

# Contributing to society

At VEON, we serve 160 million customers across six countries and multiple communities that are home to more than 7% of the world's population. We operate in markets where the opportunities for growth and transformation are immense. In many communities, 50% of the population is coming online for the first time, and mobile broadband connections are growing at a rapid pace.

Our strategy ensures that as these communities develop and their economies grow, they do so in a way that leaves no one behind. Our mission goes beyond providing connectivity: we are committed to empowering communities by creating opportunities for greater digital inclusion in financial services, entertainment, education, healthcare, and more.

We understand that sustainable value creation for stakeholders is inseparable from protecting that value and contributing meaningfully to society. We remain committed to leveraging our collective strengths to navigate complex challenges, drive reform, and create a positive legacy.

In a world where only 11% of surveyed executives acknowledge that their companies succeed at shaping government and regulatory decisions, VEON is proud to be bucking this trend, successfully developing and implementing strategies which have achieved key milestones and strengthened our relationships with and contributions to society, generating sustainable value for all stakeholders.

Our contribution to society is structured around two pillars: our approach to taxes and the way we build political capital.

## Our approach to taxes: upholding the highest standards of transparency and accountability

As a multinational company, VEON is subject to a diverse range of tax laws and regulations across the various jurisdictions in which it operates. The Company ensures it pays its fair share of taxes in every jurisdiction where it operates, contributing to local economies via investment as well as to national budgets via taxation. VEON is committed to being a socially responsible business by upholding the highest standards of transparency and accountability.

The Company's tax risks are primarily managed by an experienced in-house tax team, which closely monitors developments in local and international tax legislation, ensuring that VEON meets its obligations across all jurisdictions in which it operates. The in-house team works in collaboration with external advisors who provide expert insights and guidance on complex tax matters, helping to navigate any potential risks.

This combined approach ensures that VEON proactively identifies, evaluates, and mitigates tax-related risks, while maintaining transparency and adherence to best practices. The framework includes robust internal controls to ensure timely and accurate reporting, fostering a culture of compliance and accountability within the organization.

VEON is not involved in aggressive tax planning strategies, but focuses on responsible financial practices. This approach reflects our dedication to fostering sustainable value creation, building trust with stakeholders, and playing an active role in the communities we serve, while creating long-term value for society.

This commitment is directly reflected in a fairly high tax burden. For example, the effective tax rate was 30.8% in 2024 and 32.0% in 2023, as VEON pays various direct and indirect taxes worldwide, as well as duties and social contributions to governmental bodies.

VEON actively engages with governments and other regulatory bodies on tax matters, recognizing the importance of open dialogue. In developing jurisdictions where we operate, VEON works closely with local stakeholders to address and navigate controversial tax law changes. We seek and propose decisions that balance the interests of the citizens, government and the industry, such as our project "250+" in Kazakhstan which grants the industry a 90% discount for annual frequency fees in return for rollout in villages with 250 or more inhabitants.

By participating in discussions, providing insights, and collaborating with policymakers, VEON helps ensure that tax regulations are fair, transparent, and conducive to sustainable economic growth. This proactive engagement allows VEON to contribute to the development of balanced tax policies that support both business growth and the broader public interest, while also fostering positive relationships with governments and other key stakeholders in the regions it serves.

## Country-by-country reporting

VEON is committed to enhancing its transparency and accountability by adopting public Country-by-Country Reporting (CbCr).

By disclosing key financial and tax information on a country-specific basis, VEON aims to provide greater visibility into its operations, ensuring that stakeholders can better understand the Company's global tax practices. This initiative aligns with VEON's commitment to responsible business conduct and transparency, reinforcing its dedication to building trust with investors, regulators, and the communities in which it operates.

Through public CbCr, VEON seeks to further demonstrate its commitment to fair taxation and responsible corporate governance. Our first CbCr report will cover the year 2025 and is intended to be released by 31 December 2026.

## Building political capital in society

Within VEON, building political capital is the cornerstone of the Corporate Affairs function. The Corporate Affairs function's narrative is a powerful example of ethical leadership which resonates with stakeholders across diverse geographies. The function ensures that VEON's voice is heard by those who can safeguard and propel our business strategy forward.

Re-established at the onset of the war between Russia and Ukraine, the Corporate Affairs function has since evolved. VEON appointed a Group Corporate Affairs Officer to take on the responsibility of building political capital, engaging directly with governments and regulators around the globe, with teams embedded in each market to ensure local insights, and the director focused on forging strategic relationships in the U.S., U.K., E.U. and beyond. We are launching a new engagement work stream to build crucial political capital with U.A.E. authorities as we relocate VEON's HQ to Dubai.

The Corporate Affairs team's mission is to enable, generate, and protect the value of VEON's business. Stakeholder engagement has an enormous impact on the revenue and profitability of companies operating in heavily-regulated industries including our own. When asked by McKinsey, executives expect governments to have the second-greatest impact on their companies' value, second only to customers themselves.

At every opportunity, Corporate Affairs has worked diligently with authorities to share VEON's story: one which underscores our evolution, our decision to exit Russia, and our commitment to stand with Ukraine even when it meant giving up half of our business, with a transaction value amounting to billions of dollars.

## Protecting our values and upholding our commitments to society

VEON's 2023 exit from Russia represented one of the most successful divestments in the telecom industry, both in terms of scale and financial outcome. As one of the largest telecom operators in the region, we navigated complex geopolitical, regulatory, and financial challenges to achieve a swift and effective separation from our Russian assets.

## Contributing to society *continued*

Another 2024 achievement of the Corporate Affairs function has been protecting VEON's value. Amid challenging regulatory environments and complex geopolitical pressures, the team has worked tirelessly to secure VEON's interests and reputation, while upholding our commitments to integrity, transparency and high ethical standards.

The team ensures that key stakeholders in international forums fully understand VEON's crucial role in our mission to serve the underserved across our markets, bringing vital services to citizens to allow them to participate more fully in the digital transformation taking place across the world, bridging rural, gender and economic divides, and our key role in supporting Ukraine's resilience in the face of extreme adversity.

Through strategic dialogue with international organizations such as GSMA, the IMF and the World Bank, we have played a key role in shaping reforms to support both our industry and the broader economies in our markets, helping them to come closer to achieving their developmental potential. These efforts reaffirm our steadfast belief that protecting our value goes hand in hand with upholding our responsibilities to society.

### Empowering teams and fostering collaboration

Recognizing that our people are at the forefront of navigating complex regulatory challenges, the Corporate Affairs function initiated high-impact, face-to-face engagements to exchange ideas and share best practices.

One memorable example is our off-site meeting in Tashkent, where we not only celebrated our recent successes, such as the cancellation of excise tax in Uzbekistan, which has held back digital and economic developments driven by the Company and the wider private sector, but also nurtured the spirit of "one team, one mission" that runs throughout our teams across the globe:

**"By inviting esteemed speakers and facilitating open discussions, I witnessed firsthand how collaboration and shared purpose can lead to innovative solutions, even in the midst of adversity. This sense of belonging and mutual support has enabled us to confront challenges, from local regulatory pressures to global economic shifts, with resilience and optimism."** – Marine Babayan, Group Corporate Affairs Officer.

### Initiative

#### Uzbekistan excise tax and customs duty

In December 2024, the Ministry of Finance and the Presidential Administration agreed to the abolition of the historical 10% excise tax on telecom services, helping to bring the country's tax structures in line with global practices. The government's future-oriented decision to eliminate the tax for the mobile industry from 2025 is expected to benefit customers and foster local economic growth.

Furthermore, an extension of the customs duty exemption on telecom equipment was agreed. Initially granted by a Presidential Decree set to expire in January 2025, the exemption was extended until 1 January 2030 through Presidential Decree-229. This progressive measure is anticipated to enhance both the coverage and quality of telecom services in the country.

#### Corporate rights unfrozen in Ukraine

In November 2024, the Shevchenkivskyi District Court of Kyiv ruled in favor of unfreezing VEON's corporate rights, lifting restrictions that had affected Kyivstar and other Ukrainian subsidiaries, including the Ukraine Tower Company, Kyivstar.Tech, and Helsi.

This decisive ruling supports VEON's longstanding commitment to Ukraine, where the Company has invested over USD10 billion, and reinforces its pledge to invest an additional USD1 billion to rebuild the country's digital infrastructure through 2027. Recognized as the top private international investor in Ukraine, VEON and Kyivstar continue to play a vital role in the nation's resilience.

#### Pakistan 3G sunset and transition to 4G

In November 2024, VEON's Jazz in Pakistan successfully managed all the necessary approvals to sunset 3G services, transitioning to a 4G-only mobile broadband network, which will enable significant improvements in connectivity. This milestone made Jazz the first telecom operator in Pakistan to fully phase out 3G services, marking a significant advancement in the country's mobile infrastructure.

#### Pakistan national roaming launched

In August 2024, VEON's Jazz team in Pakistan launched the country's first national roaming arrangement in the Baluchistan province. This initiative, developed to meet license rollout obligations, enabled Jazz to deploy 60 sites per annum through roaming services without incurring additional capital or operational expenditures. The innovative solution is projected to deliver significant cost savings through 2029 while ensuring compliance with regulatory requirements.

#### Bangladesh spectrum payment currency conversion

In August 2024, the Bangladesh Telecommunication Regulatory Commission made a landmark decision to de-link spectrum payments from the U.S. dollar and set them in Bangladeshi taka. This is a key change which brings the country into line with international best practices, and removes the uncertainty from fluctuating forex rates which made investment into the country's infrastructure more challenging.

The change affects a total of 24.4 MHz, comprising 5 MHz in the 900 band, 14.4 MHz in the 1800 band, and 5 MHz in the 2100 band, with a rate of USD30 million per MHz. This decision is expected to promote a more localized regulatory framework within the Bangladeshi telecom sector.

#### Funding for digital inclusion through international organizations

In February 2024, the World Bank Group announced funding for the Digital Economy Enhancement Project (DEEP) through Pakistan's Ministry of IT and Telecom and other government agencies.

Following extensive consultations with industry stakeholders, VEON's Jazz teams played an integral role in contributing to the process, thereby supporting efforts to promote digital inclusion across Pakistan.

# Contributing to society *continued*

## Initiative

### Ukraine Starlink partnership

Signed in December 2024, VEON's partnership with SpaceX's Starlink will introduce Direct To Cell (DTC) technology in Ukraine.

This will make Ukraine one of the first countries in the world to have access to this groundbreaking technology, which will play a vital role in enhancing the resilience of the country's connectivity landscape, in particular in the face of ongoing challenges due to the war, and expanding coverage to even the most remote of areas.

### Kyivstar: one of the largest investors in the economy of Ukraine during the war

Kyivstar has repeatedly been recognized as an economically and socially responsible business in Ukraine.

The war in Ukraine strengthened our actions in support of the country and its people. We continue to work, develop and expand our contributions, providing more than 23 million people with mobile communications. The socioeconomic impacts of the war and its consequences (blackouts, destruction of infrastructure) on the financial resources of the state, as well as the mobilization of these resources, are immense.

Our socioeconomic mission is to ensure the stability of Ukraine's economy in wartime conditions through responsible payment of taxes, support of mobile communications as a critical service for people, investment in the future development of telecommunication technologies and proactive communication of implemented actions in this direction.

The mission consists of the following elements:

#### 1. Economic component

Specific actions to support the economy of Ukraine:

Payment of taxes and investments in the development and reconstruction of infrastructure.

- a. Kyivstar has transferred more than UAH32.7 billion in taxes to the budget of Ukraine since the beginning of the war.
- b. Kyivstar is considered the most responsible tax-payer and investor in the economy of Ukraine by the All-Ukrainian Rating of the Association of Taxpayers of Ukraine.

#### 2. Active coverage of the topic in the public field

We actively communicate this topic, which demonstrates our highest standards in corporate governance, strong business ethics and compliance.

Comprehensively, all our activities under the mission affect the development of a high-quality and equal business environment and support the image of Ukraine as a country with a developing business climate even during the war.

We regularly engage with our stakeholders and beneficiaries:

#### 1. The government

Through the timely payment of taxes, we contribute critical budget revenues essential for the state's functioning. Additionally, by promoting Ukraine as a land of business opportunities, we help shape a positive image of the country in the global business landscape.

#### 2. Ukrainians

Our B2C and B2B services are indispensable in today's world, as mobile communication plays a vital role in everyday life. Moreover, our diverse range of services supports various aspects of Ukrainian lives, spanning education, business, recreation, and entertainment.

#### 3. Other companies

We aim to inspire businesses to adopt greater transparency in both tax policies and communication practices. By doing so, we contribute to fostering a fair and equitable business environment.

By diligently paying taxes and investing in the national economy, we not only support the state but reinforce our reputation as a reliable partner and a responsible business. This, in turn, builds customer trust and helps attract new clients.

