamics and collaboration.

The Group continues to follow the Long Term Incentive framework for the OpCo CEOs, where a "line of sight" approach for targets is used (OpCo KPIs aligned with the rest of the team) while the delivery of the LTI is in VEON

shares to align them with the GEC and shareholders value creation.

Our key leaders are:

- Aligned with shareholders' interests to create value
- Committed to the long-term success of the overall business
- Invested in Company's shares and focused on share price
- Motivated to work collaboratively as a team aligned to common performance goals
- Held to account for the performance of the business
- Paid for performance in a transparent, robust, fair as well as competitive manner

## Remuneration report continued

### Elements of remuneration

	Description	Rationale
<b>STI</b>	<ul style="list-style-type: none"> <li>Target award for Group CEO is 125% of annual base salary and for the remainder of the executives is 100% of annual base salary, delivered 50% cash and 50% shares</li> <li>The 50% share element is deferred for two years</li> <li>The shares vest two years after grant with no further performance conditions</li> <li>The maximum opportunity for the executive is 120% of the target level</li> </ul>	<ul style="list-style-type: none"> <li>In line with market norms to retain and attract talent</li> <li>Deferred shares ensure deferred equity build up</li> </ul>
<b>LTI</b>	<ul style="list-style-type: none"> <li>Granted in rolling three-year performance cycle</li> <li>Maximum level of 200%</li> <li>On-target vesting of 120% based on performance</li> <li>Threshold level of vesting is 25% of the maximum vesting opportunity</li> <li>Performance shares are restricted through performance conditions which need be met</li> </ul>	<ul style="list-style-type: none"> <li>Drives accountability and long-term actions</li> <li>Performance related incentives encourage actions which align with Company strategy to create value for stakeholders</li> </ul>
<b>Other</b>	<ul style="list-style-type: none"> <li>Executives shareholding requirement               <ul style="list-style-type: none"> <li>◆ Group CEO – 6x base salary</li> <li>◆ GEC – 2x base salary</li> </ul> </li> <li>No Post employment holding period for the GEC, while the Group CEO needs to maintain his shareholding requirement (6x annual base salary) 2 years post employment</li> </ul>	<ul style="list-style-type: none"> <li>Align executives with shareholders creating personal holding of VEON equity</li> <li>Elements of remuneration are governed by a “Good/Bad Leaver clause” as well as market practice claw-back and malus rules</li> </ul>

### Short-term incentive scheme

	Weight	KPI	Rationale	Priorities addressed	
<b>85% Financials</b>	<b>Total Operating Revenue</b>	<b>25%</b>	A Financial KPIs	Revenue growth through acquisition and creation of highest value, multi-play customer remains a Group top priority.	<ul style="list-style-type: none"> <li>Top-line growth</li> <li>Focus on high value customers</li> <li>Preserve liquidity</li> <li>Portfolio review</li> <li>Continued cost optimisation</li> <li>Capturing infrastructure value</li> </ul>
	<b>EBITDA</b>	<b>25%</b>		Cost control is one of our highest priority items. Hence the introduction, over and above the EBITDA target, of a new set KPIs for “Project Optimum”: a proven approach in cost reduction initiatives that focuses on target setting through a bottom-up generation of ideas.	
	<b>EFCF</b>	<b>20%</b>			
	<b>Project Optimum</b>	<b>15%</b>			
<b>15% Ventures</b>	<b>15%</b>	B Ventures	Ventures development leveraging the Company's presence and customers supporting OpCos with developing existing digital and new business streams	<ul style="list-style-type: none"> <li>Collaboration and Synergies</li> <li>new revenue streams</li> </ul>	

### STI 2022 Scorecard

	KPIs	Description	Weight	Threshold	On Target	Stretch	
				<b>Payout level:</b>	<b>80%</b>	<b>100%</b>	<b>120%</b>
<b>A</b>	<b>Group Revenue</b>	Total revenues in USD millions at budget FX rate	<b>25%</b>	95% budget	At budget	110% budget	
	<b>Group EBITDA</b>	Post-IFRS16 EBITDA in USD millions at Budget FX rate	<b>25%</b>	95% budget	At budget	110% budget	
	<b>EFCF</b>	Equity-free cash flow, before licenses, before IFRS 16 and excluding banking balances in JazzCash and MMBL in USD millions	<b>20%</b>	90% budget	At budget	110% budget	
	<b>Project Optimum</b>	Delivery of initiatives USD millions at budget FX rate Project Optimum targets will be aligned with the decision of the finance committee scheduled for discussion on 9 June 2022	<b>15%</b>	As per cost saving targets			
<b>B</b>	<b>VEON Ventures Performance</b>	VEON ventures scorecard as approved by the VEON Ventures Opco Board	<b>15%</b>	Assessment as per VEON ventures performance			
			<b>Total KPI weight</b>	<b>100%</b>			

### Scorecard underpins

Underpins are KPIs which, if not delivered, reduce overall bonus payout by a given coefficient.

Underpin	KPI	Reduction Coefficient (% of total APB payout)
<b>Ethics / Compliance</b>	Ethics & Compliance / Tone at the Top, Compliance with all regulatory requirements, code of conduct, GAM, internal policies, etc. in all OpCos and at the centre	Up to 100% <ul style="list-style-type: none"> <li>Assessed through Ethics and Compliance and Incident Reporting</li> <li>Coefficient at discretion of Audit and Risk Committee, and the Board, reflecting the severity of any breach</li> </ul>
<b>Financial Health</b>	<ul style="list-style-type: none"> <li>Leverage ratio below 2.50x</li> <li>Coverage ratio below 1.00x</li> </ul>	Up to 50% <ul style="list-style-type: none"> <li>Holistic assessment by the finance committee</li> </ul>

# Remuneration report continued

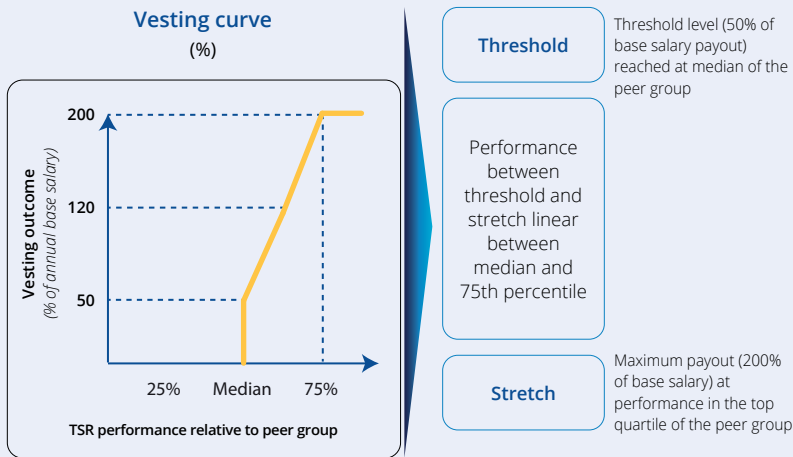
## LTIP Performance condition framework

### Performance condition

Total Shareholder Return (TSR) relative to a customised peer group of companies

### Payout scale (curve)

TSR relative to a customised group of 20 companies



### Underpin

TSR is positive (performance condition for a non-zero threshold payout)

## GEC LTIP terms

<b>Period</b>	Three years, rolling plan
<b>KPIs</b>	Relative TSR performance vs selected peer group
<b>Underpin</b>	Absolute TSR must be positive
<b>Peer group</b>	Consists of 20 telecom operators, publicly listed in similar geographies and/or sector

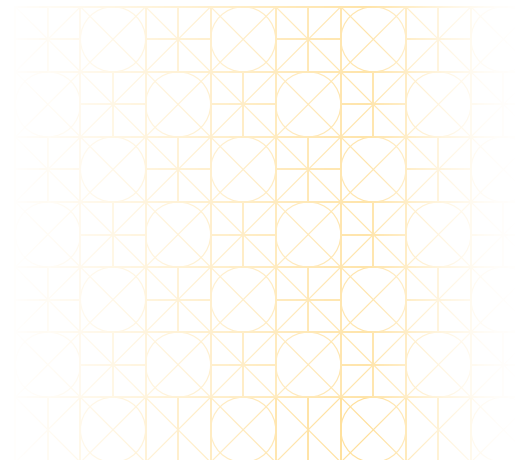
## Malus and clawback policy

The Company has adopted a malus and clawback policy in respect of short-term and long-term incentives. The provisions of the policy allow the Group to reduce or short-term or long-term incentives awards in the event of fraud or gross negligence by an employee ("trigger events"). Malus applies before awards have vested or been paid to an employee while clawback applies for a period of three years from the date the award has vested or payment has been made to an employee.

## GEC members' compensation

Effective from 1 May 2023, Joop Brakenhoff has replaced Serkan Okandan as Group Chief Financial Officer. (See page 8: Group Executive Committee). Serkan Okandan's contract expired on 30 April 2023, therefore, no termination or severance payments were incurred.

Serkan Okandan and Joop Brakenhoff served on the GEC as Group Chief Financial Officer and Chief Internal Audit and Compliance Officer respectively, for the period under review ending 31 December 2022.



# Remuneration report continued

## Compensation of GEC members

		Short-term benefits						
		Base salary <sup>(2)</sup>	Bonus <sup>(3)</sup>	Other <sup>(4)</sup>	Long-term benefits	Share-based payments	Termination benefits <sup>(5)</sup>	Total
<b>2022<sup>(1)</sup></b>								
<b>Individuals</b>								
Kaan Terzioglu	EUR	1,323,000	1,035,891	205,350	-	3,392,793	-	5,957,034
Serkan Okandan	EUR	1,296,000	712,800	1,806,342	-	981,490	-	4,796,632
Joop Brakenhoff	EUR	540,000	297,000	542,362	-	654,502	-	2,033,864
Michael Schulz	EUR	565,000	310,750	500,205	-	482,768	-	1,858,723
Dmitry Shvets	USD	680,135	368,500	728,656	-	459,310	-	2,236,601
Victor Biryukov <sup>(6)</sup>	USD	678,869	361,112	856,404	-	111,111	-	2,007,496
Matthieu Galvani <sup>(7)</sup>	EUR	150,000	83,178	-	-	36,434	-	269,612
Omiyinka Doris <sup>(8)</sup>	EUR	77,583	52,644	11,550	-	-	-	141,777
<b>Former members</b>								
Alex Bolis <sup>(9)</sup>	EUR	187,500	204,555	366,168	-	187,704	-	945,927

<sup>(1)</sup> The information in the above table reconciles to Note 22 of the Consolidated Financial Statements.

<sup>(2)</sup> Includes Base Salary, Holiday Allowance and Acting Allowance in Cash.

<sup>(3)</sup> Includes Annual Performance Bonus, Recognition Bonus and Transaction Bonus.

<sup>(4)</sup> Includes payment for Pension Allowance, Car Allowance, Sign-on Bonus, School Fee, Tax Assistance Fee, Housing Rent, Health Checkup, Relocation Support, Board Abandonment fee, Vacation payment, Special/Reward Award etc.

<sup>(5)</sup> Includes information about Legal Assistance, PILON & Severance.

<sup>(6)</sup> Mr. Biryukov was appointed to the GEC on 1 January 2022, and remained GEC member until 31 October 2022.

<sup>(7)</sup> Mr. Galvani was appointed to the GEC on 1 October 2022.

<sup>(8)</sup> Ms. Doris was appointed to her current GEC role on 1 November 2022.

<sup>(9)</sup> Mr. Bolis remained a GEC member until 30 June 2022.

## Short-term benefits

		Base salary <sup>(2)</sup>	Bonus <sup>(3)</sup>	Other <sup>(4)</sup>	Long-term benefits	Share-based payments	Termination benefits <sup>(5)</sup>	Total
<b>2021<sup>(1)</sup></b>								
<b>Individuals</b>								
Kaan Terzioglu	EUR	1,323,000	1,695,094	205,350	166,518	2,158,098	-	5,548,060
Scott Dresser	EUR	1,300,000	1,300,000	1,013,859	-	277,390	2,625,000	6,516,249
Serkan Okandan	EUR	1,296,000	1,192,320	1,276,225	-	1,066,672	-	4,831,217
Michael Schulz	EUR	237,741	197,107	27,862	-	469,127	-	931,837
Dmitry Shvets	RUB	31,897,960	32,464,386	982,727	-	42,875,424	-	108,220,497
Alex Bolis	EUR	272,448	239,754	77,000	-	330,726	-	919,928
Joop Brakenhoff	EUR	540,000	496,800	96,600	-	467,471	-	1,600,871
<b>Former members</b>								
Murat Kirkgoz	EUR	-	-	-	-	(26,417)	-	(26,417)
Alex Kazbegi	EUR	143,100	128,437	143,936	-	-	579,675	995,148
Sergi Herrero	GBP	540,000	535,562	4,738,263	(124,439)	(52,179)	2,524,438	8,161,645
Ursula Burns	EUR	-	-	-	-	(103,954)	-	(103,954)

<sup>(1)</sup> The information in the above table reconciles to Note 22 of the Consolidated Financial Statements.

<sup>(2)</sup> Includes Base Salary, Holiday Allowance and Acting Allowance in Cash.

<sup>(3)</sup> Includes Annual Performance Bonus, Recognition Bonus and Transaction Bonus.

<sup>(4)</sup> Includes payment for Pension Allowance, Car Allowance, Sign-on Bonus, School Fee, Tax Assistance Fee, Housing Rent, Health Checkup, Relocation Support, Board Abandonment fee, Vacation payment, Special/Reward Award etc.

<sup>(5)</sup> Includes information about Legal Assistance, PILON & Severance.

## Short-term benefits

		Base salary <sup>(2)</sup>	Bonus <sup>(3)</sup>	Other <sup>(4)</sup>	Long-term benefits	Share-based payments	Termination benefits <sup>(5)</sup>	Total
<b>2020<sup>(1)</sup></b>								
<b>Individuals</b>								
Kaan Terzioglu	EUR	1,323,000	930,418	439,657	76,366	88,056	-	2,857,497
Sergi Herrero	GBP	1,050,000	684,059	1,918,050	628,315	52,179	-	4,332,603
Scott Dresser	EUR	1,300,000	2,300,000	24,100	-	(65,526)	-	3,558,574
Serkan Okandan	EUR	864,000	525,730	297,341	-	76,316	-	1,763,387
Alex Kazbegi	EUR	553,500	338,378	104,124	-	-	-	996,002
Joop Brakenhoff	EUR	224,100	147,813	39,908	-	8,775	-	420,596
<b>Former members</b>								
Murat Kirkgoz	EUR	211,600	80,302	40,360	-	(7,954)	-	324,308
Kjell Johnsen	EUR	-	-	299,333	-	(217,080)	-	82,253
Trond Westlie	EUR	16,810	-	212,631	-	(217,080)	-	12,361
Ursula Burns	EUR	1,162,750	540,984	554,328	-	111,403	-	2,369,465

<sup>(1)</sup> The information in the above table reconciles to Note 22 of the Consolidated Financial Statements.

<sup>(2)</sup> Includes Base Salary, Holiday Allowance and Acting Allowance in Cash.

<sup>(3)</sup> Includes Annual Performance Bonus, Recognition Bonus and Transaction Bonus.

<sup>(4)</sup> Includes payment for Pension Allowance, Car Allowance, Sign-on Bonus, School Fee, Tax Assistance Fee, Housing Rent, Health Checkup, Relocation Support, Board Abandonment fee, Vacation payment, Special/Reward Award etc.

<sup>(5)</sup> Includes information about Legal Assistance, PILON & Severance.

## Remuneration report continued

### Vesting deferred share awards

Vested deferred share awards	Award	No of ADRs awarded	Vesting date
<b>Individuals</b>			
Kaan Terzioglu	One-off Award	30,996	1-Jul-22
Serkan Okandan	One-off Award	8,887	1-Jul-22
Joop Brakenhoff	One-off Award	3,703	1-Jul-22
Michael Schulz	One-off Award	5,829	1-Jul-22
Dmitry Shvets	Phantom Share Award	3,829*	1-Jul-22
Kaan Terzioglu	CEO Share Award	62,782	1-Oct-22
Joop Brakenhoff	One-off Award	4,162	31-Dec-22

#### Former member

Alex Bolis	One-off Award	2,572	1-Jul-22
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Outstanding deferred share awards	Award	No of ADRs/ awarded	Vesting date
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#### Individuals

Kaan Terzioglu	One-off Award	30,996	1-Jul-23
Serkan Okandan	One-off Award	8,887	1-Jul-23
Joop Brakenhoff	One-off Award	3,703	1-Jul-23
Michael Schulz	One-off Award	5,829	1-Jul-23
Dmitry Shvets	Phantom Share Award	3,829*	1-Jul-23
Kaan Terzioglu	CEO Share Award	146,490	1-Sep-23
Joop Brakenhoff	One-off Award	4,162	31-Dec-23
Kaan Terzioglu	STI 2022 Deferred Grant	65,761	15-Mar-25
Serkan Okandan	STI 2022 Deferred Grant	45,251	15-Mar-25
Joop Brakenhoff	STI 2022 Deferred Grant	18,855	15-Mar-25
Michael Schulz	STI 2022 Deferred Grant	19,728	15-Mar-25
Matthieu Galvani	STI 2022 Deferred Grant	5,281	15-Mar-25

Dmitry Shvets	STI 2022 Phantom Deferred Grant	20,727*	15-Mar-25
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#### Former member

Alex Bolis	One-off Award	2,572	1-Jul-23
------------	---------------	-------	----------

\* Issued as a Phantom share award due to current legal constraints and under identical terms as share awards.

### LTI award in performance shares

Award in ADRs	2022	2021
Date awarded	18-Oct-22	24-Feb-22
Vesting date	31-Dec-24	31-Dec-23
ADR price at grant	USD 8.95	USD 22.09
<b>Individuals</b>		
Kaan Terzioglu	123,087	103,320
Serkan Okandan	84,697	71,095
Joop Brakenhoff	35,291	29,623
Matthieu Galvani	29,409	-
Michael Schulz	36,924	23,315
Dmitry Shvets	37,747*	30,629
<b>Former member</b>		
Alex Bolis	-	20,572

\* Issued as a Phantom share award due to current legal constraints and under identical terms as share awards.

### GEC service contracts 2022\*

	Position	Start date	Term	End date	Non-compete (months)	Non-solicitation (months)
<b>Individuals</b>						
Kaan Terzioglu	Group Chief Executive Officer	1-Nov-19	Permanent	Indefinite	12	12
Serkan Okandan	Group Chief Financial Officer	1-May-20	3 years	30-Apr-23	6	6
Michael Schulz	Group Chief People Officer	1-Jul-21	Permanent	Indefinite	6	6
Dmitry Shvets	Group Head of Portfolio Management	15-Apr-21	3 years**	14-Mar-25	6	6
Joop Brakenhoff	Chief Internal Audit and Compliance Officer	15-Jan-19	Permanent	Indefinite	6	6
Victor Biryukov	Group General Counsel	1-Jan-22	3 years**	30-Apr-25	6	6
Matthieu Galvani	Chief Corporate Affairs Officer	1-Oct-22	Permanent	Indefinite	6	6
Omiyinka Doris	Acting Group General Counsel	1-Jul-15	Permanent	Indefinite	n/a	n/a

\* All current GEC members may give their notice no earlier than three months; the Company may give executives notice no earlier than six months; No GEC member has a contractual severance provision in their employment agreement.

\*\* Maximum statutory contract duration.



## Remuneration report continued

### Compensation of Board of Directors<sup>(1)</sup>

		Retainer		Committees		Other compensation		Total	
		2022	2021	2022	2021	2022	2021	2022	2021
Hans-Holger Albrecht <sup>(2)</sup>	EUR	483,078	487,500	190,558	136,458	1,184,142	1,098,610	1,857,778	1,722,568
Yaroslav Glazunov	EUR	281,250	75,000	80,000	-	-	-	361,250	75,000
Andrei Gusev <sup>(3)</sup>	EUR	281,250	75,000	52,500	-	500,000	-	833,750	75,000
Gunnar Holt	EUR	625,000	350,000	68,750	150,000	-	-	693,750	500,000
Irene Shvakman	EUR	350,000	195,115	55,000	27,874	-	-	405,000	222,989
Vasily Sidorov	EUR	350,000	195,115	123,750	111,494	-	-	473,750	306,609
Michiel Soeting	EUR	277,083	-	57,083	-	-	-	334,166	-
Karen Linehan	EUR	342,289	-	53,899	-	-	-	396,188	-
Augie Fabela	EUR	175,000	-	57,500	-	-	-	232,500	-
Morten Lundal	EUR	175,000	-	42,500	-	-	-	217,500	-
Stan Miller	EUR	175,000	-	30,000	-	-	-	205,000	-
Mikhail Fridman	EUR	12,500	75,000	-	-	-	-	12,500	75,000
Leonid Boguslavsky	EUR	175,000	335,417	12,500	23,958	-	-	187,500	359,375
Gennady Gazin <sup>(4)</sup>	EUR	387,500	842,708	62,500	57,292	1,566,303	1,971,749	2,016,303	2,871,749
Sergi Herrero	EUR	175,000	195,417	12,500	13,958	-	-	187,500	209,375
Robert Jan van de Kraats	EUR	65,860	350,000	23,522	125,000	-	-	89,382	475,000
Osama Bedier	EUR	-	155,556	-	44,444	-	-	-	200,000
Peter Derby	EUR	-	155,556	-	66,667	-	-	-	222,223
Amos Genish	EUR	-	155,556	-	66,667	-	-	-	222,223
Steve Pusey	EUR	-	189,583	-	53,125	-	-	-	242,708
<b>Total compensation</b>	<b>EUR</b>	<b>4,330,810</b>	<b>3,832,523</b>	<b>922,562</b>	<b>876,937</b>	<b>3,250,445</b>	<b>3,070,359</b>	<b>8,503,817</b>	<b>7,779,819</b>

<sup>(1)</sup> The information in this table reconciles to Note 22 of the Consolidated Financial Statements.

<sup>(2)</sup> Mr. Albrecht was granted equity-settled awards 1,360,095 in 2021. The share awards vested on 10 June 2022, and the shares are subject to a holding period through to 16 July 2023.

<sup>(3)</sup> Mr. Gusev's Other compensation includes discretionary awards for his personal contribution to certain Group M&A transactions, awarded with oversight from the Compensation and Talent Committee.

<sup>(4)</sup> Mr. Gazin's Other compensation includes discretionary award for recognition of his outstanding service, awarded with oversight from the Compensation and Talent Committee. Mr. Gazin was also granted equity-settled awards 1,224,086 in 2021. The share awards vested on 10 June 2022, and the shares are subject to a holding period through to 16 July 2023.



## 6

*Islam Khoja complex, Khiva*

Using our **digital operators** to bring about a **digital transformation**

#### In this section

About our report	90
Independent Assurance Statement	92
Shareholder information	93
Directors' résumés	94
Report disclaimer	97
Glossary of terms	98

## About our report

While our primary aim is to address the information needs of our investors and funders, we use this opportunity to share information relevant to how we create, preserve and minimise the erosion of value for VEON's other key stakeholders, including our employees, customers, suppliers, business partners, governments and regulators.

### Reporting period

VEON's Integrated Annual Report covers the 2022 financial year, from 1 January 2022 to 31 December 2022. Any material events after this date and up to the Board's approval date of 2 May 2023 have been included.

### Operating businesses

The information included in this report relates to our activities at a Group level and includes disclosure relating to our operating companies (OpCos) which include the geographical markets where we had active operations until 31 December 2022. Our scope of reporting does not include markets where businesses were sold during the financial year, businesses where we control less than 50% of the equity, businesses where we do not have management control, or businesses that represent less than 0.15% of our service revenue.

### Financial and non-financial reporting

Our Integrated Annual Report extends beyond financial reporting and includes non-financial performance, opportunities, risks and outcomes attributable to, or associated with, our key stakeholders which have a significant influence on our ability to create sustainable value.

### Stakeholders and materiality

VEON has a range of stakeholder groups that are material to how we operate and create sustainable value. Their feedback is considered in our decision-making and by engaging with them on a regular basis we can understand and evaluate issues relevant to our strategy, business plans and policies. VEON engages with our stakeholders via a variety of forums and channels, including customer feedback platforms, customer and employee surveys and participation in sector and community initiatives, as well as through our membership of local and global associations that represent stakeholder interests.

We explain our approach and the results on page 7.

VEON conducts an annual review of the material matters that could potentially affect the value we create over time and our ability to transform people's lives. We determine our priorities by assessing the materiality of individual topics to our business activities, and their importance to our stakeholders in a context broader than captured by traditional measures of financial materiality. The prioritised issues are discussed with the relevant members of the management and the Group Executive Committee. The materiality assessment and its outcomes are applicable to all entities explained in the reporting scope.

We explain our approach, the results and material matters on pages 13 and 14.

### Reporting frameworks

The Integrated Annual Report for the 2022 financial year is guided using the <IR> framework (a part of the IFRS foundation) which aims to improve the quality of information available to stakeholders, while supporting integrated thinking, decision-making and actions that focus on the creation of value over the short, medium and long term.

In addition, the principles of stakeholder engagement and materiality included in the Global Reporting Initiative (GRI) are used to guide our approach to sustainability and reporting, both in this report and for the supporting materials that can be found on our website.

### GRI Sustainability Reporting Standards

The GRI Sustainability Reporting Standards (GRI Standards) are the most widely adopted global standards for sustainability reporting. The GRI Standards are designed to be used by organisations to understand and communicate their impact on critical sustainability issues such as climate change, human rights, governance and social well-being.

Aligning our reporting with the GRI Standards provides a holistic picture of both our sustainability programmes and our wider business. The GRI Standards help us to showcase how VEON empowers local communities and helps to safeguard the environment, while at the same time thriving economically through improving governance and stakeholder relations, enhancing reputations and building trust. The GRI Standards also help us to contribute to a sustainable global economy by driving greater transparency in corporate reporting and communications.

### The Dutch Transparency Benchmark

The Dutch Transparency Benchmark assesses transparency in corporate social reporting. It is a study of the qualitative and quantitative development of corporate social reporting among the largest companies in the Netherlands. The government of the Netherlands, where VEON is headquartered, requires companies to be transparent about their corporate social responsibility (CSR) policies and activities. The Ministry of Economic Affairs and Climate Policy uses the Transparency Benchmark to provide an insight into the manner in which the largest Dutch companies report their CSR activities.

### The Dow Jones Sustainability Index (DJSI)

The Dow Jones Sustainability Index is the first global sustainability benchmark of indices. The focus of the Dow Jones Indices is to evaluate the sustainability of various publicly traded companies. VEON participated in the DJSI for the first time in 2019. The goal of participating is to demonstrate VEON's sustainability commitment and performance to investors and other stakeholders, as well as to gain insights into our positioning relative to our industry peers and determine the most effective areas for improvement.

### The UN Sustainable Development Goals (SDG)

Reporting on our impact on and progress regarding the UN Sustainable Development Goals helps us to showcase how our individual sustainability programmes and initiatives contribute to wider global goals around inclusive, environmentally and ethically sound advancement.

### Data quality

This report was developed according to the reporting principles defined by GRI Standards. The sustainability reporting system is integrated into our broader financial reporting system, including internal controls.

## About our report continued



### Forward-looking statements

This report may contain forward-looking statements regarding VEON's future performance and prospects. Although we believe that these estimates and forward-looking statements are based upon reasonable assumptions, they are subject to numerous risks and uncertainties and are made in light of information currently available to us.

 Please refer to the report disclaimer on page 97.

### Independent Assurance Statement

Challenge Sustainability Limited was commissioned by VEON Amsterdam B.V. with the objective to provide assurance of specified Subject Matter (ESG-type Metrics on pages 15 to 35) within VEON's 2022 Integrated Annual Report, for the reporting periods 1 January 2021 to 31 December 2021 and 1 January 2022 to 31 December 2022. The agreed objective was to determine whether the Subject Matter is fairly presented, in all material respects, in accordance with the reporting criteria.

 Refer to page 92.

### Relevant data assumptions and estimates

Within our sustainability reporting process, there are relevant data assumptions and estimates to indicate.

### Environmental footprint

VEON is focused on improving on the measurement of Scope 1 (network) greenhouse gas (GHG) emissions and Scope 2 (non-network) GHG emissions and has not as yet begun to quantify Scope 3 GHG emissions.

In many of our operating companies, we have outsourcing agreements relating to the building, management, and maintenance of our network assets, where we attempt to record the key impacts such as energy consumption and relevant health and safety performance of contractors when on VEON premises. This requires estimating consumption based on a mixture of invoice information and knowledge of technical capabilities of different types of equipment. For several of our businesses, we estimate energy consumption for the final period of the year as invoices are not yet available. This is done by referencing invoices received during the year and for the same period in the previous year.

Carbon dioxide equivalent emissions (CO<sub>2</sub>e) arising from energy purchased from national electricity grids are calculated with reference to conversion factors provided by the International Energy Agency (IEA). Sustainability reporting information as well as non-financial data is obtained from each of the operating companies during the process of data collection. The importance of uniformity of data is emphasised. It should be noted that local systems and different methods of measurement and approaches to calculation may result in some uncertainties.

### Third-party data

We do not report on the broader impacts of outsourcing partners or suppliers as these issues should be included in their own sustainability reporting. This statement is applicable for all KPIs that we collect and include in each year's report.

### Variances in individual operating company methods

While we update and streamline the KPI reporting definitions in our Group's Sustainability Reporting Manual annually, we acknowledge that KPI reporting in some instances cannot be completely aligned, as the definitions of certain indicators inevitably vary by country and across some operating companies. Therefore, it is important to disclose, and be aware of, differences in definitions between regions.

### Net Promoter Score (NPS)

NPS is a widely used alternative to traditional customer satisfaction surveys. Respondents are asked how likely they would be to recommend the Company on a scale of one to 10. If they give a score of nine or more, they are considered a promoter, seven to eight are passives. Detractors give a score of six or less. NPS is the difference between the percentage of promoters and detractors, which can range from -100 to 100.

# Independent Assurance Statement

## Scope of engagement

Challenge Sustainability Limited ("Challenge Sustainability", "us" or "we") were commissioned by VEON Amsterdam B.V. (VEON) with the objective to provide assurance of specified Subject Matter (defined below) within VEON's Integrated Annual Report 2022 (the "Report"), for the reporting periods 1st January 2021 to 31st December 2021 and 1st January 2022 to 31st December 2022. Our agreed objective was to determine whether the Subject Matter are fairly presented, in all material respects, in accordance with the reporting criteria. Our assurance engagement does not extend to information relating to earlier periods or to any other information included in the Report.

## Subject Matter

The scope and boundary of our work is restricted to the following key performance indicators as reported on specific pages of the Report:

- Percentage of OpCo CEOs and CEOs minus 1 that received training about anti-corruption (and bribery) policies and procedures (%), page 35
- The total number of employees that received training about anti-corruption (and bribery) policies and procedures (#), page 35
- Percentage of substantiated or partially substantiated SpeakUp reports (#), page 35
- Total number of internal disciplinary actions related to SpeakUp reports (#), page 35
- Number of digital wallets (millions), page 18
- Critical incidents managed preventively and solved without major negative impact (#), page 24
- Number of work-related fatal accidents (#), page 29
- Number of high-consequence work-related injuries (#), page 29
- Work-related injury rate per million hours (#), page 29
- Average # of training hours per employee (#), page 28

To assess the Subject Matter, which includes an assessment of the risk of material misstatement in the Report, we have used VEON's Sustainability Reporting Manual 2022 (the "Reporting Criteria"), which are based on the GRI Sustainability Reporting Standards of the Global Reporting Initiative. VEON's Directors and Senior Managers (the Management), are responsible for preparing the Report in accordance with the Reporting Criteria. We have not performed any work, and do not express any conclusion, on any other information that may be published in the Report or on VEON's website for the current reporting period or for previous periods.

## Basis of our conclusion

We are required to plan and perform our work in order to consider the risk of material misstatement of the Subject Matter. Our work included, but was not restricted to:

- Assessing the appropriateness of the Reporting Criteria for the Subject Matter.
- Reviewing the effectiveness of internal controls and the processes for collecting and consolidating relevant data and information.
- Conducting remote interviews with VEON's Management to obtain an understanding of the key processes, systems and controls in place to generate, aggregate and report relevant data and information.
- Remote meetings with staff at VEON's Head Office and Operating Companies to review the processes for gathering and consolidating relevant data and information and checking its consolidation.
- Examining, on a sample basis, source evidence to support the reported Subject Matter, specifically to establish the relationship between data and information aggregated at Head Office level, with the data and information gathered at Operating Company level, with samples of data from Operating Companies chosen on the base of market size and geographical location.
- Reviewing the evidence, measurements and their scope provided to us by VEON for the Subject Matter to assess whether it was prepared in line with the Reporting Criteria.
- Reviewing the Report and narrative accompanying the Subject Matter in the Report with regards to the Reporting Criteria.

## Our conclusion

**Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the subject matter information is not prepared, in all material respects, in accordance with the applicable criteria. This conclusion relates only to the Subject Matter and is to be read in the context of this Assurance Statement, in particular the inherent limitations explained below.**

## Responsibilities of the Management of VEON

The Management of VEON has sole responsibility for preparing and presenting the Subject Matter in accordance with VEON's Sustainability Reporting Manual 2022. VEON's responsibilities also include maintaining effective internal controls over the information and data, resulting in the preparation of the Subject Matter in a way that is free from material misstatements.

## Responsibilities of Challenge Sustainability

Our responsibility is to plan and perform our work to obtain assurance over whether the Subject Matter has been prepared in accordance with the Reporting Criteria and to report to VEON in the form of an independent assurance conclusion, based on the work performed and the evidence obtained. The intended users of this assurance statement are VEON and its stakeholders. We do not accept, or assume responsibility to anyone else, except to VEON for our work, for the conclusions that we have reached. We have not been responsible for the preparation of the Report.

## Standards and level of assurance

For the **Subject Matter**, we performed a limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 revised – 'Assurance Engagements other than Audits and Reviews of Historical Financial Information' (revised), issued by the International Auditing and Assurance Standards Board. We planned and performed our work to obtain the evidence we considered sufficient to provide a basis for our opinion, so that the risk of this conclusion being in error is reduced but not reduced to very low.

## Inherent Limitations

All assurance engagements are subject to inherent limitations as selective testing (sampling) may not detect errors, fraud or other irregularities. Non-financial data may be subject to greater inherent uncertainty than financial data, given the nature and methods used for calculating, estimating and determining such data. The selection of different, but acceptable, measurement techniques may result in different quantifications between different entities. The procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement and consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our assurance relies on the premise that the data and information provided to us by VEON have been provided in good faith. Challenge Sustainability expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Independent Assurance Statement.

## Our competence, independence and quality control

Challenge Sustainability has established policies and procedures that are designed to ensure that our team maintain independence and integrity. Our quality management arrangements are at least as demanding as the relevant sections of ISQM-1 and ISQM-2 (2022). Challenge Sustainability operates under a Code of Conduct to ensure that its employees maintain integrity, objectivity, professional competence and high ethical standards in their work. Our processes are designed and implemented to ensure that the work we undertake is objective, impartial and free from bias and conflict of interest. Our management arrangements covering independence and ethical requirements are at least as demanding as the relevant sections of Parts A & B of the IESBA Code relating to assurance engagements.

Challenge Sustainability had no additional engagement with VEON during the reporting year that would constitute a conflict of interest or otherwise compromise our independence. This engagement was carried out by an independent team of sustainability assurance professionals. Further information on our competencies and experience can be found at [www.challengesustainability.com](http://www.challengesustainability.com).

## Challenge Sustainability Limited

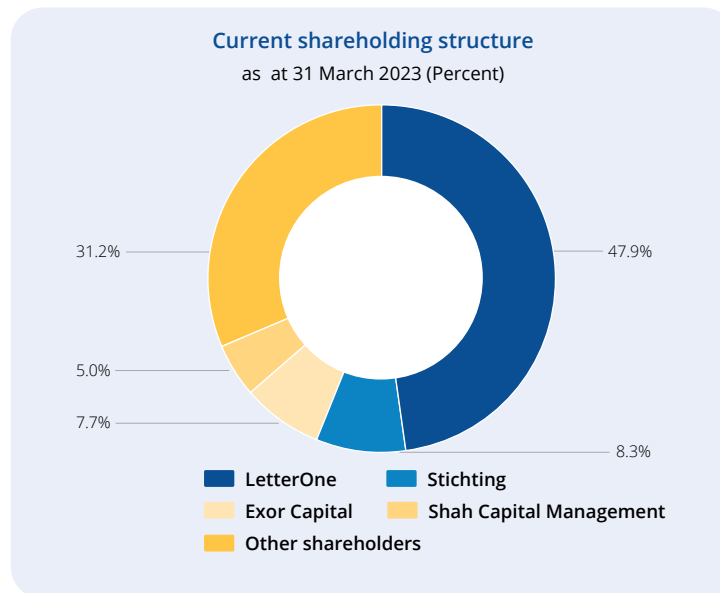
*Challenge Sustainability*

## United Kingdom

12 June 2023

Shareholder information

We are **transforming people's lives**, empowering individuals and driving **economic growth**



**Market capitalisation**  
as at 31 March 2023

**USD 1,245.2 million**

NASDAQ  
Ticker: VEON

EURONEXT AMSTERDAM  
Ticker: VEON

Shareholder	Effective Common Shares	Percent of Common and Voting Shares	Country of incorporation
<b>Total shares in issue<sup>(1)</sup></b>	<b>1,756,731,135</b>	<b>100.0%</b>	
LetterOne Investment Holdings S.A.	840,625,000	47.9%	Luxemburg
Stichting <sup>(2)</sup>	145,947,550	8.3%	The Netherlands
Exor Capital LLP	134,633,500	7.7%	United Kingdom
Shah Capital Management Inc.	87,669,975	5.0%	United States
Other shareholders	547,855,110	31.2%	n/a

Source: public US SEC filings

<sup>(1)</sup> For more information please refer to VEON Form 20-F.

<sup>(2)</sup> Stichting Administratiekantoor Mobile Telecommunications Investor.

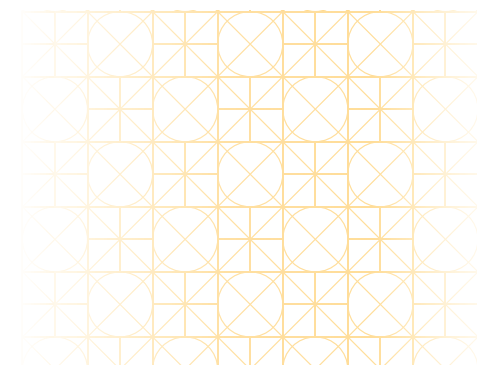
Certain figures and percentages that appear in this table have been subject to rounding adjustments. As a result, certain numerical figures shown as totals may not be exact arithmetic aggregations of the figures that precede or follow them.

**Corporate headquarters**

Claude Debussylaan 88  
1082 MD Amsterdam  
Netherlands

**Contact information**

Investor Relations  
Nik Kershaw  
ir@veon.com



## Directors' résumés



**Gunnar Holt**  
Chairman

Gunnar Holt has served on a number of corporate Boards and was a senior adviser at Telenor ASA from 2006 to 2017 and previously served as Group Finance Director for the Company from 2000. From 1995 to 1999, he worked at Aker ASA and Aker RGI ASA, serving as Vice President and CFO. From 1986 to 1995, he held various leadership positions in the Aker Group, including deputy president of Norwegian Contractors AS, executive Vice President and Chief Financial Officer of Aker Oil and Gas Technology AS, president of Aker Eiendom AS, and finance and accounting director of Aker Norcem AS. From 1978 to 1986, he served as executive officer and special adviser in the Norwegian Ministry of Petroleum and Energy.

Mr. Holt holds a Doctor of Business Administration degree from Henley Management Collage, Brunel University in the United Kingdom; an MBA from the University of Queensland in Australia; and an MBA in finance from the University of Wisconsin. He received a Diplomøkonom from the Norwegian School of Management.



**Hans-Holger Albrecht**  
Independent

Hans-Holger Albrecht is currently a member of the Board of Directors of the following publicly listed entities Scout24 AG (Chairman of the Board since June 2018), Storytel AB (Chairman of the Board since February 2022), and Deezer SA (non-executive Board member since October 2022).

Mr. Albrecht is currently a senior adviser to EQT Group. He was the CEO of Deezer Group, a French online music streaming service between 2015 and 2021. Prior to that, Mr. Albrecht was president and Chief Executive Officer of Millicom International Cellular S.A., a telecom and media group offering digital services to over 50 million customers in Africa and Latin America from 2012 to 2015; a director at Ice Group ASA, a Norwegian mobile network operator from 2015 to 2021; Chairman of the digital advisory Board at Deutsche Postbank Group from 2016 to 2019; and president and CEO at Modern Times Group MTG AB, a publicly traded Swedish digital entertainment company from 2000 to 2012.

Mr. Albrecht holds a doctorate from Ruhr-Universität Bochum in Germany and a Master of Law from the University of Freiburg.



**Karen Linehan**  
Independent  
Re-elected to the  
Board at the  
2023 AGM

Karen Linehan is currently a member of the Board of Directors of publicly listed entities Aelis Farma SA (Board member, Chairwoman of the Audit Committee and member of the Compensation Committee since January 2022), and CNH Industrial N.V. (Board member since April 2022 and Chairwoman of the Audit Committee since September 2022).

Ms. Linehan retired at the end of 2021 as the executive Vice President and general counsel of Sanofi, a CAC 40 global healthcare company, and as a member of the supervisory Boards of Sanofi Aventis Deutschland GmbH and Euroapi, which were both Sanofi subsidiaries. She is an independent Board member of GARDP North America Inc. (Global Antibiotic Research and Development Partnership), a non-profit organisation that develops new treatments for drug-resistant infections and a member of the Board of Visitors at Georgetown University Law Center.

Ms. Linehan graduated from Georgetown University with Bachelor of Arts and Juris Doctorate degrees. Prior to practicing law at as an associate at Townley & Updike in New York, NY from September 1986 until December 1990, Ms. Linehan served on the Congressional Staff of the Speaker of the U.S. House of Representatives from September 1977 to August 1986.



**Augie Fabela**  
Independent  
Re-elected to the  
Board at the  
2023 AGM

Augie K Fabela II was a director of the Company from June 2011 to December 2012, during which time he served as Chairman of the Board. Mr. Fabela is Chairman emeritus and co-founder of VEON Ltd. He is executive Chairman and co-founder of FastForward.ai. In addition, he is a director (Finance Committee) at Shareability, Inc. since 2019.

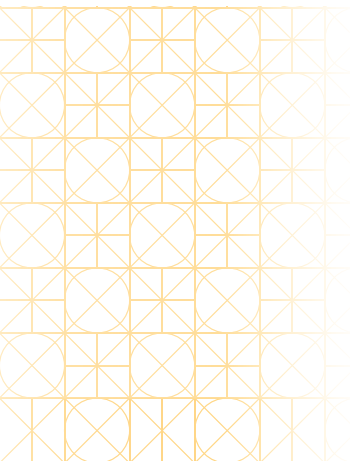
Mr. Fabela is the number one bestselling author of "The Impatience Economy." He graduated from Stanford University with a B.A. and M.A. in International Relations and International Policy Studies.



**Morten Lundal**  
Independent  
Re-elected to the  
Board at the  
2023 AGM

Morten Lundal has over 20 years' experience as an executive in the telecoms sector with extensive experience in emerging markets, having held key positions at Telenor Group in Oslo and Vodafone Group in London as well as CEO of Maxis Bhd and Digi.Com Bhd in Malaysia. In addition, Mr. Lundal has served as a non-executive director of Digital National Bhd, Malaysia since 2020.

Mr. Lundal completed his Master of Business and Economics at the Norwegian School of Management and holds an MBA from the International Institute for Management Development in Lausanne.



## Directors' résumés



**Stan Miller**  
Independent

Stan Miller is currently a member of the Board of Directors of publicly listed entity MTN (member of the Board since 2016).

Stan Miller has over 30 years of experience in the start-up, successful turnaround and running of companies in both the telecommunication and media industries (TMT) – experienced executive – CEO, NED, INED of listed companies on JSE, NYSE, MOEX, AEX, NASDAQ bourses. He has served as a member of and has a deep experience in audit, risk, compliance, strategy, remuneration and nomination, ESG committees of boards.

From 2016 he is member of the Board of MTN Group (South Africa) the largest telecommunication company in Africa – JSE listed – 280 million subscribers – member strategy, risk, ESG, corporate governance committees; From June 2022, he is a member of the Board of VEON Ltd Telecom operator – 220 million subs (NASDAQ/AEX) member of strategy and Nomco, Remco committees; He is also CEO and owner of Athena Investment Holdings SPF SA (Luxembourg); Leaderman NV (Belgium); Leaderman SARL (Luxembourg); Investor, shareholder and director of other own private companies. Senior adviser to PE/Hedge funds in TMT sector.

From 2010 to 2019, he was a member of the Board MTS OJSC-NY/MOEX listed, where he also served on audit/risk, NOMCO/REMCO and strategy committees. From 2011 to 2016 he was Executive Chairman, director and minority shareholder of AINMT AB/ICE Group a telecom operator in Sweden, Norway, Denmark, Indonesia and Brazil (later listed on Oslo Stock Exchange after split of international operations) – majority owned by Access Industries.

From 1999 till 2010, he was a member of the Board of Royal KPN, CEO KPN Mobile and CEO of the Mobile International Business. He was responsible for the sale of non-core assets when KPN faced a financial ruin in 2000. He was responsible for the successful turnaround in The Netherlands, Germany, Belgium, and building new businesses (MVNO) in France, Spain. He introduced a “Challenger” strategy & business model as Chairman of E-Plus (Germany) and BASE (Belgium) where he introduced – changed the business model, creating significant value of Euro 12 billion for KPN and its’ shareholders from basically bankrupt businesses. He also served as Chief Executive Officer and chairman of BASE N.V. in Belgium, a company that he successfully launched as KPN-Orange in 1998.

From 1991 – 1997 prior to joining KPN, he held leading positions in the pan-European Pay TV operator Nethold (DSTV, MultiChoice) a joint venture between MNET & Richemont. His last assignment being as Chief Executive Officer of its operations in Italy, where the first European digital satellite offering was launched at Telepiu. Nethold was sold to Vivendi/Canal Plus in 1997. Prior to 1991, he held several senior management positions at M-Net/DSTV/ MultiChoice Electronic Media pay television in South Africa (part of NASPERS – PROSUS) and was one of the founding executives of MNET in South Africa and General manager of its operations in South Africa – relocating to Europe in 1991 to join Nethold.

Stan has a deep understanding of different cultures and the diversity of running businesses across Europe, Africa and beyond and the impact that has on business. In Europe he has lived and worked in Italy, The Netherlands, Belgium, Germany, Greece, Norway, Sweden and Denmark. He also has a deep understanding of emerging markets in Africa, Eastern Europe and beyond.

He has both Belgian and South African nationalities and is a Luxembourg resident.



**Irene Shvakman**  
Independent

Irene Shvakman is co-founder and Chairwoman of Revo Technologies and has more than 25 years of experience in fintech, financial services and technology development. Until 2016, Ms. Shvakman was a senior partner at McKinsey & Company, where she advised top executives at leading banks, insurers, and regulators across emerging markets on strategy, organisation and performance transformation.

Ms. Shvakman holds an MBA from Harvard Business School and a Bachelor of Science in Biochemistry from Brown University in the United States. Since 2020, Ms. Shvakman serves as a member of the European Advisory Board of Harvard Business School.



**Vasily Sidorov**  
Independent

Vasily Sidorov has over 25 years’ experience in top management and non-executive directorship roles in telecoms, technology, transport and other industries. His executive roles include president and Chief Executive Officer of MTS from 2003 to 2006, first VP for finance and investments at Sistema-Telecom (Russia) from 2000 to 2003, and Chief Financial Officer of Svyazinvest (Russia) from 1997 to 2000. He was a key investor and founder of a number of telecoms-related businesses and non-executive director at a number of technology ventures. Mr. Sidorov has served on Boards of large public and non-public corporations, such as Russian Railways from 2012 to 2018, Aeroflot from 2013 to 2020, Russian Post from 2019 to 2020, and G-Group from 2022 to present. He is currently a principal venture capital, private equity and special situations investor in Continental Europe, Middle East, Africa, and the United States. Mr. Sidorov serves as a member of the Board of AS RUS MEDIA, publisher of Forbes Russia, since 2018.

Mr. Sidorov completed a Bachelor of Science in Economics and the Wharton School of Business University of Pennsylvania and a Master of International Public Law from the Moscow State Institute of International Relations.



**Michiel Soeting**  
Independent  
Re-elected to the  
Board at the  
2023 AGM

Michiel Soeting is currently a member of the Board of Directors of publicly listed entity Serica Energy Plc (non-executive director since February 2023).

Mr. Soeting has 32 years of experience with KPMG, one of the leading audit firms worldwide. While at KPMG, he worked in key locations in the EMEA, ASPAC and the Americas regions, becoming KPMG partner in 1998 and leading some of its largest global advisory and audit clients, including BHP Group, Equinor, LafargeHolcim, Philips Electronics, RD Shell, and Wolters Kluwer. From 2008, Mr. Soeting served as a global head of the KPMG Energy and Natural Resources (ENR) sector, and as a global Chairman of the KPMG ENR Board. From 2009 to 2014, he was a member of the KPMG Global Markets Steering Committee. From 2012 to 2014, Mr. Soeting served as a member of the European Resource Efficiency Platform of the European Commission. From 2019, Mr. Soeting has taken on various oversight roles, in particular, as a member of the Advisory Board of Parker College of Business of Georgia Southern University in the United States and, from January 2021, as a member of the Board of Governors of Reed’s Foundation in the United Kingdom.

Mr. Soeting graduated from Vrije University of Amsterdam, the Netherlands as a Chartered Accountant where he completed his Doctoral studies in Economics. He holds an MBA from Georgia Southern University in the United States. In addition, Mr. Soeting is a qualified Chartered Accountant in the United Kingdom.



## Directors' résumés continued



**Yaroslav Glazunov**  
Non-independent\*  
Re-elected to the  
Board at the  
2023 AGM

Yaroslav Glazunov is currently a partner at the publicly listed entity Korn Ferry (partner since 2021).

Mr. Glazunov is a senior adviser at the international investment firm LetterOne where he focuses on long-term investment portfolio management. He oversees portfolio strategy and governance, as well as leadership performance, drawing upon more than two decades of advisory experience in Europe, Asia and the Middle East. He is Chairman for Central Eurasia at Korn Ferry, the world's largest organisational consulting company. In addition to his commercial roles, Mr. Glazunov chairs an NGO engaged in the advancement of arts education.

\* Under the Nasdaq listing rules and the Boards independence standards, Yaroslav Glazunow is deemed not independent due to his close association with our major shareholder, LetterOne.



**Andrei Gusev**  
Non-independent\*\*  
Re-elected to the  
Board at the  
2023 AGM

Andrei Gusev is a senior partner at LetterOne Technology (UK) LLP, joining in 2014, and was a managing director at Altimo from 2013 to 2014. Mr. Gusev was Chief Executive Officer of X5 Retail Group N.V. from 2011 to 2012 and prior to that, served as its director of business development and M&A from 2006 to 2010. From 2001 to 2005, Mr. Gusev served as managing director of the Alfa Group with overall responsibility for investment planning. Prior to that, Mr. Gusev worked at Bain & Company and Deloitte Consulting.

Mr. Gusev received an MBA from the Wharton School at the University of Pennsylvania in 2000 and a diploma with honours from the Department of Applied Mathematics and Computer Science at Lomonosov Moscow State University in 1994.

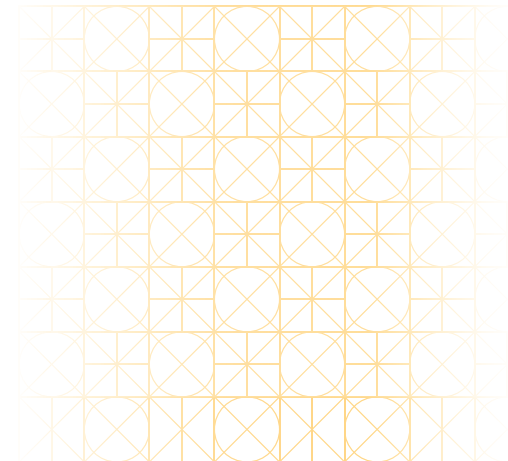
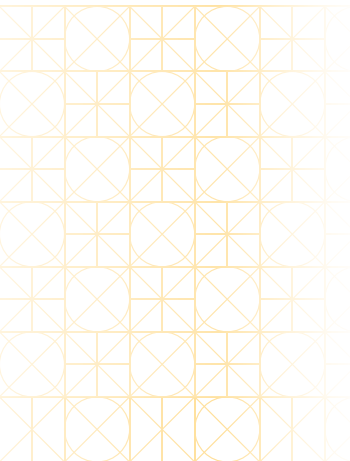
\*\* Under the Nasdaq listing rules and the Board's independence standards, Andrei Gusev is deemed not independent due to his close association with our major shareholder, LetterOne.



**Kaan Terzioğlu**  
Non-independent\*\*\*  
Elected to the  
Board at the  
2023 AGM

Kaan Terzioğlu has been serving the Group as the Group Chief Executive Officer since June 2021. As the Group CEO, Terzioğlu leads the executive teams of the Company's digital operators providing connectivity and digital solutions, empowering their customers with digital finance, education, entertainment and health services, among others, and supporting the economic growth of the Company's operating markets. Prior to being appointed as the Group CEO, Mr. Terzioğlu served the Company as Group Co-CEO from March 2020 to June 2021, Group Co-CEO from November 2019 to March 2020 and a Board director from July 2019 to October 2019. Kaan Terzioğlu is currently a Board Member of the GSMA and of the GSMA Foundation, and also serves on the board of Digicel. Prior to joining the Company, Mr. Terzioğlu held regional and global leadership roles in management consulting, technology and telecoms with Arthur Andersen, CISCO and Turkcell in Belgium, United States and Turkey. In 2019, Mr. Terzioğlu received GSMA's "Outstanding Contribution to the Industry" award for his leadership in creating a digital transformation model for the telecoms industry and for his contributions to socially responsible business in telecommunications industry. Mr. Terzioğlu holds a Bachelor's Degree in Business Administration from Bogazici University and is also a Certified Public Accountant (Istanbul Chamber of Certified Independent Public Accountants).

\*\*\* Under the Nasdaq listing rules and the Board's independence standards, Kaan Terzioğlu is deemed non-independent because he is the Group Chief Executive Officer.



# Report disclaimer

## Cautionary note regarding forward-looking statements

This Integrated Annual Report 2022 (Report) contains estimates and forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act") and Section 21E of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"). These estimates and forward-looking statements are mainly based on our current expectations and estimates of future events and trends, which affect or may affect our businesses and operations. Although we believe that these estimates and forward-looking statements are based upon reasonable assumptions, they are subject to numerous risks and uncertainties and are made in light of information currently available to us. In addition to the factors discussed in the section of this Report entitled "Managing Our Risks", please refer to Item 3D. – Risk Factors of our annual report on Form 20-F for the year ended December 31, 2022 filed with which will be filed with the SEC in due course ("Form 20-F") for further discussion relating to factors that may adversely affect our results as indicated in forward-looking statements.

You should read this Report completely and with the understanding that our actual future results may be materially different and worse from what we expect. All statements other than statements of historical fact are forward-looking statements. The words "may," "might," "will," "could," "would," "should," "expect," "plan," "anticipate," "intend," "seek," "believe," "estimate," "predict," "potential," "continue," "contemplate," "possible" and similar words are intended to identify estimates and forward-looking statements. Our estimates and forward-looking statements may be influenced by various factors, including, without limitation:

- Our ability to complete the sale of our operations in Russia which consists of PJSC VimpelCom ("VimpelCom") and its subsidiaries (collectively, our "Russian Operations"); in the event the sale of our Russian Operations does not complete, or the sale is significantly delayed, we will continue to be exposed to risks relating to operating in Russia.
- The ongoing conflict between Russia and Ukraine, including: the adverse impact on the economic conditions and outlook of Ukraine; the effect of sanctions on our supply chain, ability to transact with key counterparties and obtain financing; the resulting volatility in the Ukrainian hryvnia and other local currencies; our ability to operate and maintain our infrastructure; reputational harm we may suffer from as a result of the conflict; and its impact on our liquidity, financial condition and our ability to operate as a going concern, among numerous other consequences.
- Developments in the international economic conditions (including inflationary pressures and rising interest rates) and the geopolitical environment.
- Our ability to generate sufficient cash flow and raise additional capital to meet our debt service obligations, our expectations regarding working capital, the servicing and repayment of our indebtedness and ability to satisfy our projected capital requirements.
- Our ability to develop new revenue streams and achieve portfolio and asset optimizations, improve customer experience and optimise our capital structure.
- Our goals regarding value, experience and service for our customers, as well as our ability to retain and attract customers and to maintain and expand our market share positions.
- Our ability to implement and execute our strategic priorities successfully and to achieve the expected benefits from, our existing and future transactions.

- Adverse global developments, including wars, terrorist attacks, natural disasters, and pandemics, including any further adverse developments relating to the Covid-19 pandemic.
- Environmental factors, including climate related disasters such as floods, or the implementation of climate-related laws and regulations that could impact our business and its operations and expenses.
- Our plans regarding our dividend payments and policies, as well as our ability to receive dividends, distributions, loans, transfers or other payments or guarantees from our subsidiaries.
- Potential cyber-attacks or other cybersecurity threats, which may compromise confidential information or render our services inaccessible.
- Our plans to develop, provide and expand our products and services, including operational and network development, optimisation and investment, such as expectations regarding the expansion or roll-out and benefits of 3g, 4g/lte and 5g networks or other networks, broadband services and integrated products and services, such as fixed-mobile convergence, and digital services in the areas of financial technology, digital advertising and entertainment.
- Our expectations as to pricing for our products and services in the future, improving our ARPU and our future costs and operating results.
- Our ability to meet licence requirements, to obtain, maintain, renew or extend licences, frequency allocations and frequency channels and to obtain related regulatory approvals.
- Adverse legislative, regulatory and judicial developments which frustrate our profitability and ability to operate in our geographies.
- Our plans regarding marketing and distribution of our products and services, including customer loyalty programmes.
- Our expectations regarding our competitive strengths, customer demands, market trends and future developments in the industry and markets in which we operate.
- Our ability to retain key personnel.
- Other statements regarding matters that are not historical facts.

These statements are management's best assessment of our strategic and financial position and of future market conditions, trends and other potential developments. While they are based on sources believed to be reliable and on our management's current knowledge and best belief, they are merely estimates or predictions and cannot be relied upon. We cannot assure you that future results will be achieved. The risks and uncertainties that may cause our actual results to differ materially from the results indicated, expressed or implied in the forward-looking statements used in this Report include, without limitation:

- Risks relating to the sale of our Russian Operations, including the risks of delay to the consummation of the sale due to conditions imposed by lenders or regulatory authorities, significant transaction costs in connection with the sale, our continued use of the beeline name and mark through an amended license agreement with Vimpelcom, continued exposure to risks relating to operating in Russia in the event that the sale does not complete and any adverse effect to our business and operations due to the completion of the sale of our Russian Operations.
- Risks relating to the ongoing conflict between Russia and Ukraine, such as its adverse impact on the economic conditions and outlook of Ukraine; physical damage to property, infrastructure and assets; the effect of sanctions and export controls on our supply chain, the ability to transact with key counterparties or to effect cash payments through affected clearing systems to bondholders, obtain financing, upstream

- interest payments and dividends and the ability to operate our business; the resulting volatility in the Ukrainian hryvnia and our other local currencies; our ability to operate and maintain our infrastructure; reputational harm we may suffer as a result of the conflict, sanctions (including any reputational harm from certain of the ultimate beneficial owners of our largest shareholder, L1T VIP Holdings S.à r.L. ("Letterone"), being subject to sanctions, including the risk that having letterone as an ultimate beneficial owner could lead to nationalisation risk of kyivstar) and the geographical location of our operations; and its impact on our liquidity, financial condition and our ability to operate as a going concern.
- Risks relating to foreign currency exchange loss and other fluctuation and translation-related risks.
- Risks relating to changes in political, economic and social conditions in each of the countries in which we operate and where laws are applicable to us, such as any harm, reputational or otherwise, that may arise due to changing social norms, our business involvement in a particular jurisdiction or an otherwise unforeseen development in science or technology.
- Risks related to solvency and other cash flow issues, including our ability to raise the necessary additional capital and raise additional indebtedness, our ability to comply with the covenants in our financing agreements, the ability of our subsidiaries to make dividend payments, our ability to upstream cash from our subsidiaries, our ability to develop additional sources of revenue and unforeseen disruptions in our revenue streams.
- Risks due to the fact that we are a holding company with a number of operating subsidiaries, including our dependence on our operating subsidiaries for cash dividends, distributions, loans and other transfers received from our subsidiaries in order to make dividend payments, make transfers to veon ltd. As well as certain intercompany payments and transfers.
- Risks associated with cyber-attacks or systems and network disruptions, data protection, data breaches, or the perception of such attacks or failures in each of the countries in which we operate, including the costs associated with such events and the reputational harm that could arise therefrom.
- Risks associated with our existing and future transactions, including with respect to realising the expected synergies of closed transactions, satisfying closing conditions for new transactions, obtaining regulatory approvals, implementing remedies, and assuming related liabilities.
- Risks related to the impact of export controls, international trade regulation, customs and technology regulation, on the macroeconomic environment, our operations, our ability, and the ability of key third-party suppliers to procure goods, software or technology necessary to provide services to our customers, particularly services related to the production and delivery of supplies, support services, software, and equipment sourced from these suppliers.
- In each of the countries in which we operate and where laws are applicable to us, risks relating to legislation, regulation, taxation and currency, including costs of compliance, currency and exchange controls, currency fluctuations, and abrupt changes to laws, regulations, decrees and decisions governing the telecommunications industry and taxation, laws on foreign investment, anti-corruption and anti-terror laws, economic sanctions, data privacy, anti-money laundering, antitrust, national security and lawful interception and their official interpretation by governmental and other regulatory bodies and courts.

- Risks that the adjudications, administrative or judicial decisions in respect of legal challenges, licence and regulatory disputes, tax disputes or appeals may not result in a final resolution in our favour or that we are unsuccessful in our defense of material litigation claims or are unable to settle such claims.
- Risks relating to our company and its operations in each of the countries in which we operate and where laws are applicable to us, including regulatory uncertainty regarding our licenses, regulatory uncertainty regarding our product and service offerings and approvals or consents required from governmental authorities in relation thereto, frequency allocations and numbering capacity, constraints on our spectrum capacity, access to additional bands of spectrum required to meet demand for existing products and service offerings or additional spectrum required from new products and services and new technologies, intellectual property rights protection, labour issues, interconnection agreements, equipment failures and competitive product and pricing pressures.
- Risks related to developments from competition, unforeseen or otherwise, in each of the countries in which we operate and where laws are applicable to us, including our ability to keep pace with technological changes and evolving industry standards.
- Risks related to the activities of our strategic shareholders, lenders, employees, joint venture partners, representatives, agents, suppliers, customers and other third parties;
- Risks related to the ownership of our ADSs, including those associated with Veon Ltd's status as a Bermuda company and a foreign private issuer.
- Other risks and uncertainties as set forth in item 3D. – Risk factors contained in our annual report on form 20-F.

These factors and the other risk factors described in Item 3D. – Risk Factors contained in our Annual Report on Form 20-F are not necessarily all of the factors that could cause actual results to differ materially from those expressed in any of our forward-looking statements. Other unknown or unpredictable factors also could harm our future results. New risk factors and uncertainties emerge from time to time and it is not possible for our management to predict all risk factors and uncertainties, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. Under no circumstances should the inclusion of such forward-looking statements in this Report be regarded as a representation or warranty by us or any other person with respect to the achievement of results set out in such statements or that the underlying assumptions used will in fact be the case. Therefore, you are cautioned not to place undue reliance on these forward-looking statements. The forward-looking statements included in this Report are made only as of the date of this Report. We cannot assure you that any projected results or events will be achieved. Except to the extent required by law, we disclaim any obligation to update or revise any of these forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events.

VEON's results presented in this Report are, unless otherwise stated, based on IFRS. Certain amounts and percentages that appear in this Report have been subject to rounding adjustments. As a result, certain numerical figures shown as totals, including those in the tables, may not be an exact arithmetic aggregation of the figures that precede or follow them.

## Glossary of terms

<b>4G</b>	Fourth generation
<b>AML</b>	Anti-money laundering
<b>AMTOB</b>	Association of Mobile Telecom Operators of Bangladesh
<b>ARPU</b>	Average revenue per user
<b>B2B</b>	Business-to-business, a type of electronic commerce (e-commerce), is the exchange of products, services or information between businesses, rather than between businesses and consumers
<b>B2C</b>	Business-to-consumer, is a commerce model between a business and an individual consumer.
<b>BDT</b>	Bangladeshi Taka
<b>BRC</b>	Business Risk Committee
<b>BTS</b>	Base transceiver stations
<b>Capex</b>	Capital expenditures purchases of property and equipment, new construction, upgrades, software, other long-lived assets and related reasonable costs incurred prior to intended use"
<b>Capex intensity</b>	Last twelve-months (LTM) capex divided by LTM total revenue
<b>Covid-19</b>	Coronavirus disease of 2019
<b>CEO</b>	Chief Executive Officer
<b>CFO</b>	Chief Financial Officer
<b>CSR</b>	Corporate social responsibility
<b>DO</b>	Digital operator
<b>EBITDA</b>	Earnings before interest, taxes, depreciation and amortization
<b>EBITDA margin</b>	EBITDA divided by total revenue, expressed as a percentage
<b>EFCF</b>	Equity free cash flow, measures the amount of cash remaining for equity holders once operating expenses, re-investments, and financing-related outflows have been accounted for.
<b>ERM</b>	Enterprise Risk Management
<b>ESG</b>	Environmental, Social, and Governance.
<b>FX</b>	Foreign exchange
<b>GAM</b>	Group Authority Matrix
<b>GDP</b>	Gross domestic product is the most commonly used measure for the size of an economy
<b>GDPR</b>	General Data Protection Regulations
<b>GEC</b>	Group Executive Committee
<b>GHG</b>	Greenhouse Gas
<b>GRC</b>	Governance, Risk and Compliance
<b>GRI</b>	Global Reporting Initiative
<b>GSMA</b>	Global System for Mobile Communications Association
<b>HQ</b>	Group Head Quarters

<b>&lt;IR&gt;</b>	The International Integrated Reporting Framework
<b>ICFR</b>	Internal controls over financial reporting
<b>IoT</b>	Internet of Things
<b>ITU</b>	International Telecommunications Union)
<b>KGS</b>	Kyrgyzstani som
<b>KZT</b>	Kazakhstani tenge
<b>LCCY</b>	Local currency
<b>LTE</b>	Long-term evolution, a standard for wireless broadband communication for mobile devices and data terminals
<b>LTI</b>	Long-term incentive
<b>LTM</b>	Last twelve months
<b>MAUs</b>	Monthly active users
<b>MSME</b>	Micro, small and medium size enterprise
<b>NGO</b>	Non-government organisation
<b>NPS</b>	Net promoter score is the methodology VEON uses to measure customer satisfaction
<b>NTA</b>	National Telecom Association
<b>OpCo</b>	Operating company
<b>OTT</b>	Over the top
<b>PKR</b>	Pakistani Rupee
<b>PP</b>	Percentage point
<b>RCF</b>	Rapid credit facility
<b>RUB</b>	Russian Ruble
<b>SIM</b>	Subscriber Identity Module
<b>SMS</b>	Short message service
<b>SOX</b>	The Sarbanes-Oxley Act of 2002 is a United States federal law that mandates certain practices in financial record keeping and reporting for corporations.
<b>STI</b>	Short-term incentive
<b>UAH</b>	Ukrainian hryvnia
<b>UNICEF</b>	United Nations Children's Fund
<b>USD</b>	US Dollar
<b>UZS</b>	Uzbekistani sum
<b>VoLTE</b>	Voice over Long-term evolution offers the possibility to make voice calls via the data communication of the LTE/4G mobile network
<b>VWS</b>	VEON's wholesale services
<b>YoY</b>	Year on year

# VEON

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