

Our material matters



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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.

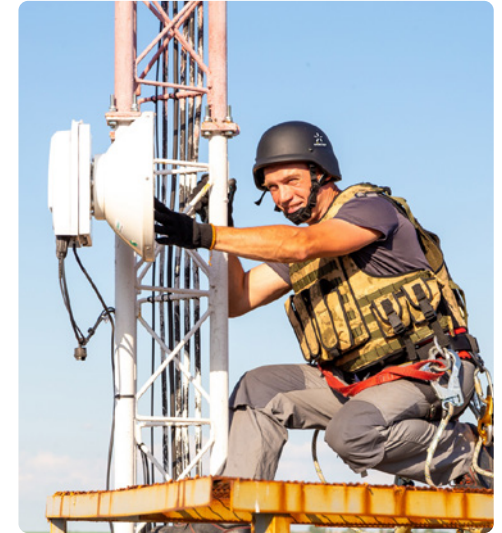
Focusing on what is important for long-term value creation and material for our stakeholders assists in developing ways in which to best measure and demonstrate our value to society and impact on the planet. This in turn, supports internal decision-making, relevant stakeholder communication, progress 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>Strong infrastructure: network quality, resilience, expansion</p> <p>MM1</p> <p>Why this is important The world's increasing reliance on mobile networks that connect billions of people demands constant network quality, reliability and availability.</p> <p>SDG goals 4, 5, 9, 10</p>	<p>Digital and financial inclusion</p> <p>MM2</p> <p>Why this is important Empowering people through information and communication banking by removing barriers that exclude communities from the wider economy.</p> <p>SDG goals 4, 5, 8, 9, 10</p>	<p>Cybersecurity and online safety</p> <p>MM3</p> <p>Why this is important 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>SDG goals 9</p>	<p>Constant innovation in products and services</p> <p>MM4</p> <p>Why this is important 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>SDG goals 4, 5, 8, 9, 10</p>	<p>Best customer experience, for maximum satisfaction and loyalty</p> <p>MM5</p> <p>Why this is important 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>SDG goals 4, 5, 8, 9, 10</p>
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Licence to operate

<p>Employees' health and safety</p> <p>LO1</p> <p>Why this is important 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>SDG goals 3, 8</p>	<p>Talent management and skills development</p> <p>LO2</p> <p>Why this is important 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>SDG goals 4, 5, 8, 10</p>	<p>Highest standards in corporate governance, strong business ethics and compliance</p> <p>LO3</p> <p>Why this is important 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>SDG goals 5, 8, 10, 16</p>	<p>Strong financial performance, balance sheet resilience</p> <p>LO4</p> <p>Why this is important Solid financial performance and a resilient balance sheet assist VEON to operate under stressful conditions, to preserve value for stakeholders.</p> <p>SDG goals 4, 5, 8, 9, 10, 12</p>	<p>Diversity and inclusion in the workforce, create social value</p> <p>LO5</p> <p>Why this is important 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>SDG goals 5, 8, 10, 16</p>
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