

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.

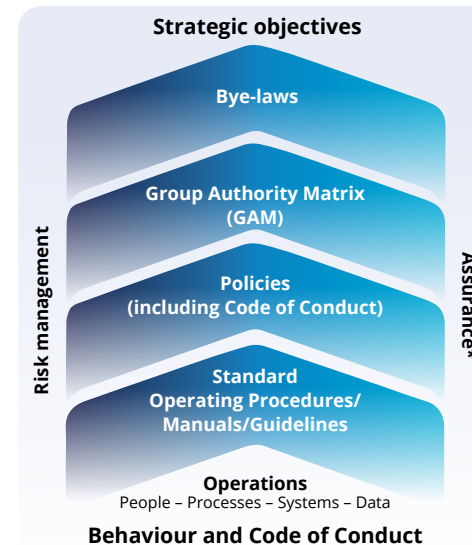
The GRC framework details the minimum standards to which each OpCo must comply in areas such as

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.

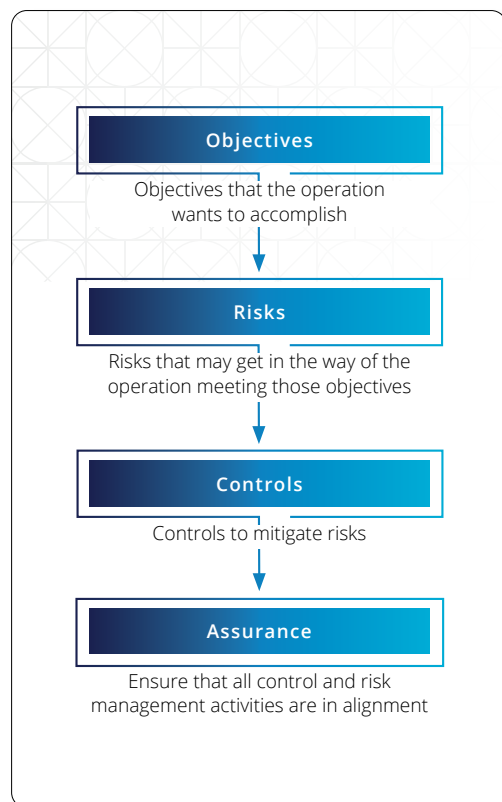
The Sarbanes-Oxley Act of 2002 Section 302 requires management to evaluate the design and operational effectiveness of financial controls quarterly. OpCo management teams provide quarterly certification of financial reporting controls (SOX) and certify twice a year the other GRC policies. The GRC framework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

– 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)

	54%	50%	48%
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Total number of internal disciplinary actions related to SpeakUp reports

	224	195	220
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* 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).