

Environmental and Social Responsibility



INTRODUCTION

For over 27 years, DIGI Group has contributed to the increase of the digitization and development of the markets where it operates, by providing accessible connectivity to the European consumers. During this period, DIGI Group, with its subsidiaries from Romania, Hungary¹ (*for details regarding the sale of the Hungarian operations from 2022, please see chapter Key Figures, Objectives and Strategic directions*), Spain, Italy and Portugal, have established, with great responsibility, a sustainable vision on the future of connectivity, expressed by constant investment in infrastructure and in the latest technologies, by people empowerment, best quality of services, provided at the most accessible prices on the market, as well as in customer care and citizenship.

Because we are aware of the consequences of our actions and have a bold vision for the future, we are committed to creating an organizational culture based on accountability to employees, customers, partners, communities and society, as a whole.

DIGI Group is defined by leadership, flexibility, efficiency, innovation and team spirit, characteristics that ensure our sustainable growth and the development of the aspirations of our teams, regardless of the place where they operate – either rural or urban areas, small or big city.

Responsibility, care, forward-looking, trust, diversity, team spirit – these are not just magic words, but core values for DIGI Group. During difficult times, we consider that it is most important to strengthen the values that drive our corporate culture. By acting proactively, we contribute, together with all stakeholders, to the development of a sustainable and confident future. During 2022, we continued to be one of the key drivers of the economy, as a telecommunications operator, and an accelerator of well-being in communities. We have been involved in projects that bring comfort and ensure a better quality of life in the communities where our employees work, through digitization and social inclusion, which, are presented transparently in this chapter.

This non-financial section of DIGI's Annual Report will provide information about the way we create value for consumers, shareholders, employees, partners and communities, for both the present and future generations, even in difficult times. This report has been prepared in reference to the GRI Standards 2021. The material topics and specific disclosures included in the non-financial statement are also referenced at the end of this report, in the GRI content index.

¹ All information concerning Hungary represents data reported up to December 31, 2021.

ABOUT THE NON-FINANCIAL STATEMENT

Digi Communications N.V.'s (the "Company") non-financial statement covers the period 01st of January 2022 to 31st December 2022. The report has been developed in accordance with the newest version of the Global Reporting Initiative ("GRI") Standard 2021, the most used and internationally recognized standard for sustainability reporting. At the same time, the non-financial statement complies with the requirements of Directive 2014/95/EU. Thus, the content of the report provides information on environmental, social and employees specific indicators, respect for human rights, prevention of bribery, and corruption, alongside other indicators that are specific to our operations as identified in the materiality analysis performed in January-February 2023.

This non-financial statement is published with an annual frequency.

Also, the non-financial statement complies with the requirements stipulated in Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council for establishing a framework to facilitate sustainable investment.

2022 was the first year for which the necessary information was collected based on the GRI Standards 2021 methodology. In order to obtain as much data as possible, it was necessary to implement new procedures and internal policies, which cannot be applied retroactively. For the accuracy of the information, we will apply new procedures and develop the current data reporting systems, that will improve data accuracy with impact in the coming years.

The non-financial statement provides information on the activity of Digi Communications N.V. and its subsidiaries (the "Group", "Digi" or Digi "Group"): RCS & RDS S.A, Digi Italy SL, Digi Spain Telecom SLU and its subsidiaries, and the subsidiaries of RCS & RDS S.A. in Romania: Integrasoft SRL, New Trend Media SRL, Topo Network & Desing SRL, Digi Infrastructura SRL, Foto Distributie SRL, Energia Foto SRL, Delalina SRL, Novitas Electro SRL, Cfo Integrator SRL, Campus Media SRL, Profimusic SRL, Digisoft IT SRL, U.C.R. SRL. This non-financial statement does not provide information on the activity of the Belgium joined-venture entities considering that we did not yet start operations in this country. The non-financial statement does not include information on the Portuguese subsidiary of the Group, as at this moment, non-financial data regarding its activity is not available, due to the lack of internal data collection systems.

Where the information pertains to a specific company within the Group, it has been specified as such in the corresponding section. Where the information refers to Romania, Spain, or Italy, it describes the activity of the companies in that specific country and where no specific reference to a particular company is made, the information disclosed is applicable to the entire Group.

For questions or suggestions regarding the content of this report, please use the following e-mail address: investor.relations@digicomunications.ro.

BUSINESS MODEL

An overview of our business model, as well as a description of the services we provide and countries where we operate, can be found at pages 133 - 147 of this report.

Economic impact

DIGI, as a group of telecommunications companies, holds a significant influence on the economic and social landscape of the regions it operates in. DIGI's operations have a considerable impact on other economic sectors that rely on communication services, such as internet connections and telephony. Thus, DIGI has a key role to play in supporting the activities of other economic operators and indirectly contributing to job creation along the economic chain.

Description	2022 (in millions of Euros) Consolidated, at Group level
Direct economic value generated:	1,516.9
Revenues	1,516.9
Economic value distributed	1,127.0
Operating costs	1,127.0
Employee wages and benefits	240.3
Payments to shareholders	10.9
Payments to government/state budget*	5.6
Community investments	9.8
Economic value retained	389.9

**includes only the income tax paid*

EU Taxonomy

Directing investments towards sustainable activities plays a crucial role in achieving the EU's climate and energy targets for 2030. The EU taxonomy is a classification system created by the European Union to help identify sustainable economic activities. Its purpose is to provide a common language and framework for investors, businesses, and policymakers to identify and measure the degree to which economic activities contribute to sustainability objectives, such as climate change mitigation and adaptation, biodiversity conservation, the transition to a circular economy, the sustainable use and protection of water and marine resources, and pollution prevention.

As we fall under the provisions of the *EU 2014/95 Directive* we must publish an annual non-financial statement, and therefore, in accordance with Article 8(1) of the Regulation - (*EU*) 2020/852 (the "Taxonomy Regulation"), we include in this statement information about how and the extent to which our activities are associated with economic activities which qualify as environmentally sustainable economic activities based on the Taxonomy Regulation.

Taxonomy-Eligible Economic Activities

In 2022 fiscal year, we identified the following taxonomy-eligible economic activities as defined in Article 3 of the Taxonomy Regulation relating to the environmental objectives of climate change mitigation and adaptation:

- ▶ Electricity generation using solar photovoltaic technology.
- ▶ Transport by motorbikes, passenger cars and light commercial vehicles.
- ▶ Renovation of existing buildings.
- ▶ Acquisition and ownership of buildings.
- ▶ Computer programming, consultancy and related activities.
- ▶ Programming and broadcasting activities.
- ▶ Motion picture, video and television programmed production, sound recording and music publishing activities.

Based on the definitions of activities within the taxonomy, we conducted an analysis of the accounts to identify eligible activities for each Key Performance Indicator (KPI), namely Turnover, Capex, and Opex.

After we verified the eligibility of activities based on their definitions, we currently lack the necessary time and system capacity to evaluate their alignment with the technical criteria associated with climate mitigation, climate adaptation, and implicitly

DNSH. Therefore, we are unable to determine which objective each activity would contribute to, in case they meet the technical criteria for alignment.

Specification of key performance indicators (KPI)

KPI related to turnover (turnover KPI)

The proportion of turnover referred to in Article 8(2), point (a), of Regulation (EU) 2020/852 was calculated as the part of the net turnover derived from products or services, including intangibles, associated with Taxonomy-eligible economic activities (numerator), divided by the net turnover (denominator) as defined in Article 2, point (5), of Directive 2013/34/EU.

We calculated the turnover considering total Group consolidated revenues, recorded in the financial year 2022.

To determine the turnover generated by the Group from taxonomy-eligible economic activities, we allocated the relevant services to these activities. The corresponding turnover for the fiscal year 2022 was then calculated for the identified services and a ratio derived using Group's reported sales.

Both turnover (denominator) and proportion of turnover of taxonomy-eligible activities (numerator) were calculated for the entire Group.

Economic activities	Codes	Turnover			
		2022		2021	
		Absolute turnover millions of Euros	Proportion of turnover %	Absolute turnover millions of Euros	Proportion of turnover %
A. TAXONOMY- ELIGIBLE ACTIVITIES					
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)		347.4	22.89	417.3	28.38
Electricity generation using solar photovoltaic technology	4.1	5.9	0.39	4.1	0.28
Programming and broadcasting activities	8.3	322.9	21.28	390.1	26.53
Motion picture, video and television programme production, sound recording and music publishing activities	13.3	18.6	1.23	23.1	1.57
TOTAL (A.1 + A.2)		347.4	22.89	417.3	28.38
B. TAXONOMY NON-ELIGIBLE ACTIVITIES					
Turnover of Taxonomy-non-eligible activities (B)		1,171.0	77.11	1,052.9	71.62
Total (A + B)		1,517.4	100	1,470.2	100

KPI related to capital expenditure ("CapEx"), referred to as CapEx KPI

The proportion of CapEx referred to in Article 8(2), point (b), of EU Regulation 2020/852 was calculated as the numerator divided by the denominator as specified below.

Denominator

We calculated the denominator as additions to tangible and intangible assets during the financial year considered before depreciation, amortization, and any re-measurements, including those resulting from revaluations and impairments, for the relevant financial year and excluding fair value changes.

As we apply international financial reporting standards (IFRS) as adopted by EU, our CapEx covers costs that are accounted based on:

- ▶ IAS 16 Property, Plant and Equipment, paragraphs 73, (e), point (i) and point (iii).
- ▶ IAS 38 Intangible Assets, paragraph 118, (e), point (i).
- ▶ IAS 40 Investment Property, paragraphs 76, points (a) and (b) (for the fair value model).
- ▶ IAS 41 Agriculture, paragraph 50, points (b) and (e).
- ▶ IFRS 16 Leases, paragraph 53, point (h).

Leases that do not lead to the recognition of a right-of-use over the asset were not counted as CapEx.

Numerator

The numerator equals to the part of the capital expenditure included in the denominator that is related to assets or processes that are associated with Taxonomy-eligible economic activities.

Our capital expenditure (CapEx) as defined in the EU Taxonomy include acquisitions of property, plant and equipment and intangible assets during the fiscal year under review before depreciation/amortization/impairment losses and remeasurement, including those arising from remeasurement and impairment losses for the relevant fiscal year without changes in fair value.

The taxonomy-eligible CapEx relates to assets or processes associated with taxonomy-eligible economic activities.

We use the investments in acquisitions of property, plant and equipment and intangible assets as reported in the Notes to the Consolidated Financial Statements in the Annual Report 2022 (denominator). Of these, the share of taxonomy-eligible CapEx was determined (numerator). To this end, the products identified as originating from taxonomy-eligible economic activities were allocated to the corresponding CapEx. For this KPI, we calculated the ratio of various taxonomy-eligible CapEx to investments in and acquisitions of property, plant and equipment and intangible assets for the Group.

The denominator was calculated based on the consolidated financial statements while the proportion of CapEx of taxonomy-eligible activities (numerator) refers only to RCS&RDS.

		CapEx			
		2022		2021	
Economic activities	Codes	Absolute CapEx	Proportion of CapEx	Absolute CapEx	Proportion of CapEx
		millions of Euros	%	millions of Euros	%
A. TAXONOMY- ELIGIBLE ACTIVITIES					
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)		326.7	40.67	322.3	44.15
Transport by motorbikes, passenger cars and light commercial vehicles	6.5	21.0	2.61	10.5	1.44
Renovation of existing buildings	7.2	7.7	0.96	8.1	1.11
Acquisition and ownership of buildings	7.7	22.0	2.73	6.5	0.89
Computer programming, consultancy and related activities	8.2	3.6	0.45	3.1	0.42
Programming and broadcasting activities	8.3	234.9	29.24	258.3	35.40
Motion picture, video and television programme production, sound recording and music publishing activities	13.3	37.6	4.68	35.8	4.90
TOTAL (A.1 + A.2)		326.7	40,67	322.3	44.15
B. TAXONOMY NON-ELIGIBLE ACTIVITIES					
CapEx of Taxonomy-non-eligible activities (B)		476.6	59.33	407.6	55.85
Total (A + B)		803.3	100	729.9	100`

KPI related to operating expenditure (“OpEx”), referred to as OpEx KPI

The proportion of OpEx referred to in Article 8(2), point (b), of Regulation (EU) 2020/852 was calculated as the numerator divided by the denominator as specified below.

Denominator

The denominator covers direct non-capitalized costs that relate to research and development, building renovation measures, short-term lease, maintenance and repair, and any other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment by the undertaking or third party to whom activities are outsourced that are necessary to ensure the continued and effective functioning of such assets.

Numerator

The numerator equals to the part of the operating expenditure included in the denominator that is related to assets or processes associated with Taxonomy-eligible economic activities, including training and other human resources adaptation needs, and direct non-capitalized costs that represent research and development.

Digi Communication calculated from the total expenses of the consolidated operating expenses; the direct non-capitalized costs related to the current maintenance of tangible assets. We have included here:

- ▶ Repairs of tangible assets
- ▶ Fuel consumption
- ▶ Uncapitalized salaries
- ▶ Spare parts
- ▶ Thermal and electrical energy consumption
- ▶ Maintenance
- ▶ Mandatory insurances
- ▶ Research and development

For each type of cost, we identified the purchased products and services and allocated them to the eligible activities according to Regulation (EU) 2020/852 and the specific delegated acts.

The denominator was calculated based on the consolidated statements, while the proportion of OpEx of taxonomy-eligible activities (numerator) refers only to RCS&RDS

Economic activities	Code	OpEx			
		2022		2021	
		Absolute OpEx millions of Euros	Proportion of OpEx %	Absolute OpEx millions of Euros	Proportion of OpEx %
A. TAXONOMY- ELIGIBLE ACTIVITIES					
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)		119.4	13.20	97.0	11.50
Electricity generation using solar photovoltaic technology	4.1	5.3	0.58	1.9	0.22
Transport by motorbikes, passenger cars and light commercial vehicles	6.5	18.2	2.01	13.1	1.56
Renovation of existing buildings	7.2	1.7	0.19	1.4	0.16
Programming and broadcasting activities	8.3	76.3	8.43	74.0	8.78
Motion picture, video and television programme production, sound recording and music publishing activities	13.3	17.9	1.98	6.6	0.78
TOTAL (A.1 +A.2)		119.4	13.2	97.0	11.50
B. TAXONOMY NON-ELIGIBLE ACTIVITIES					
OpEx of Taxonomy-non-eligible activities (B)		785.2	86.80	746.4	88.50
Total (A + B)		904.6	100	843.3	100

Taxonomy-aligned activities

At the date of this report, we were not able to identify the activities that meet the alignment criteria out of those considered eligible due to the complexity associated with the process which requires significant changes to our internal systems and procedures. However, we are working to map the needs and necessary system changes and allocating the resources required for future reporting.

The indicators presented above are calculated for Taxonomy purpose.

GOVERNANCE ASPECTS

The Company is organized under a one-tier board structure namely, a Board of Directors comprising of two Executive Directors and five Non-executive Directors, two of whom are independent Non-executive Directors. The Board of Directors is collectively responsible for the Company's general affairs. The duties of the Board of Directors is divided among its members. The Executive Directors are responsible for the continuity of the Company and its business, focusing on long-term value creation thereby taking into account the interests of the Company's stakeholders and direct the day-to-day strategy of the Company. The Executive Directors are entrusted with managing the day-to-day affairs of the Company and are responsible to achieve the Company's objectives, strategy and the accompanying risk profile, the performance trend and results and for the corporate social responsibility issues relevant to the business of the Company and its subsidiaries. The Non-executive Directors are, inter alia, responsible for the supervision of the management of the Executive Directors and of the general affairs of the Company and the business connected with it and providing advice to the Executive Directors. Directors are appointed by the General Meeting of Shareholders based on a binding nomination by the meeting of Class A shareholders. The General Meeting may at all times deprive such a nomination of its binding character with a two-thirds majority of the votes representing at least half of the issued share capital, following which the Class A Meeting shall draw up a new binding nomination. When making a nomination, the Class A Meeting shall take into account that the Board of Directors shall be composed such that the requisite expertise, background, competences and – in the case of Non-executive Directors – independence are met, for them to be able to properly fulfill their duties.

Name	Position	Type	Mandate (years)	Other significant positions and commitments held by each member, and the nature of the commitments	Age	Gender
Zoltan Teszari	President	Non-executive Director	4	Member of the Company's Remuneration Committee	53	M
Marius Varzaru	Vice-President	Non-executive Director	4	Member of the Audit Committee, General Manager of DIGI Spain Telecom SLU, General Manager of DIGI Spain Callcenter SLU, Sole Administrator of DIGI Spain Salesforce SLU, Member of the Board of Directors of DIGI Italy SL, Member of the Board of Directors of DIGI Portugal LDA	44	M
Serghei Bulgac	CEO	Executive Director	4	President and CEO executive member of the Board of Directors of RCS & RDS S.A., President of the Board of Directors of Digi Spain Telecom SLU, Digi Italy SL., Member of the Board of Directors of Citymesh Mobile N.V. and Insky N.V.	47	M
Valentin Popoviciu	Board member	Executive Director	4	Vice-President and Executive member of the Board of Directors of RCS & RDS S.A., member of the Board of Directors of Digi Portugal LDA, Citymesh Mobile N.V., Insky N.V., Director of Topo Network & Design S.R.L., Digisoft IT S.R.L., Foto Distributie S.R.L.	49	M
Bogdan Ciobotaru	Board member	Independent Non-executive, Director	4	President of the Company's Remuneration Committee, Member of the Company's Audit Committee, Independent Non-executive director of RCS & RDS S.A.	45	M
Emil Jugaru	Board member	Non-executive Director	4	Head of Sales and Customer Relations Department of RCS & RDS S.A., Director of Digi Infrastructura S.R.L.	50	M
Piotr Rymaszewski	Board member	Independent Non-executive, Director	4	President of the Company's Audit Committee, Member of the Company's Remuneration Committee	59	M

100% of the Board of Directors members are men.

57.1% of the Board Members are between 30-50 years old.

42.9% of the Board Members are over 50 years old.

In addition to the Board of Directors listed above, each company within the Group has its own management structures. The Group has a Senior Management team supporting the activity of the executive directors of each company within the Group. A detailed description of the Group's relevant corporate governance information, Board of Directors and Senior Management structure, diversity indicators and competences of their members, as well as Board of Directors committees and their composition, can be found at pages 35 – 60 of the Company's 2022 Annual Report.

The Group doesn't have formal committees responsible for decision-making on and overseeing the management of the organization's impacts on the economy, environment, and people.

The Group has not formally defined its strategies, policies, and goals related to sustainable development. At the time of publication of this non-financial statement, we are implementing various processes and adopting the relevant measures that will help us design our sustainability strategy and goals. Currently, the responsibilities for managing the Group's impacts on the economy, environment, and people are delegated to the Managers within the relevant departments of DIGI Group that are each overseeing the topics under their area of expertise.

The Board of Directors is responsible for reviewing and approving the information reported in the non-financial statement, including the Group's material topics. The Board of Directors' performance evaluation process does not include KPIs related to the sustainability strategy.

Details about the remuneration process of the Board of Directors are available at pages 61-63 of this report.

Business ethics and responsibility

Our industry relies heavily on trust and reputation. At the same time, it is heavily regulated and entails compliance with various laws and regulations. While failure to comply can result in legal consequences, it can also severely damage the reputation of the Company. Therefore, ethical business practices are essential for building and maintaining trust, which helps us maintain a positive reputation and attract new customers.

We are committed to exercising high ethical standards and conducting our business with fairness, honesty, and integrity. This includes complying with all applicable laws and regulations and taking a zero-tolerance approach to bribery, corruption, money laundering and terrorist financing in any form. Every employee, officer, director, and contractor of the Group is required to adhere to a set of principles and rules when carrying on the commercial activities of or with the Group. These rules and principles are codified in the Group's Anti-Corruption and Business Ethics Procedure.

We expect any person or company that conducts business with or on behalf of the Group to adopt the Anti-Corruption and Business Ethics Procedure or implement alternative rules and principles considered by the Group to be at least equivalent to those in the procedure.

More information on the policies and principles that govern our ethical business behavior can be found at pages 57-60 of this report.

In 2022, at Group level, there were no complains or cases of:

- ▶ **confirmed incidents of corruption.**
- ▶ **confirmed incidents of corruption in which employees were dismissed or disciplined for corruption.**
- ▶ **confirmed incidents where contracts with business partners were terminated or not renewed due to violations related to corruption.**
- ▶ **public legal cases regarding corruption brought against us or our employees.**

In 2022, the Group did not make any political contribution. Our Anti-Corruption and Business Ethics Procedure states very clear that political contributions shall not be made by or on behalf of the Group.

At the same time, the Group did not register any legal actions (pending or completed) during 2022, regarding anti-competitive behavior or any violations of anti-trust and monopoly legislation.

In the past, in order to raise awareness amongst its employees with regards to competition rules, the Company held competition compliance trainings for the employees from the technical and legal department of its Romanian

subsidiary (e.g., in 2018, the training was held for approximately 188 employees, while in 2019, a competition compliance training was held for 22 employees from the legal department).

Since 2019, the Company has not organized additional competition compliance trainings. However, the group is planning to continue to extend and increase awareness regarding new competition laws and the enforcement activity of the competition authorities.

Conflict of interests

The Company currently has two policies approved in this field:

1. Policy on Conflicts of Interest of Board of Directors approved in 2017 (more info available on page 59 of the Company’s 2022 Annual Report), and

2. Personnel Conflict of Interest Policy (more information can be found [here](#)).

To support the implementation of the Personnel Conflicts of Interest Policy, the Company has created internal software applications where employees can register the situations that can qualify as conflicts of interest. At the same time, as a form of prevention, the Company implements an annual conflict of interest campaign, to create awareness on this topic. The campaign started with an e-mail, followed by a reminder, through which all employees in corruption high risk departments or positions were invited to access the dedicated applications and register their answers. The objective of this campaign is the continuous monitoring of conflicts of interest, a measure aimed at identifying changes in cases that were previously declared, as well as omissions to declare real/potential conflicts of interest, and meets the Company's desire to strengthen, by reducing the risks of corruption, the image of an ethical organization in front of employees, customers and business partners. The conflicts of interest that involve members of the Board of Directors are managed by the Board of Directors.

Potential conflicts of interest in which members of the Board of Directors are involved are brought to the notice of the relevant stakeholder in accordance with the legal provisions (i.e., transactions with affiliated parties are presented in the annual report).

In 2022:

- ▶ there were no incidents regarding conflict of interest reported through the reporting channels managed by the Compliance Department,
- ▶ there were no violations of the Company’s Code of Conduct reported through the reporting channels managed by the Compliance Department.

Training on anti-corruption matters

The Group’s employees have been informed by e-mail, followed by a reminder, on the policies and procedures related to anti-corruption. To this effect, the policies adopted by the Company to regulate the mandatory principles and conduct in the area of anti-corruption have been published externally on the Company’s website (digi-communications.ro). The anti-corruption procedures were posted on the intranet page to be accessed by the Romanian subsidiaries’ employees. For the employees located in other countries, the anti-corruption procedures have been communicated by e-mail to the subsidiaries management together with the request to make them known to their subordinates. Additionally, for raising awareness of corruption and its effects, a dedicated on-line training on “Anti-Corruption Rules within the DIGI Group” is available for employees of the Romanian subsidiaries in corruption high - risk departments/ positions on the intranet page. The online presentation lasts 16 min and it is followed by a 5 questions quiz. At December 31, 2022, the completion rate for this training was 56,65% of in corruption high-risk departments/ positions.

At the same time, our employees that have management roles are responsible for encouraging their teams to complete the required training related to our anti-corruption and business ethics procedure.

Training and information on anti-corruption policies and procedures		2022
		Spain
Employee Category	People informed about anti-corruption policies and procedures	
Management		100%
Purchasing and Logistics		9%
Legal		30%

Training and information on anti-corruption policies and procedures	2022	
	Italy	
Employee Category	People informed about anti-corruption policies and procedures	People trained on anti-corruption policies and procedures (online)
Management	100%	100%
Customer Service	100%	100%
Purchasing and Logistics	100%	100%
Technical	100%	100%
Sales and marketing	100%	100%
Software	100%	100%
Legal	100%	100%

At the moment, the data regarding anti-corruption trainings for Romanian subsidiaries employees could not be extracted. We are working on updating our internal systems so that for the next reporting cycle we can extract the information.

Reporting channels

Based on the Group’s existing policies, the reporting channels are assigned at individual level (not e-mail boxes or phone numbers) and are the same for employees and other stakeholders, namely: the Compliance Officer, CEO, or Chairman of the Audit Committee. Additionally, employees have the possibility of reporting also to their direct hierarchical superior.

In 2022, two reports have been received by the Compliance Officer, of which only one was compliance-related and retained for investigation within the whistleblowing process. The second case concerned a notification on aspects related to the execution of the employment contract, especially during the pandemic, and the aspects reported were not confirmed. The employee did not return with other reports or evidence. In both cases, the reports have been submitted by Group employees. No other reports regarding critical concerns were submitted by suppliers, clients, or any other stakeholders.

At the same time, we encourage all our business partners to report any concerns about corruption or business ethics by emailing: grup.conformitate@digicomunications.ro. Reports should be as detailed as possible to facilitate an appropriate decision about next steps, which may include further internal investigation and/or reporting of the matter to relevant external authorities. Any retaliation against the employees or business partners who speak up about and report genuine concerns are not tolerated.

Critical concerns regarding our potential and actual negative impacts raised by our stakeholders through grievance mechanisms are directed to the CEO or Board of Directors as soon as they are received. During the reporting period, no critical concerns were reported through the Company’s reporting channel, except for the above-mentioned reports received from the Group’s employees.

The reporting channels are currently being reviewed for compliance with the EU Directive 2019/1937 on the protection of whistleblowers and the transposing this directive within the countries where the Group has operations.

Materiality assessment

As a socially responsible Group of companies, we acknowledge our role in society and the accountability we hold towards our customers, partners, and other stakeholders. To identify and assess the economic, social, and environmental impact resulting from our operations and business relationships, we annually measure a series of non-financial metrics tailored to our industry.

In 2022 we took a next step and embarked on preparing our non-financial statement based on the GRI Standards 2021 methodology. During a dedicated workshop, subject matter consultants and representatives from the Group’s main departments revised and established the stakeholder categories that would be consulted in the process of identifying the material topics. The main categories of stakeholders consulted were:

- ▶ DIGI Group employees
- ▶ Residential clients
- ▶ Corporate clients
- ▶ Shareholders & investors
- ▶ Authorities
- ▶ Goods and services providers

- ▶ Network and equipment providers
- ▶ Content and distribution providers
- ▶ Mass-media
- ▶ Financial partners
- ▶ Non-governmental organizations
- ▶ Local community

To establish the metrics, the first step was to identify the material topics, i.e., those topics that accurately represent the Group's most significant economic, environmental, and social impact, both positive and negative. The list of potential material topic was generated after we performed an analysis of all our operations and examined our business relationships. Additionally, we referred to the latest sustainability trend reports, evaluated the prevailing national and European legislative framework (CSRD, EU Taxonomy) and incorporated insights from the telecommunication industry and other sustainability reporting standards (e.g., SASB, draft ESRS). The list was completed during the same dedicated workshop, conducted on our premises, in January 2023. Group's employees from different departments attended the workshop, to ensure that we encompass the impact generated by all our activities and business lines.

Based on this list, we developed four online questionnaires: one for the stakeholder categories of the Group's Romanian subsidiaries (external analysis), one for the DIGI Italy SL stakeholder categories, and the other two for the management members, specialists, and experts from the Romanian subsidiaries and DIGI Italy SL (internal analysis). The external questionnaires were similar in content. DIGI Spain Telecom S.L.U. was not included in the process, as it carried out its own materiality analysis, which did not bring up any topics different from those we already assessed through our process.

To evaluate the impact of each topic accurately, the questionnaires were structured into two distinct sections, taking into consideration the positive and negative dimensions of the impacts. As on some topics our activity can generate a positive impact (e.g., community investment), while others may only result in negative impact (e.g., resource consumption and climate change), these sections were tailored accordingly. Additionally, the questionnaires included segments where respondents could offer qualitative (open-ended) feedback to highlight other areas/fields where the Group could potentially have an impact, either positive or negative. Furthermore, respondents were asked to provide suggestions on how we can improve our sustainability and reporting process.

Each potential material topic was evaluated on a scale of 0 to 3 (no impact, low impact, moderate impact, and high impact) to determine the extent of positive and negative impact. Moreover, each topic was accompanied by an explanation of the possible forms of impact. Additionally, respondents were provided with an N/A option - for cases where they did not know or preferred not to answer a question.

We conducted this process between January and February 2023 and a total of 4,197 responses were recorded, which were centralized and analyzed to identify both the positive and negative impact of our operations as perceived by external and internal stakeholders.

For the category of external stakeholders - suppliers, authorities, press, investors, were selected the business partners with whom we collaborated in the last year and the questionnaires were sent to them by email. The questionnaires were sent to approx. 150 respondents.

For the category of external stakeholders - employees, we made a selection of email addresses from the departments that have computer access, and the questionnaire was sent to them. The questionnaires were sent to approx. 950 respondents.

For the category of internal stakeholders - employees, we made a selection of email addresses from top management and the technical departments, people who know the activity of the group and understand the impact on the environment. The questionnaires were sent to approx. 240 respondents.

The link to the external questionnaire was also published as a pop-up on our website to give the opportunity to answer to as many people as possible.

The analysis yielded two scores for each assessed topic, representing the extent of positive and negative impact, as assessed by internal experts and specialist, as well as by our stakeholders, depicted in the materiality matrix below.

As the process of identifying and assessing impacts by engaging with stakeholders relies in the first stage on a rather subjective evaluation, internally, the materiality threshold has been set where the Group's impact is at least low (scored 1 on the scale provided for assessment in the questionnaires). Thus, the material topics for DIGI Group were those for which either the average of stakeholder assessment or the average of internal assessment revealed

a low impact, to allow us to better assess the impact by monitoring and measuring our activities through the lens of that specific topic.

Impact means the effect that an organization has or could have on the economy, the environment, or people, including human rights, as a result of its activities or business relationships. Impacts can be negative or positive, actual, or potential, short, or long term, intended or unintended, reversible, or irreversible.

Materiality matrix



Impact assessment

Material topic	Overview of impacts on the economy, environment, and people, including human rights	Actual/Potential	Positive/Negative
Materials and waste	The Group's activities involve the consumption of significant amounts of resources, including raw materials and energy, while also generating waste. This can have a negative impact on the environment, particularly if waste is not properly managed or disposed of. Currently, we have several campaigns involving e-waste recovery, but additional measures will be implemented once we establish the Group's sustainability strategy.	Actual and Potential	Negative
Energy consumption	Our operations consume significant amounts of energy, including in data centers, network equipment, and office buildings, which, if sourced from non-renewable resources, can have a significant impact on the environment and public health. We are taking measures to reduce energy consumption and switch to more sustainable energy sources.	Actual and Potential	Negative
Climate change	Greenhouse gas emissions are the leading cause of climate change. Through our operations, as well as through our business relationship a vast amount of GHG emissions is generated which can have a negative impact on the environment and public health. First step in our approach was to calculate our carbon footprint and then take steps and measure to mitigate these impacts.	Actual and Potential	Negative
Biodiversity	The construction of new telecommunication infrastructure can lead to habitat loss and fragmentation, which can impact biodiversity. To reduce the impact, we incorporate biodiversity considerations into our infrastructure planning and operations.	Actual and Potential	Negative
Content policy	Our company is dedicated to upholding sustainability and ethical business practices through our editorial policy. Our goal is to deliver truthful, objective, and unbiased information to our audience, enabling them to make informed decisions and gain a comprehensive understanding of the world. Although the impact we have measured has shown to be predominantly positive, deviating from the above principles could potentially result in negative consequences. When we make the statement of "positive impact" in this case, we rely on the fact that from the CNA - autonomous public authority charged with protecting the public interest in the field of audiovisual program services, in 2022 we received only 5 warnings.	Actual and Potential	Positive and Negative
Fair working environment	Ensuring a fair working environment is crucial for the success of our Group. Thus, we are implementing policies and practices that prioritize employee well-being, providing opportunities for career growth and ensuring a safe, equitable and respectful workplace. Potential negative impact can result from a low retention rate, being unable to attract, develop and reward talented employees.	Actual and Potential	Positive and Negative
Supply chain management	By working with a vast majority of local suppliers, we support local economies. Potential negative impacts regarding this topic may result from the practices that our suppliers are implementing. As we move forward, our commitment is to map and monitor these impacts, while also taking measures to address it.	Actual and Potential	Positive and Negative
Data and network security	We are prioritizing strong security measures and regular security assessments to ensure the safety and security of our customer's data and our networks. Potential negative impact can result from cyber-attacks that are not foreseen.	Actual and Potential	Positive and Negative

Material topic	Overview of impacts on the economy, environment, and people, including human rights	Actual/Potential	Positive/Negative
Occupational health and safety	Implementing strong OH&S practices has a positive impact on workplace safety and health for our employees and reduce the risk of workplace accidents and injuries. The potential negative impact can arise from work accidents or work-related illness, if occupational health and safety measures are not closely followed by our employees.	Actual and Potential	Positive and Negative
Personal data privacy	Personal data privacy is not only a legal and regulatory requirement but also a social responsibility. We have a responsibility to protect our customer's personal information and to respect their privacy rights, which we uphold through ethical business practices.	Actual	Positive
Stakeholder engagement	By engaging with our stakeholders, we build strong relationships, identify, and manage risks more effectively and can also drive innovation, given new perspective and ideas. However, if we fail to effectively respond to stakeholders' increasing expectations on environmental, social, and governance (ESG) topics, it could lead to negative impacts on our stakeholders.	Actual and Potential	Positive and Negative
Technological innovation	By investing in new technological services and products, we have the potential to significantly decrease energy consumption and subsequently reduce greenhouse gas emissions. In addition to the environmental benefits, this investment can have a positive impact on the economy by generating new job opportunities. Furthermore, it can enhance the quality of life for individuals and communities where we operate.	Actual	Positive
Impact on the local economy	As a Group with more than 21,000 employees, we contribute to the development of our local communities by paying taxes that support local budgets. We have a decentralized presence in many localities and we pay local taxes and payroll taxes in these localities, for example, we are present in 80 settlements, with a minimum of 5 employees, creating more jobs to encourage more people to stay in the area. This not only allows people to work closer to home, but also improves the quality of life for the community by increasing city revenue, creating a more self sustainable community, and connecting the community together	Actual	Positive
Quality of services	Our services allow people to connect with others, regardless of their location, which can enhance social connections, encourage collaboration, facilitate knowledge sharing, and promote cultural exchange. We place a high priority on the quality of our services, which is why we significantly invest in the quality of our infrastructure every year.	Actual	Positive
Business ethics and responsibility	As one of the largest telecommunications companies in Romania, we understand the responsibility that comes with our position. We prioritize ethical business practices by adhering to high standards of conduct and complying with all applicable laws and regulations. By doing so, we aim to generate a positive impact and added value for the communities in which we operate.	Actual	Positive
Digital inclusion and access to services	Our offerings in Romania include cable TV, fixed internet and data, mobile telecommunication services, fixed-line telephony and DTH. Our fixed network in Romania passed a total of approximately 9.1 million homes as at December 31, 2022, which covered 95.1% of all dwellings, at some of the lowest prices on the market, verifiable with competitor websites.	Actual	Positive
Internet governance and digital freedom	We are committed to maintaining an open, accessible, and secure internet platform that promotes innovation and expression. While we prioritize digital freedom, we also comply with regulations enforced by the competent authorities to ensure that our practices align with legal and ethical standards.	Actual and Potential	Positive

Material topic	Overview of impacts on the economy, environment, and people, including human rights	Actual/Potential	Positive/Negative
Circular economy	We recognize the importance of using products with high durability and repairability in mind to extend their lifespan and reduce waste. While our current circularity measures mainly focus on recovering and reusing customer equipment, we are committed to implementing additional measures once we establish our sustainability strategy at the Group level.	Actual and Potential	Positive
Engaging with local communities	Our donations and sponsorships have the potential to contribute to the economic and social development of the communities we serve, generating a positive impact for their beneficiaries.	Actual	Positive

The water topic did not result as material from our internal and external assessments, as we only use water for administrative purposes. However, in the environment chapter, information on water consumption is presented.

Stakeholder engagement

Stakeholder engagement is vital for us as it enables us to build strong relationships with them, understand their needs and expectations and develop strategies that create value for all stakeholders. Through our communication channels, we can gather feedback and insights from stakeholders that can inform decision-making, identify emerging trends, issues and areas for improvement and develop products and services that better meet their needs. Most importantly, we can help build trust and credibility with them, which is leading to an increase customer loyalty and improved reputation.

Stakeholder category	How we engage	Frequency	Communication channels	Top material topic
DIGI Group employees	Regular information Internal communication campaigns Internal communication platform Stakeholder consultation as part of the sustainability reporting process	Weekly - (internal communication), quarterly (internal competitions and sporting events), annual (events)	Intranet E-mail Internal competitions and events Notice boards Newsletters Social media	Impact on the local economy Quality of Services Internet governance and digital freedom
Residential clients	Newsletters Call-center Stakeholder consultation as part of the sustainability reporting process	Ongoing	Digi.ro Online App Social media Newsletter Leaflet E-mail Events Meetings Phone calls	Technological innovation Quality of services Digital inclusion and access to telecommunication services
Corporate clients	Newsletters Call-center Stakeholder consultation as part of the sustainability reporting process	Ongoing	Digi.ro Online App Social media Newsletter Leaflet E-mails Events Meetings Phone calls	Quality of services Technological innovation Internet governance and digital freedom
Shareholders & investors	Direct engagement Stakeholder consultation as part of the sustainability reporting process	Ongoing	E-mails Phone calls Conferences & events Investor Presentations Financial reports	Business ethics and responsibility Quality of services Personal data privacy

Stakeholder category	How we engage	Frequency	Communication channels	Top material topic
Authorities	Strategic partnerships Stakeholder consultation as part of the sustainability reporting process	When necessary	Financial reports E-mails Meetings Phone calls	Quality of services Data and network security Personal data privacy
Goods and services providers	Evaluation questionnaires Stakeholder consultation as part of the sustainability reporting process	When necessary (commercial matters) Annual	E-mails Meetings Phone calls	Quality of services Data and network security Digital inclusion and access to services
Network and equipment providers	Evaluation questionnaires Stakeholder consultation as part of the sustainability reporting process	When necessary (commercial matters) Annual	E-mails Meetings Phone calls	Quality of services Engaging with local communities Data and network security
Content and distribution providers	Evaluation questionnaires Stakeholder consultation as part of the sustainability reporting process	When necessary (commercial matters) Annual	E-mails Meetings Phone calls	Content policy Supply chain management Internet governance and digital freedom
Mass-media	Marketing actions Press releases Stakeholder consultation as part of the sustainability reporting process	Weekly	Interviews Meetings Events E-mails Phone calls	Content policy Materials and waste Biodiversity
Financial partners	Stakeholder consultation as part of the sustainability reporting process	When necessary	Financial reports E-mails Meetings Phone calls	Data and network security Supply chain management Quality of services
Non-governmental organizations	Thematic partnerships Social projects Stakeholder consultation as part of the sustainability reporting process	Ongoing	Events E-mails Meetings Phone calls	Quality of services Circular economy Impact on local economy
Local community	Stakeholder consultation as part of the sustainability reporting process	Annual	Events	Engaging with local communities Content policy Occupational health and safety

PRODUCTS AND SERVICES

Our portfolio

An overview of the services we provide for our clients can be found at pages 134 -147 of this report.

Quality of services

The quality of our services is a critical aspect for us, as it directly affects customer satisfaction. It is also a key matter for retaining customers, as high quality of services means high chances of them to renew contracts and stay with us for a long time. The topic has also a direct impact on our reputation, market share and revenue. However, despite our best efforts to keep the quality of our services at a high level, we still have various areas that can be improved.

Total number of complaints from customer related to quality of Romanian subsidiaries services, recorded via call center and emails	336,987
▶ <i>Out of which, complaints that were closed with a positive resolution for the client after an internal analysis</i>	10%
▶ <i>Out of which, complaints regarding network interruptions</i>	6%

More information about the quality of our networks and an overview of the coverage of the services we offer in Romania can be found at pages 139 - 145 of the Company's Annual Report.

Data and network security

Data and network security are crucial aspects in our industry as we must ensure the confidentiality, integrity, and availability of data and communications networks. This involves implementing a range of security measures, including firewalls, encryption, access controls, and monitoring systems, to detect and prevent unauthorized access, data theft, and other security threats. Secure data and network practices are essential to ensure the confidentiality and privacy of customer data.

Digi Communications Group is constantly improving its technical capacities, internal regulations, and personnel skills in order to prevent cybersecurity violations. The importance of the cybersecurity topics is critical and the management of the company is aware of the importance of this domain in our core-activities, but also of the role played on the market, as leading provider of fixed internet services.

Since 2011, the company is complying with the ISO/IEC 27001/2013, the international standard that sets out the specification for an information security management system (ISMS). This way the Group systematically identifies and manages Cybersecurity Risks also by using international frameworks and best practices guides and recommendation in the matter.

As the number of phishing or other social engineering approach and malware attacks has increased and also, being expected to maintain this course, exploiting different kind of important subjects like pandemic situation from few years ago, recently armed conflict in Eastern Europe part, economic and financial inflation or any other relevant scenarios, Digi InfoSec Department developed simulations and prevention materials dedicated to internal users to improve awareness of this type of threats amongst the employees and improve their response/ reaction. Also, dedicated educational materials, e-learning supports and guides have been conceived and distributed to the personnel, as well as the continuous communication through a dedicated internal cyber-security blog

The main useful information for the clients regarding security are available on the website, such as: rules regarding the use of Digi network, IoT risks and menaces, types of cyber-attacks, filtered/ blocked or restricted ports, vulnerability device checking tool, FAQ.

InfoSec Department has been running communication campaigns targeting all kind of users – residential, corporate, Digi employees, being communicated through the website DIGI.ro, internal portal DigiOneVoice, newsletters, direct mailing, press releases. For instance, the users can check their own connected devices level of security on DIGI.ro website and all public information about misleading/ fraud campaigns or cyber security menaces are disclosed in the media section on DIGI.ro.

Digi remains the largest ISP in the country and a reliable partner, proving every time increased dedication, involvement and responsibility, values that helped to prevent the occurrence of major security incidents, data loss by maintaining a high level of security of own services and networks.

In this respect Digi InfoSec Department has conducted and will continue to act with different types of actions, like:

- ▶ deliver technical solutions and propose optimizing projects to the internal team in charge with network and devices protection of cyber-attacks.
- ▶ assist research and development teams involved in creation of future services and products.
- ▶ cooperate with authorities to set-up cybersecurity framework and ensure safe services for clients and employees.
- ▶ invest and adopt the latest cyber security technologies and solutions.
- ▶ maintain cyber security hygiene and awareness programs for employees and clients as well.

2022			
Personal data confidentiality	Total numbers of leaks	Total number of thefts	Total number of losses of customer data
Romania	0	0	0
Italy	0	0	0

Customer privacy

As we handle vast amounts of personal information, it is our responsibility to ensure the protection of sensitive information from unauthorized access or misuse. Safeguarding our customers' privacy is a key aspect for maintaining their trust and our positive reputation.

We adopt strong policies and practices regarding customer privacy and communicate them publicly on our websites, as per the European and local regulations in force. You can read more about the Group's Privacy Policy [here](#).

2022				
Substantiated complaints about breaches of customer data security and privacy legislation	From regulatory bodies		From third parties	
	Number	Description and context	Number	Description and context
Romania	2	invoice-related issue and access to data	0	n/a
Italy	0	n/a	0	n/a
Spain	9	sim swap fraud	0	n/a

Internet governance and digital freedom

Internet governance refers to the rules, policies, standards, and practices that govern how the Internet is managed and operates, while digital freedom, on the other hand, refers to the ability of individuals to access, use, create, and share digital content freely, without censorship or undue interference from governments or other organizations.

As a Group that operates on the internet and telecommunication sector, we recognize that the success of your business depends on a stable, secure, and accessible internet and a governance framework that balances the need for security, privacy, and accessibility with the interests of businesses and people.

As access to internet provides people with means of communication and thus means of expression, we look at digital freedom as a core value for any society, recognizing that the ability of individuals to express themselves, share information, and access content is essential for a thriving internet ecosystem.

We are committed to ensuring that the internet remains an open, accessible, and secure platform for innovation and expression, while at the same time complying with the regulations enforced by the competent authorities.

SOCIAL

Fair working environment

Through our human resources programs and policies, we aim to create a fair working environment where all our employees are treated with respect, dignity, and fairness. This creates a positive work culture that fosters employee motivation, job satisfaction, and productivity. We also encourage open communication between employees and management so that they can express their concerns, ideas, and suggestion without fear of retaliation.

Our employees are a vital asset and are essential to delivering high-quality services, driving innovation, maintaining customer satisfaction, and ensuring operational efficiency. At the Group level, the human resources department oversees the management of employee relations.

The Human Resources department operates an internal information system, in which all data required and/or arising from the management of human resources activities are stored and maintained.

As of December 31, 2022, our team consisted of 21,093 employees, out of which:

Romania - 14,889 employees, out of which 30.37% were women and 69.63% were men, and the average age was 38 years

Spain - 6,126 employees, out of which 27.15% were women, 72.85% were men, and the average age was 38 years

Italy - 78 employees, out of which 48.72% were women, 51.28% were men, and the average age was 38.63 years.

The data regarding employment is reported in head count and refers to employees at the end of the reporting period, unless otherwise specified under each table.

Type of employees by working hours, of the relevant Group subsidiaries

2022	Romania		Spain		Italy		Total	
	Men	Women	Men	Women	Men	Women	Men	Women
Full time	10,154	4,294	4,256	1,288	36	31	14,446	5,613
Part time	213	228	207	375	4	7	424	610
Total	10,367	4,522	4,463	1,663	40	38	14,870	6,223

Type of employees by employment contract, of the relevant Group subsidiaries

2022	Romania		Spain		Italy		Total	
	Men	Women	Men	Women	Men	Women	Men	Women
Permanent	8,878	3,867	4,090	1,438	34	36	13,002	5,341
Temporary	1,489	655	373	225	6	2	1,868	882
Total	10,367	4,522	4,463	1,663	40	38	14,870	6,223

Currently, we do not have any information regarding employees of Group business partners.

New employees and turnover rate*, of the relevant Group subsidiaries

2022	Romania				Spain				Italy			
	New employees		Employees who left the company		New employees		Employees who left the company		New employees		Employees who left the company	
Category	Number	Rate (%)	Number	Rate (%)	Number	Rate (%)	Number	Rate (%)	Number	Rate (%)	Number	Rate (%)
Gender												
Men	2,129	14.43	2,219	15.04	2,532	45.61	1,028	18.52	11	14.18	15	19.33
Women	965	6.54	993	6.73	1,102	19.85	663	11.94	5	6.44	10	12.89
Total	3,094	20.97	3,212	21.77	3,634	65.46	1,691	30.46	16	20.62	25	32.22
Age Group												
<30	1,589	10.77	1,347	9.13	801	14.43	431	7.76	4	5.16	9	11.6
30-50	1,310	8.88	1,610	10.91	2,411	43.43	1,048	18.88	11	14.18	16	20.62
>50	195	1.32	255	1.73	422	7.6	212	3.82	1	1.28	0	0
Total	3,094	20.97	3,212	21.77	3,634	65.46	1,691	30.46	16	20.62	25	32.22

*the rate has been calculated in relation to the average number of employees in FY 2022, namely: Romania = 14,757 employees, Spain = 5,551 employees, Italy = 77 employees

Diversity and equal opportunities

The Group aims to create an equal opportunity working environment, free from discrimination, and harassment. Furthermore, we reinforce our position of not tolerating inappropriate behavior, unequal treatment, or any form of discrimination in the organization's activities when developing internal policies, regulations, or procedures.

Commitment to and respect for fundamental human rights is a core value for the sustainable development of Digi's business model. Our goal at Digi is that all people, regardless of gender, race, sexual orientation, age, nationality, color, ethnicity, religion, political opinion, social origin, disability, family status or responsibility, have access to the same type of resources, and we know that it is important to act now, through concrete measures. Our HR procedures and rules cover the main fundamental human rights, starting from freedom of opinion, equal rights in dignity and security of person, and the right to rest and recreation, including reasonable limitation of the working day and periodically paid leave.

We make sure that the taxes established by the state (social unemployment insurance, insurance in case of illness or disability, health insurance) are paid to the state both in the name of the employee and in the name of the company.

Furthermore, we provide support in cases of loss of livelihood due to circumstances beyond one's control. On an ongoing basis, cases that are brought to HR's attention by their managers are supported for the granting of aid for special situations. In 2022, were 114 special aids granted to employees.

Through our Internal rules of operation, the entities of DIGI Group are committed to ensuring that employees benefit from the principle of equal opportunities and treatment between men and women, with non-discriminatory access to:

- ▶ free choice of the workplace
- ▶ employment in all posts or vacancies and at all levels of the professional hierarchy
- ▶ equal pay for work of equal value
- ▶ professional information and counseling, initiation, qualification, improvement, specialization, and retraining programs
- ▶ promotion at any hierarchical and professional level.

One of these proposed programs is the one developed for managers, "Managers in Transition" program, who are internationally seconded to Group entities, an accelerated management development program that aims to train the skills to work with culturally diverse teams. The beneficiaries are the managers nominated by the CA to take over strategic objectives in the Group's branches. The scope is the development/training of people management skills and the management of managerial activities, the acquisition of concrete, effective techniques and tools, which managers can apply in team coordination and the achievement of business objectives.

The course consists of: 6 soft-skills course modules, 1 financial technical module (optional), group and individual coaching sessions, intermediate topics, guest speakers.

The developed managerial program is designed in 2022 and is dedicated only to managers, it will be implemented when managers are also seconded to the group's subsidiaries.

We also aim to encourage the presence of women even in activities traditionally targeted at men, promoting female role models by presenting success stories. In March 2022, a similar campaign was launched to remove latent discrimination and to embed professional acceptance and tolerance. We will continue this action.

It is a campaign addressed to women who took over jobs traditionally dedicated to men and who told how they adapted and how they made their job a success. A series of success stories presented either on the media sites we collaborate with, or in the company's Newsletter.

This campaign was initiated in 2021 and we want to continue it annually with the aim of desensitizing and increasing tolerance towards difficult jobs, which can, however, also be done by women.

Examples of media for this campaign:

<https://www.peroz.ro/actualitate/portretul-unei-doamne-digi-cum-au-reusit-annabella-danalache-si-rodica-bobesa-se-impuna-intr-un-domeniu-considerat-al-barbatilor-39992>
<https://www.peroz.ro/actualitate/portretul-unei-doamne-digi-claudia-frey-operator-imagine-orice-este-posibil-iar-practica-te-face-maestru-39988>

<https://www.peroz.ro/actualitate/portretul-unei-doamne-digi-secretul-unei-cariere-de-succes-intr-un-domeniu-considerat-al-barbatilor-e-important-sa-ai-incredere-39929>

For any discrimination complaint or grievance, our employees are instructed to use the following email address: feedback@rcs-rds.ro.

In 2022, within the Group, there were no complaints or incidents of discrimination, harassment, or human rights violations from our employees.

Employees by age, gender, and position in the Romanian subsidiaries of the Group

2022	Romania								
	Category	Men				Women			
		<30	30-50	>50	Total	<30	30-50	>50	Total
Sales	397 2.67%*	617 4.14%	72 0.5%	1,086 7.3%	460 3.09%	1,375 9.24%	257 1.73%	2,092 14.05%	
Technical	450 3.02%	2,646 17.77%	696 4.67%	3,792 25.47%	83 0.56%	319 2.14%	28 0.19%	430 2.89%	
Customer Service	132 0.89%	112 0.75%	9 0.06%	253 1.7%	369 2.48%	527 3.54%	43 0.29%	939 6.31%	
Administrative, Logistics	48 0.32%	519 3.49%	259 1.74%	826 5.55%	80 0.54%	518 3.48%	174 1.17%	772 5.19%	
Media	43 0.29%	309 2.08%	60 0.40%	412 2.77%	49 0.33%	160 1.07%	15 0.10%	224 1.5%	
Construction	1,083 7.27%	2,548 17.11%	367 2.46%	3,998 26.84%	10 0.06%	49 0.33%	6 0.04%	65 0.43%	
Total	2,153 14.46%	6,751 45.34%	1,463 9.83%	10,367 69.63%	1,051 7.06%	2,948 19.8%	523 3.52%	4,522 30.37%	

*ratios have been calculated in relation to the total number of employees on 31 December 2022 in Romania (14,889 persons)

Employees by age, gender, and position in the Spanish subsidiaries of the Group

2022	Spain								
	Category	Men				Women			
		<30	30-50	>50	Total	<30	30-50	>50	Total
Administrative	9 0.14%*	53 0.86%	4 0.06%	66 1.07%	22 0.35%	125 2.04%	3 0.05%	150 2.44%	
Commercial	248 4.04%	629 10.75%	101 1.65%	1,008 16.45%	324 5.28%	940 15.34%	94 1.53%	1,358 22.17%	
Management	0 0%	8 0.13%	0 0%	8 0.13%	0 0%	3 0.04%	0 0%	3 0.04%	
Technical	419 6.83%	2,461 40.17%	501 8.17%	3,381 55.19%	20 0.32%	116 1.89%	16 0.26%	152 2.48%	
Total	676 11.03%	3,181 51.92%	606 9.89%	4,463 72.85%	366 5.97%	1,184 19.32%	113 1.84%	1,663 27.14%	

*ratios have been calculated in relation to the total number of employees on 31 December 2022 in Spain (6,126 persons)

Employees by age, gender, and position in DIGI Italy

2022	Italy								
	Category	Men			Total	Women			Total
		<30	30-50	>50		<30	30-50	>50	
Sales	0 0%*	23 29.49%	3 3.85%	26 33.33%	1 1.28%	21 26.92%	1 1.28%	23 29.49%	
Technical	0 0%	5 6.41%	0 0%	5 6.41%	1 1.28%	0 0%	0 0%	1 1.28%	
Accounting	1 1.28%	1 1.28%	0 0%	2 2.56%	1 1.28%	1 1.28%	0 0%	2 2.56%	
Marketing	0 0%	1 1.28%	0 0%	1 1.28%	3 3.85%	0 0%	0 0%	3 3.85%	
Regulatory affair	0 0%	1 1.28%	0 0%	1 1.28%	0 0%	1 1.28%	0 0%	1 1.28%	
Reporting	0 0%	0 0%	0 0%	0 0%	0 0%	4 5.13%	0 0%	4 5.13%	
Logistics	2 2.56%	1 1.28%	1 1.28%	4 5.13%	0 0%	2 2.56%	0 0%	2 2.56%	
HR	0 0%	0 0%	0 0%	0 0%	0 0%	2 2.56%	0 0%	2 2.56%	
Manager director	0 0%	0 0%	1 1.28%	1 1.28%	0 0%	0 0%	0 0%	0 0%	
Total	3 3.85%	32 41.02%	5 6.41%	40 51.28%	6 7.69%	31 39.74%	1 1.28%	38 48.72%	

*Ratios have been calculated in relation to the total number of employees on 31 December 2022 in Italy (78 persons)

Employees with disabilities, within Digi Group

2022	Romania	Spain	Italy	Total
Men	28	20	1	49
Women	26	8	2	36
Total	54	28	3	85

Recruitment, remuneration, and benefits programs

Recruitment

The recruitment procedure of the Romanian subsidiaries of the Group is established through an internal procedure and the 2023's objective is to reassess some aspects of the procedure, introducing new chapters (e.g., *work from home*). The recruitment sub-department is part of HR department and consists of 11 recruiters, who act as HR consultants for the Romanian subsidiaries of the Group.

When a vacancy arises, we apply two methods:

1. Offline - internal transfers. On our intranet platform, we have developed a recruitment area where we post internal ads, and our employees have the opportunity to apply. At the same time, we constantly organize referral campaigns (we encourage our employees to refer other people), especially when we need a high number of people in a short period of time, job fairs (we are present in at least 3 or 4 job fairs per year both in Bucharest as well as in the rest of the country HR events (there we can also interact with future employees), headhunting (this technique is particularly used when searching for seniors and consists in directly approaching the people we are interested in).

2. Online. We are present on all major recruitment platforms in Romania and on social media platforms.

At DIGI Italy SL, our Intranet platform serves as a medium for employees to apply for available job positions. While we do not attend job fairs, we do encourage referral campaigns. Additionally, we utilize headhunting tools such as social networking platforms to advertise our job vacancies.

Employees in senior management positions recruited from local communities, within Digi Group

2022	Romania*		Spain**		Italy***	
	No.	%	No.	%	No.	%
Senior management**** positions recruited from local communities	15	79	3	60	0	0

*local community = Romania (individuals born in Romania or with Romanian citizenship),

**local community = Spain (individuals born in Spain or with Spanish citizenship),

***local community = Italy (individuals born in Italy or with Italian citizenship)

****senior management = positions in Board and Board-1 category (reporting directly to the members of the Board)

Remuneration

In the Romanian subsidiaries of the Group, remuneration is both fixed and variable. Fixed remuneration represents the basic salary granted to employees, which can be complemented by variable payment represented by commissions, granted at the departmental level by specific procedures or, where appropriate, directly in the employment contract (e.g., Sales, Service, and Installation). The fixed remuneration is modified on an annual basis, at the request of the team/operation coordinators based on a modification report, with the approval of the Board members. The variable part is also represented by performance bonuses granted based on requests from the direct coordinators, under the final approval of the Board members.

The remuneration also has a non-financial component represented by the granting of lunch tickets, private medical benefits /extra days of leave granted as follows: 1 day per 5 years of activity, up to a maximum of 4 days per year, which is included in the Procedure for scheduling and granting leave. Some non-financial aspects are presented in the job offer, depending on the specific job negotiations (car/mobile phone/private medical insurance). The remuneration flow includes several signatories highlighted in the "salary change proposal form" starting with the line managers and ending with the approval of the Board. Once the approval flow is completed, which can be either electronic or physical, the HR Department representatives, through the Recruitment and Payroll-Personnel sub-departments, make the changes.

Within the Romanian subsidiaries, employees who receive the nationally regulated minimum wage are employed in the following positions: commercial agent, commercial worker, and cashier.

Digi Spain's intention is to promote and implement a fair, competitive and motivational remuneration for its employees, paying salaries according to the market, with an internal consistency, and in compliance with all the statutory requirements. Regularly, Digi Spain's HR department analyzes and evaluates the Spanish job market, reviewing internal conditions when necessary. Internal equity is also studied and evaluated. The structure of Digi Spain salary is based on annual salary ranges, one per each different position and department. All of them has 3 different levels, considering (i) experience, (ii) seniority and (iii) autonomy of the employee (Junior-Medium-Senior). These conditions are reviewed and approved by the Managing Director on an annual basis.

Annually, at the beginning of the year and linked to the performance appraisal process, the salaries and wages are revised for employees who have been in the company for at least 6 months. That does not necessarily translate into an automatic salary increase. Only if the result of the evaluation is positive and the increase or promotion to next level is justified, the salary increase is granted. Despite of this, and during the year, any promotion or transfer that may be required or that may take place, will derive in the revision of the salary conditions for the employee in consideration. Any promotion in terms of salary or position must be always approved by the Managing Director or Area Director, in writing. Positive performance appraisal is also mandatory in these cases.

Ratio of standard entry-level salary by gender compared to the local minimum salary within Digi Group

2022	Romania		Spain		Italy	
	Women	Men	Women	Men	Women	Men
Ratios of standard entry-level salary compared to the salary at the national level	1	1	1.02	1.02	1	1

Currently, we do not have any information regarding employees of Group business partners.

Ratio of basic salary and remuneration of women to men, within the Romanian subsidiaries of the Group

2022	Ratio of the basic salary of women to men, for each employee category	Ratio of the basic remuneration of women to men, for each employee category
Employee category		
Sales	1.13	0.73
Technical	1.07	0.97
Customer Service	0.96	0.97
Administrative, Logistics	0.91	0.41
Media	0.95	0.92
Construction	0.99	0.74

Ratio of basic salary and remuneration of women to men, within the Spanish subsidiary of the Group

2022	Ratio of the basic salary of women to men, for each employee category	Ratio of the basic remuneration of women to men, for each employee category
Employee category		
Administrative	0.96	0.95
Commercial	1.01	0.97
Management	0.39	0.41
Technical	1.11	1.01

Ratio of basic salary and remuneration of women to men, at DIGI Italy

2022	Ratio of the basic salary of women to men, for each employee category	Ratio of the basic remuneration of women to men, for each employee category
Employee category		
Sales	0.85	0.75
Technical	0.66	0.68
Accounting	1.33	1.33
Marketing	2.11	2.13
Regulatory affair	1.33	1.37
Reporting	n/a*	n/a*
Logistics	1.25	1.31
HR	n/a*	n/a*

*there are no male employees in these categories

Benefits

Benefits depending on contract type and working hours	Romania		Spain*		Italy	
	Full-Time	Part-Time	Full-Time	Part-Time	Full-Time	Part-Time
2022						
Meal vouchers	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Extra holiday days	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				
Support in case of personal events (death, social benefits, etc.)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Private health insurance	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	

* The same benefits that are granted to part-time and full-time employees are also granted to temporary employees or interns.

For the Romanian subsidiaries of the Group, there is no union representation and no collective labor agreement. The employees can submit requests to their direct coordinator, who is the employees' representative, and who can bring their requests to the attention of the board members at weekly meetings.

The notice period and the provisions for consultation and negotiation with employees are governed by the individual employment contract, according to the Romanian legislation (*Labor Code*).

For the Spanish subsidiaries, regulation in this regard is governed by the provisions of the Collective Agreement of the Metal Industry, Services and Installations Sector. In the period to which this report refers, the Group’s subsidiaries in Spain do not have their own collective agreement, but 100% of the workers are covered by the sector agreement.

Since 2022, DIGI Spain has union representation at the offices in Madrid, Zaragoza, Seville, Oviedo, Málaga, Granada, Barcelona, Almería and Valencia. Since 2019, DIGI Call Center has union representation at the offices in Madrid. The management and the HR area, assisted by the legal department, maintain a continuous and cordial relationship with the workers' representatives.

Parental leave, within Digi Group

Parental leave	Romania		Spain		Italy	
	Men	Women	Men	Women	Men	Women
2022						
Number of employees that were entitled to parental leave	10,322	4,495	4,463	1,663	40	38
Number of employees that took parental leave	199	419	254	64	0	2
Number of employees that returned to work (in 2022) after parental leave ended	160	218	226	51	0	1
Number of employees that returned to work after parental leave ended (in 2021) that were still employed 12 months after their return to work (in 2022)	11	107	26	10	0	3
Return to work rate	80%	52%	89%	80%	0%	100%
Retention	55%	70%	94%	92%	0%	100%

Professional development

The training programmes organized within the DIGI Group are: **internal** (conducted by trainers from the HR department, department coordinators) or **external** (conducted by specialized companies). Each new employee attends an Induction training, which, depending on the department, lasts 1-2 weeks.

The design of development programs or specific training sessions starts from company-wide development needs (*driven by new internal processes - e.g., performance management, development of new behaviors at employee or management level*), individual needs captured in individual development plans or business needs driven by the launch of new products/services/applications.

The training and development program consists of learning experiences offered by the company to employees, aimed at developing new knowledge and skills to be applied immediately after the training period.

The development work is carried out considering the following steps:

1. identification of development needs
2. building learning solutions
3. delivery of the learning program
4. measuring the effectiveness of the program.

Within the Romanian subsidiaries of the Group, the training and development activities are implemented by:

- ▶ a team (sub-department) named “Training and Performance Management” in the HR department that was established in 2018. In 2022, the team consisted of a training consultant and a manager. The team is coordinated by a Learning Manager, reporting to the HR Director. The objective for 2023 is to complete this team with an additional person who will handle the administrative aspects.
- ▶ a team of 2 trainers in the Business Sales Functional Area reporting to the Functional Director.
- ▶ a team of 7 trainers at the level of the Functional Area Residential Sales reporting to the Functional Director.
- ▶ 11 Call Centre trainers reporting to the Functional Director.

Within the Spanish subsidiaries of the Group, the training and development activities are implemented by:

- ▶ A team (sub-department) named “HR Training” within the HR department that was established in 2021. In 2022, the team consisted of two training consultants. The team is coordinated by the Head of Compensation and Development, reporting to the HR Director.
- ▶ 1 trainer in the Health and Safety Area reporting to the Health and Safety Manager.
- ▶ a team of 12 trainers in the Call Center Area reporting to the Training Manager Call Center.
- ▶ a team of 3 trainers in the Commercial Support Area reporting to the Training Manager Commercial Support.
- ▶ a team of 7 trainers in the Sales Direct Channel Area reporting to the Training Manager Sales Direct Channel.

The new learning directions are focused on 3-year strategic objectives:

- ▶ Develop a strategic approach focused on increasing internal potential and professional reconversions for a rapid adaptation to new operational needs and creating a competitive employer advantage
- ▶ Involvement of management in supporting efforts to recognize and value employee performance
- ▶ Re-focusing course content when business strategy requires implementation support
- ▶ Development of new "impactful" learning methods, capable of responding to technological and adult learning characteristics (coaching, webinars, platforms, hybrid training, etc.)
- ▶ Providing opportunities for career and personal development (through performance management)
- ▶ Building a learning community in the organization, based on sharing of best practices, that propagates a collaborative mindset and supports innovative thinking.

Average hours of training by employee gender and category within the Romanian subsidiaries of the Group

2022	Romania	
Category	Men	Women
Sales	18.75	23.74
Technical	<i>Data not available</i>	<i>Data not available</i>
Customer Service	10	8.9
Administrative, Logistics	<i>Data not available</i>	<i>Data not available</i>
Media	<i>Data not available</i>	<i>Data not available</i>
Construction	1.44	1.29
Average no. of training h/employee*	7	

*the no. was calculated based on the average no. of employees during the reporting year (14,757)

Note: the average number of training hours per employee is reduced, as a large part of our colleague work in the construction and development of our network.

Examples of training sessions, by topic, within the Romanian subsidiaries of the Group

2022	Romania	
Examples of training provided to employees	Total number of hours	Number of participants
Health and Safety	4,354	14,889
Sales	10,709	4,301
Customer service	229	4,014
Qualifications skills (construction)	169	959
Technical Academy (specialization)	150	28

DIGI Spain Telecom S.L.U. business has grown at a high speed both in business volume and headcount, thus we enhanced focus on training and education, to ensure the continuity in the level of service we offer to our clients.

The two main objectives of the Spanish subsidiaries are:

1. Ensure the knowledge transfer of technical expertise to all employees, with special care for the new hires. To fulfill this objective, we have specific training teams in various departments, and we also have scheduled online training to ensure we get up-to-date knowledge to the employees all over Spain business in a timely and efficient manner.

2. Preserve the "company culture and values" that have impulse DIGI Spain Telecom to succeed so far and educate new managers in people management skills aligned to these company values. For this, we have created a Corporate Training team that provides soft skills and team leadership training throughout the organization.

We have in place a generic email address where all employees can address their issues regarding training: formacion@digimobil.es.

Average hours of training by employee gender and category, at the Spanish subsidiaries of the Group

2022		
Spain		
Category	Men	Women
Administrative	10.23	5.84
Commercial	6.07	7.50
Management	1.4*	103.83*
Technical	5.82	5.66
Total	5.94	7.36

**the reason for this difference is because 2 out of the 3 women from Management category have attended an Executive MBA program.*

Examples of training sessions, by topic, at at the Spanish subsidiaries of the Group

2022		
Spain		
Examples of training provided to employees	Total number of hours	Number of participants
Technical training	13,004	1,349
PC skills	1,965	745
Language skills	977	23
Soft skills	3,650	779
Health and Safety	18,188	3,050
Cybersecurity	782	569

Average hours of training by employee gender and category, at DIGI Italy SL

2022		
Italy		
Category	Men	Women
Sales	14	11
Technical	12	12
Accounting	15	15
Marketing	8	14
Regulatory affair	0	15
Reporting	n/a*	24
Logistics	12	15
HR	n/a*	9
Manager director	0	0
Total	61	115

**there are no male employees in these categories*

Examples of training sessions, by topic, at DIGI Italy SL

2022		
Italy		
Examples of training provided to employees	Total number of hours	Number of participants
Excel	15	20
SQL	24	4

Performance evaluation and career development plan, within the Romanian subsidiaries of the Group

2022 Category	Romania			
	Men		Women	
	No.	%	No.	%
Customer Service	253	100	939	100
Construction	3,344	84	20	31
Total	3,597	84.62	959	95.52

Performance evaluation and career development plan, at the Spanish subsidiaries of the Group

2022 Category	Spain			
	Men		Women	
	No.	%	No.	%
Administrative	47	71.21	127	84.67
Commercial	197	19.54	166	12.22
Management	8	100	3	100
Technical	2,798	82.76	128	84.21
Total	3,050	68.34	424	25.50

Performance evaluation and career development plan, at DIGI Italy SL

2022 Category	Italy			
	Men		Women	
	No.	% ¹⁾	No.	% ¹⁾
Sales	24	92.31	23	100
Technical	5	100	1	100
Accounting	2	100	2	100
Marketing	0	0	3	100
Regulatory affair	1	100	1	100
Reporting	n/a*	n/a*	4	100
Logistics	2	50	2	100
HR	n/a*	n/a*	1	50
Manager director	0	0	n/a**	n/a**
Total	34	85	37	97.37

1) % calculated of total employees by category and gender

* there are no male employees in these categories.

** there are no female employees in this category.

Occupational health and safety

The health and safety of our employees is a constant preoccupation for us; thus, the Romanian subsidiaries of the Group have implemented and maintain an Occupational Health and Safety Management System in accordance with ISO: 45001. The implemented system is based on Occupational Health and Safety risk management standards/guidelines.

This management system covers all categories of employees within the Romanian subsidiaries of the Group: execution, operation, management, as well as contractors and subcontractors.

Risk identification within the Romanian subsidiaries of the Group is carried out at the workstation level by the assessment team (a senior manager, risk assessor, workplace workers, and workplace managers) visiting all workplaces to identify all possible sources of workplace injury and workers who may be exposed to risks/hazards. The assessment team schedules the visit areas throughout the company/workplace and follows the workflow at each workplace. As far as administrative office areas are concerned, each office is visited individually. During the visit, workers and workplace managers are involved and are familiarized with the workstations and/or evaluation areas visited.

The identification of risks at workplaces is based on checklists for the identification of hazards at workplaces, which include: work process, work equipment, workload, work environment, etc., and interviewing workers present at the workplaces, people who have access to the workplace that may be affected by the activity, people in

the vicinity of the workplace, but also by observing the workflow and activities taking place there. Each identified risk is discussed within the risk assessment team to complete the hazard identification process.

Whenever employees observe risks in the workplace, they immediately report the situation to their direct coordinator, by phone, email, etc. The coordinator will analyze the risks presented together with the OH&S inspector from the OH&S department and the risk assessment committee and will take measures to eliminate/reduce these risks. During regular instructions, the employees are trained to know this risk-reporting procedure.

Third parties performing work for the Romanian subsidiaries of the Group, e.g., subcontractors, report risks/hazardous situations to the responsible person in the department for which they perform work. On the first day of starting the activity, the OH&S inspectors, together with the manager of the department where the third parties are going to perform their activity, carry out the collective training, and during this training, they are informed about the procedure for reporting dangerous situations that they find in the course of their activity and about the measure that can be taken to prevent these risks.

Following the risk assessment carried out by the Romanian subsidiaries of the Group, the workplaces do not exceed risk level 3.5 out of 7, so they do not present a high degree of danger for the performance of the activity, given that they are controlled by prevention and protection measures.

If a worker notices in the course of his work that he/she is exposed to situations that may put its life and health at risk, he/she shall immediately inform the manager of the workplace. The latter will expose the workplace for reassessment. Discussions will be held with the workers on the hazards identified, and together with the assessment committee will monitor and implement risk prevention and protection measures so that the worker's safety and health are not affected.

If following a medical check-up, a worker receives a medical notice with certain conditions that may affect his/her work, e.g. a network operator receives medical advice with the condition that he/she will not work at height or drive the company car, the direct coordinator will make sure that this employee will no longer perform his/her activity by exposing him/herself to risks, under the conditions presented in the aptitude sheet and will ask the Human Resources department to analyze the possibility of assigning him/her to another function, corresponding to his/her new medical aptitude.

Within the Romanian subsidiaries of the Group, the investigation of accidents at work is carried out in accordance with the local law, as follows: any event occurring within the DIGI Group is communicated by the employee involved in the event, to the workplace manager. The latter communicates to the company's OH&S-ES (*occupational health and safety - emergency situation*) department, and the inspectors of the department communicate to the Territorial Labor Inspectorate in whose area the event occurred and start the investigation procedures of the event:

- ▶ the investigation of events causing temporary incapacity for work is carried out by the responsible persons within DIGI, according to the legislation.
- ▶ for the cases below, the investigation is carried out by the Territorial Labor Inspectorate within whose radius the event occurred.

- a) the workers have suffered an obvious disability or death
- b) the victims are foreign nationals performing their duties and who are workers of foreign employers
- c) collective accidents: when at least three workers within the Group are injured at the same time and from the same cause.

In the case of events causing temporary incapacity for work, the OH&S inspectors of the same department will draw up the event investigation decision, which will be composed of at least 3 persons, one of whom must have appropriate technical training and must not be involved in the organization and management of the workplace where the event took place and must not have had a responsibility in the occurrence of the event, if applicable:

- ▶ a designated worker.
- ▶ a representative of the internal prevention and protection service.
- ▶ an employee of the Group with higher levels of occupational health and safety training.

The members of the investigation committee will submit the final report to the Territorial Labor Inspectorate for approval.

Hazard identification and risk assessment process:

- ▶ Identification of all risk factors based on pre-established checklists and quantification of the size of the risk based on the combination of severity and frequency of the maximum foreseeable consequence.

- ▶ Risk assessment using the method of the National Institute for Research and Development in Occupational Health and Safety (I.N.C.D.P.M.). The purpose of this assessment is to determine quantitatively the level of risk/safety for a job based on systemic analysis.

The method consists of:

- ▶ defining the system to be analyzed (workplace)
- ▶ identifying the risk factors in the system
- ▶ assessing the risks of injury and occupational illness
- ▶ ranking risks and setting prevention priorities
- ▶ proposing prevention and protection measures.

Upon hiring, all our employees receive a 3-day training course in occupational health and safety and emergency situations. Our employees receive also periodic training which lasts two hours and aims at refreshing, completing, and refining the knowledge acquired through general introductory training and job-specific training and is carried out by the Group's OH&S department.

In 2022, within the Group there were trainings dedicated to safety and health at work, those OH&S training was mandatory, all employees have attended at least one OH&S training.:

- ▶ 3,090 employees, 620h - of training for general introductory training in the field of OSH: for all people who started working within the Group in 2022. These trainings are carried out by the OSH Inspector and last 2 hours for each new employee, but can be carried out in groups of no more than 20 employees, according to the law.
- ▶ 14,889 employees, 2,826 hours - of training for periodic trainings in the field of OSH: for all staff employed. The period of the trainings sessions is 2h.
- ▶ 210 employees, 240 hours - of training for working at height, fall arrest, and rescue systems for our subsidiaries in Romania. The period of the trainings sessions is 24h.
- ▶ 60 employees, 16 hours - of training for working in confined spaces, electrical risk, working at height for our subsidiaries in Spain. The period of the trainings sessions is 16h.

Other specific training held in 2022, not mandatory, but help the employees to know the risk and prevention measures of certain activity, related to OH&S are:

- ▶ 78 participants, 320 hours - of training aiming to improve the basic knowledge of occupational safety and health, as well as learning and exercising the correct and concrete application of the basic concepts in the field of occupational safety and health of the coordinators. The period of the trainings sessions is 80h.
- ▶ 3,200 employees, 212 hours - of training for working in the vicinity of electricity, working at height, and first aid. The period of the trainings sessions is 3h.

We mention that the total number of hours comes from estimates for each training, because, even if the training is for one person, it can be done in groups of several employees.

Our OH&S inspectors are carrying out on-site inspections to verify compliance with all OH&S regulations and they are using a mobile phone application that has been created especially for this operation.

Our employees are involved and consulted in the process of developing, implementing, and evaluating the OH&S management system in regular training sessions conducted by the workplace manager. During this training, workers can expose life-threatening situations that they may encounter during the work process. Workers have permanent access to information related to occupational safety and health through the company's online platforms, where all materials are uploaded and updated whenever necessary, or through their dedicated OHS officer,

Within the DIGI Group, there are joint OH&S committees (employees and employee representatives). Depending on the number of employees in the company, employer and employees' representatives are elected. These committees meet at least quarterly, and as often as necessary. All employees are covered by these committees.

In 2022, the causes of accidents at work were: traffic accidents, mishandling of work equipment and of underground cover, fall from height and from the same level, stumbling, overexertion, electrocution, dog bite, and mishandling of ladder and cable.

Work-related accidents, within DIGI Group

2022	Romania		Spain**		Italy	
	Men	Women	Men	Women	Men	Women
Number of fatalities as a result of work-related injury	5*	0	0	0	0	0
Number of accidents at work causing serious injuries	0	0	3	0	0	0
Number of recordable work-related injuries	34	2	493	12	0	0

* 3 road accidents resulted in employee fatalities and are under investigation by the Territorial Labor Inspectorate and 2 accidents caused by electrocution followed by a fall from height.

** in Spain, the definition of accident at work is defined by the Real Decreto Legislativo 1/1994 del 20 de Junio, art 115 and is different from the definition from Romania. For example, in Spain it is not necessary for the employee to take a minimum of 3 days of sick leave to be considered an accident at work, as it is in Romania, hence the difference between the work-related injuries between the two countries.

In the case of the 3 road accidents, the investigation of the events has not been completed and the causes of the events and the responsible persons will be established by the competent authorities.

To prevent road accidents, the following measures were taken:

- In the framework of the periodic trainings, whether they are monthly (for operators who carry out their activity in the field), quarterly or semi-annually (for those who have field/office activity), according to the training-testing program, in addition to the specific instructions for the workplace processes including the Personal Safety and Health at Work Instructions for the activity of driving a car. Instructions drawn up by the OSH inspectors within the dep. SSM-SU and approved by the management of the company.
- All accidents were processed, internally- processing consisting of the description of the occurrence of the accident, causes and measures to prevent these accidents.

	Romania	Spain	DIGI Italy SL
Rate of fatalities as a result of work-related injury ¹⁾	0.23	0	0
Rate of high-consequence work-related injuries ²⁾	0	0.32	0
Rate of recordable work-related injuries ³⁾	1.70	54.25	0

1) Is calculated as Number of fatalities as a result of work-related injury divided by number of hours worked and multiplied with 1 million;

2) Is calculated as number of highconsequence work related injuries divided by number of hours worked and multiplied with 1 million;

3) Is calculated as number of recordable work-related injuries divided by number of hours worked and multiplied with 1 million

Digital inclusion and access to services

We have a social responsibility to the communities where we operate, to ensure that our services are accessible, affordable, and reliable for everyone. We constantly invest in building and improving our infrastructure, to provide more people with access to our services.

At the same time, we offer affordable internet plans and devices, making it more accessible and affordable for all categories of people to benefit from our services.

Distribution of RGUs per residential location	Number of RGUs	%
Urban	13.6	65%
Rural	7.2	35%
Total	20.8	100%

RGU = Revenue Generating Unit

More information about the extent of our services and affordability can be found at pages 136-147 of this report.

In addition, we support digitalization initiatives to increase the inclusion of disadvantaged groups. More information on the projects we implemented for our communities can be read in *Community investment, section*, starting page 105.

Content policy

The content policy refers to the set of rules and principles that the media companies from the DIGI Group follow, in order to maintain editorial independence, integrity and credibility. The policy is designed to ensure that the content we provide to our public is fair, accurate and impartial and free from external influence.

Digi 24 is a completely editorially independent newsroom, our journalists get their information from official and unofficial sources, which are always verified. Digi 24's editorial values include objectivity, impartiality, balance, thus every news subject must start from these principles. We serve only the public interest and we aim to present all relevant sides in the stories we publish, ensuring that they are balanced and add context for our viewers. The topics proposed, produced and broadcast must always be "round", i.e., be looked at from all possible angles, and contain all possible approaches. We only publish factual, and honest journalism and we separate opinion from reporting.

Proof of our high-quality content stands the fact that we are the only TV news channel that has not received a financial penalty in the last 3 and a half years from the relevant authorities, according to CNA (<https://www.cna.ro/Decizii-de-sanc-ionare-.html>).

Journalistic integrity

DIGI24

DIGI24 understands that its reputation rests on its ability to provide accurate and unbiased information and it aims to create a culture of responsibility, where people understand the importance of remaining true to the company's values and ethical standards.

DIGI24 is an information television company, politically independent, which aims to promote impartial journalism. The public and its interests are at the center of its concerns.

Our vision emphasizes on the fact that the Romanian public needs a reliable, politically independent source of information that promotes honesty and respect, civility and creativity and our mission is to inform and inspire the public.

Our values are accuracy, balance, equidistance, diversity of opinions and integrity. You can read more about our Code of Ethics [here](#).

Our Code of Ethics was drafted having in mind the highest ethics standards in Media, being inspired by codes of some of the largest media companies, as BBC Editorial Guidelines 2010 and CBC Journalistic standards and practices. At the same time, the Code is supplemented by regulation in force, governing the audio-visual field.

Digi Sport

As the audience figures show, according to <https://www.forbes.ro/volumele-de-audiente-furnizate-de-televiziunile-de-sport-in-anul-2022-309510>, Digi Sport is the most important broadcaster and creator of television programs with a sports profile in Romania, with an activity that started in 2009, when the first two channels were launched. Currently, Digi Sport provides subscribers with content on four channels in SD and HD format, and some of the transmissions are broadcast on the Digi 4K channel in UHD format.

The Digi Sport vision respects the values of journalism: relevant information from various sports areas, relevance and objectivity of news and debates.

Most of the programs in the Digi Sport grids are live broadcasts, their comments being characterized by correct and objective information, as we mentioned before, there are no fines received from the regulatory body.

In its other programs (informative shows and talk shows), Digi Sport broadcasts news, debates, analyzes and investigations. In the informative shows of the Digi Sport channels, up-to-date information is broadcasted and commented on, daily.

Digi Sport applies a balanced editorial policy, with the aim of objectively reflecting reality. The company encourages the members of the editorial team of Digi Sport to do their job correctly and professionally, without any limitations other than those imposed by law and ethics, meeting the viewers' needs to have access to a premium, balanced and credible media product. Digi Sport aims to contribute through its programs to the promotion and development of Romanian sports, as well as to the education of the people who follow the sports phenomenon.

The information that helps us establish our objectives (acquisitions of programs, development of contracts, creation and broadcasting of programs, etc.) comes from multiple sources, which, depending on their nature, undergo different verification processes. It comes either from official sources (provided by authorities, rights holders, business partners), professional information (news agencies, correspondents, mass media) and personal information obtained by members of the editorial team, some of which are from confidential sources.

In 2022, as mentioned before, the media subsidiaries (DIGI24, Digi Sport 2, Digi Sport 4) of the Group received no fines, there were only 5 warnings from the local authorities for breaches of the Regulatory Code Regarding Audiovisual Content stipulations.

Supply chain management

We aim to establish and develop long-term relationships with suppliers and ensure that they share the same values, adhere to the quality standards set by our management systems, and have the same vision to create sustainable products and services. Within the Romanian subsidiaries of the Group, the procurement procedure defines the procurement process and is applied by all employees involved in this process. The procurement process involves going through an evaluation process which involves registering the supplier, completing an evaluation form which has, among other aspect, ISO (9001, 14001, 18001/45001, 27001, etc.) or other industry/specific certification requirements. All procurement orders are generated through an internal software by the procurement agent.

Our suppliers fall into 3 categories:

- ▶ Goods and services
- ▶ Network and equipment
- ▶ Content and distribution

A description of our main suppliers can be found at page 147 of this annual report.

	Romania	Spain	DIGI Italy SL
No. of local suppliers	15,610*	11,744**	47***
Other suppliers	1,105	207	77
Total	16,715	11,951	124
Expenditure with local suppliers	748,948	411,085	22,722
Expenditure with other suppliers	313,844	15,810	415
Total****	1,062,792	426,894	23,137
Local suppliers	93.30%	98.20%	37.90%
Suppliers' expenditures	70.50%	96.30%	98.20%

* local supplier = supplier establish or registered in Romania

** local supplier = supplier or service provider, whose goods, services or works offered have a local content higher or equal to 50%

*** local supplier = supplier establish or registered in Italy

**** all amounts are presented in thousand euro.

For suppliers for **DIGI Italy SL** Currently, the purchasing process follows the standard procurement procedure, according to the requests of each department. In 2023, we plan to create a procurement department which will aim, among other aspects, to define the procurement process and policy.

Community investment

The Group is involved in social and environmental projects, in accordance with the provisions laid down by the legislation of the countries in which the Group operates, representing its duty to civil society. The sponsorships and donations made by the Group represents a commitment to making a real contribution to improving the quality of life in the community to which it belongs, by being actively involved in projects supporting education, health, the environment, sport, and culture.

Engaging with local communities is a vector for increasing the positive impact that the Group has on society. We are aware of the consequences of our actions and have a bold vision for the future, so we are committed to creating an organizational culture based on responsibility towards employees, customers, partners, communities, and society.

By tackling issues “from the ground up”, together with all our stakeholders, we contribute towards building a sustainable and prosperous future. The framework that governs our community investment strategy is built around 4 pillars:

- ▶ Education
- ▶ Digitalization
- ▶ Volunteering and fostering community initiative
- ▶ Health and wellbeing

Total investment in community programs and projects, within Digi Group

2022	Romania	Spain	Italy
Total sponsorship budget (Euro)	1,686,691	31,380	8,500
Total number of projects supported	44	10	5
Total number of community partners	84	7	5

Stand by Ukraine campaign

In the spring of 2022, when the entire society was heavily affected by the war in Ukraine, DIGI was among the first companies to offer support to Ukrainian citizen who were facing a critical situation.

“Stand by Ukraine” was the campaign under which the Romanian subsidiary of the group responded to the increasingly diverse needs of those affected by the war and had 3 strategic pillars:

1. Ensuring free telecommunication services

We offered free calls and SMS to Ukraine to Digi Mobil subscribers. The freebie was applied from 24 February and continued until December 2022 (continuing to this day). Another measure was covering data roaming costs for Lifecell (Ukrainian mobile operator) users who were arriving or transiting Romania. Initially, all the freebies were planned for one month, but as the number of refugees continued to grow, the company assessed the situation monthly and extended the validity accordingly. Therefore, we maintained this measure until 31 December 2022. Subsequently, the Romanian subsidiary of the company established partnerships with NGOs and local authorities, which set up refugee camps and sponsored them with communication services (mobile phone, landline, internet, TV).

2. Fundraising for the children affected by the war

The fundraising was initiated on Digi24’s 10th anniversary, which was to be celebrated on 1st March. Given the sensitive socio-political context, DIGI identified a unique way to mark the event and joined UNICEF's humanitarian efforts. In addition to the financial support obtained from audience donations, the Group donated over 20,200 euro to the organization, which supported the Blue Dot centers set up by UNICEF together with UNHCR (*United Nations High Commissioner for Refugees*), local partners and other organizations at the border crossing and in transit areas. More than 150,000 people, mostly refugee children, and women from Ukraine, have benefited from services in Blue Dot centers.

3. Providing essential goods in areas close to the Ukraine border

Identifying the urgent need for basic necessities, DIGI joined the general public and allocated funds for accommodation services offered to refugees and the purchase of non-perishable food for them (canned food, powdered milk for children, coffee/tea), 16 persons tents, fire extinguishers, mattresses, blankets, and pillows, which reached the refugees stationed in Suceava and Baia Mare, in Romania. In total, the value of our donation amounted to 60,840 euro.

Education #DigiEdu

Through our projects, we aim to support access to school for children from disadvantaged backgrounds and reduce school dropouts. By supporting children's access to education, we can help reduce these dire figures and contribute to a better society.

- ▶ We supported the "School without a Break" project, run for the second consecutive year by the Banca de Bine Association and Băneasa Shopping City. Through its involvement in this project, DIGI provided promotional services for the project, whose objective was to collect clothes, shoes, school supplies, and technological equipment to be delivered to schools and children from disadvantaged families in the counties of Ialomița, Giurgiu, Prahova, Suceava, and Teleorman.
- ▶ We supported the “Dulăpiorul fermecat” project, run by Îngeri pentru Suflete association. By participating in this project, DIGI contributed to the efforts to combat school dropout among students from poor communities in Romania. Within the framework of this project, three schools in Arad County received a locker fully equipped with school supplies, which provided the students with the necessary resources for the activities carried out throughout the school year.
- ▶ In 2020, we launched the “School of the Future” project to address the challenges faced by rural students with limited access to educational resources due to their difficult socio-economic conditions. The project aimed to provide internet services to these students and enable them to attend online courses during the pandemic. The initiative has been ongoing since then and has

extended its support to 292 students from 31 schools across 11 counties in the country by offering them free mobile internet subscriptions (Digi Activ 50 GB) in 2022.

Digitalization #DigiActiv

We are aware that the future lies in digitalization. We are contributing to improving Romania's position in terms of broadband internet speed, and we want as many Romanians as possible to benefit from this advantage. The future of children is determined by the level of digitalization of society and the reduction of the rural-urban gap in access to information. We contribute to their development and help them become better through digital solidarity actions.

- ▶ We sponsored with telecommunication services the non-profit Association for A.T.I. "Aurel Moșanu" and the Clinical Hospital of Infectious Diseases and Pneumophthisiology Dr. Victor Babes, Timisoara, to contribute to the digitalization of their activity and to the improvement of the services available to patients.
- ▶ We provided telecommunication services to non-profit organizations (Morning Glory House Foundation, Carusel Association, Prietenia Association, Friends pentru Dezvoltare Association, The Door Romania Foundation, Grow-up Project Association, United Way Foundation,) to carry out community development activities for young people with financial difficulties, activities to support people with disabilities, and children infected with HIV, as well as school and educational activities for students.
- ▶ Several projects have been launched to promote the digitization of local services that benefit citizens and students, mainly through the provision of telecommunication services such as internet and electronic devices. These projects have been implemented in various institutions, including the Timiș Social Welfare Department, Cluj School Inspectorate, Saraiu and Șuletea Communes, and Mihai Viteazul National College, in collaboration with the Pentru Bine Association.

Volunteering and fostering community initiative #DigiBenefit

The culture around DIGI is built on leadership and initiative. Our employees are encouraged to dedicate their time and skills to support various community projects.

- ▶ Through sponsorship of sports club (Romanian Table Tennis Federation, CSM Oradea, Real Racing Sports Club Association, Raoul Sports Base, Bun Simț și Atitudine Civică Association) we provided support for them to organize, hold and participate in sports competition and contests;
- ▶ We sponsored the Nevăzători Association - Bihor branch on a Christmas campaign. Within this project, DIGI covered the costs of 100 packages distributed to students in Oradea;
- ▶ In 2022, we initiated the DIGI Donates Life campaign, where 115 of our employees generously donated more than 50 litres of blood. The collected tissue was used to assist 350 patients who were admitted to hospitals across the country.

Health and wellbeing #DigiWell

Through our projects we aim to inform and encourage people to seek medical advice and support the detection and prevention of illnesses.

- In 2022, the main community program we were involved in was in collaboration with the Man Foundation, with the aim of facilitating citizens' access to quality and equitable health services. Through the partnership established between DIGI and the Man Foundation, the "Maria Health and Medical Imaging Centre" offered patients free medical investigations, based on referral notes from the specialist, in a non-discriminatory manner, regardless of age, gender, ethnicity, religion, etc. The clinic also carried out investigations and consultations paid for by the Health Insurance House, within the allocated budget.

Thus, in 2022, the Maria Clinic carried out 19,375 medical investigations, and the costs of 16,819 of these were covered by funds allocated by the DIGI Group.

Community investment in Italy

The main community investments covered events with social and cultural impact organized to celebrate Romania's National Day in Italy. Together with the non-profit association GRASP, we organized the Romanian Language Day event, which offered young talented Romanians comprehensive support through scholarships, mentoring and promotion to express their talent and fulfill their potential.

Affiliations

The company is not currently a member of any industry-wide associations or advocacy organizations.

Awards: DIGI Group

Award	Who awarded it	Event
The most powerful Romanian group in the telecommunications industry	Capital Magazine	Elite Companies Gala
17 th place	Capital Magazine	Top 300 companies
Special trophy for business performance and expansion into other European markets	Bucharest Chamber of Commerce and Industry	Top companies in Bucharest
Inclusion in the catalogue of the campaign "DIGI, with Ukraine"	CSR Media	The Catalogue of Good Deeds
First prize in the "Employee Support" category	CSR Media	Romanian CSR Awards
The Messenger of Good	SOS Children's Villages	Appreciation Gala
9 th place	Financial Newspaper	Top 1,000 largest employers on June 30, 2022.
49 th place	Financial Newspaper	Top 100 most valuable companies in Romania
#1 in Telecommunications sector and #23 in CX Brand Ranking 2021	KPMG	Customer Experience Excellence Report 2022
6 th place	Brand Finance	Top 50 Most Valuable Romanian Brands
26 th place	Business Magazine	100 Most Admired CEOs in Romania
Spain's fastest fibre-optic network	Ookla	Speedtest 2022 Awards

ENVIRONMENT

The internet and telecommunication industry generates negative impact on the environment, but it also has a role to play in reducing it. The internet allows people and businesses to improve their efficiency, giving them the opportunity to communicate and work remotely, thus contributing to reducing the amount of greenhouse gas emissions generated by travelling and traditional means of communication. At the same time, internet and communication have the power to enable more efficient supply chain management.

However, the amount of materials and energy required to develop the necessary infrastructure and power the network and data centers is significant, as raw materials extraction and energy production have a great contribution to greenhouse gas emissions and climate change.

In addition, across the value chain, producing and disposing of electronic devices (routers, laptops, smartphones, etc.) also require energy and raw materials consumption, which can lead to deforestation, pollution, and the destruction of habitats, while generating significant amounts of waste that often end up in landfills.

Although our industry has a great potential in enabling innovation for tackling the most pressing environmental and social challenges, investments in renewable energy and measures for circular economy are essential steps to be taken on our path to reduce our environmental impact.

Management of materials and waste

Conducting our activity involves the use of a great range of materials: from metals for cables, wires, antennas and towers and glass and plastics used in cables to chemicals and rare earth elements used in the production of the electronic equipment that we or our clients use.

We are aware that the production and disposal of these materials can have a significant environmental and social impacts, especially across our value chain. However, at this moment we do not measure the impact associated with our activity.

For the 2022 non-financial report, in Romania, we started mapping and monitoring the amount of materials consumed. In this first phase, the data presented below was estimated, by multiplying the materials purchased for our activity in Bucharest to the other 41 counties where we conduct our activity. The data was extracted by the procurement department.

Materials used in 2022	Romania
Plastic bottles (pieces)	1,784
Paper and cardboard (pieces)	322,622
Paper and cardboard (rollers)	255
Paper and cardboard (ream)	70,317
Printing ink cartridge (piece)	6,909
Plastic materials - foil (piece)	56
Plastic materials - foil (meters)	3,383
Plastic materials - foil (square meter)	5,250
Plastic materials - foil (rollers)	7,337.5
Tires (pieces)	11,223
Cables (pieces)	27,586
Cables (meters)	27,256,086
Cables (square meters)	480
Cables (rollers)	1
Cables (sets)	16
Lighting fixture	309
Wood	79,902
Batteries	36,787
Electrical and Electronic Equipment (pieces)	1,407,592
Materials used in 2022	Italy (kg)
Plastic	50.4
Paper and cardboard	1,095.2
Wood	2,850

The data for the materials used for our activity in Spain was not monitored.

Managing waste

Waste management is a priority for us, as we generate a significant amount of waste in our direct operation through our data centers and network infrastructure, as well as across the value chain (electronic devices that our clients and customers use).

Electronic devices such as smartphones, laptops, and routers have a limited lifespan and are often discarded or replaced after a few years, contributing to e-waste. This can result in the disposal of hazardous materials and pollutants that can harm the environment and human health.

Data centers are also a significant source of waste, and they require large amounts of energy to power and cool the servers. This energy consumption contributes to greenhouse gas emissions and can result in the production of e-waste when outdated equipment is replaced. Network infrastructure, such as fiber optic cables and transmission towers, also contribute to waste through their production, installation, and maintenance. This can include the use of non-renewable resources, such as petroleum-based plastics and metals, and the disposal of materials at the end of their lifespan.

Our main activity involves, among other things, the external purchase of various electrical and electronic equipment, batteries, and accumulators that we install at our client's premises. Apart from that, we import various types of other equipment necessary for conducting our activity, equipment that comes in packages of different materials, which later end up as waste. In Romania, all the equipment arrives at one of the three large warehouses that the Group owns and is stored there for a short period of time before being immediately sent across the country for various works. The packaging that can be reused, for example part of the pallets and cardboard boxes that are not damaged (approximately 85%), is reused when sending the equipment across country.

For the Romanian subsidiary of the Group, waste management is conducted in accordance with an internal procedure, whose purpose is to establish the methods of collection, sorting, utilization, and disposal of waste, in a way that does not endanger the health of the population and the environment. The procedure refers to all operations and activities of the company that produce waste. Due to the national extent of our activity, rather large quantities of packaging waste, electrical and electronic equipment waste, household waste, paper and cardboard waste, cable waste, etc. are produced. Therefore, we have concluded different contracts with operators authorized to collect and recycle or eliminate these types of waste.

In Romania, the Group has equipped the spaces it owns or rents, with containers for the separate collection of waste. These containers (baskets or bins) were placed both at our warehouses, as well as at our offices and cashiers throughout the country. Containers for the collection of waste toners were also placed in the offices in Bucharest, with the goal of installing such containers in all the offices (at the national level) in the future. At the same time, for our warehouses, we installed and set up special spaces for the storage and separate collection of different waste categories. The spaces were set up on the concrete platform and were signaled so that company staff or people coming from outside the company know what type of waste must be discarded or stored.

In 2022, in Romania, we conducted campaigns that involved the replacement and recovery of Akta networks, resulting in cable waste and electrical equipment waste (metal boxes). All the waste that resulted from these operations was stored on the concrete platform or in containers specially provided and installed by operators authorized to take over and eliminate or recycle these types of waste.

Waste category	Waste generated (Romania) tones
DEEE	542
Metal	3.3
Batteries*	37.8
Plastic	291.8
Wood	10.9
Paper and cardboard	150.1
Mixed municipal waste	2,390.9
Cables	1,727
Oils	0.6
Printer cartridges	6.3
Waste from construction and demolitions	93.6
Insulation materials	13.3
Non-ferrous metals	0.3
Tires	4
Total	5,271.9

**both from our activities, as well as collected from our customers*

All the quantities mentioned in the table above were handed over to operators authorized to recycle or eliminate those specific waste categories. The contracts are mainly signed at national level, but there are a few exceptions where the contracts are signed locally, because the quantities are reduced, and the operators prefer to collect large quantities to cover the cost of the transport. At the moment, we do not have implemented a system that allows us to monitor the quantities of waste produced in all our Group's locations in Romania. But, as the Romanian legislation is changing, starting 2023, the waste produced needs to be recorded online, in the Integrated Environmental System by 15th of March for the previous year. Therefore, in each county of Romania, the company has appointed a person responsible for monitoring and reporting the waste quantities generated in our activities. The data presented for Romania covers all our warehouses, Digi stores and national level headquarters.

Waste diverted from disposal (Romania)	Onsite	Offsite
Hazardous waste (tones)		
Preparation for reuse	0	0
Recycling (downcycling, upcycling, composting, anaerobic digestion)	0	548.3
Other recovery operations (repurposing, refurbishment)	0	0
Total	0	548.3
Non-hazardous waste (tones)		
Preparation for reuse	0	0
Recycling (downcycling, upcycling, composting, anaerobic digestion)	0	456.1
Other recovery operations (repurposing, refurbishment)	0	0
Total	0	456.1
Waste directed to disposal (Romania) →		
Hazardous waste (tones)		
Incineration (with energy recovery)	0	0
Incineration (without energy recovery)	0	0
Landfilling	0	0
Treating	0	37.8
Total	0	37.8
Non-hazardous waste (tones)		
Incineration (with energy recovery)	0	1,731
Incineration (without energy recovery)	0	0.6
Landfilling	0	2,497.80
Total	0	4,229.40

The waste sent for disposal (with or without energy recovery) is the waste that at this moment cannot be recycled by any operator in Romania. Various discussions were held with several operators to identify the process through which the waste sent for disposal can be recycled or different metals or plastic materials can be recovered, but no operator could provide such solutions.

In Romania, we started a campaign to provide selective waste collection containers, both at our warehouses and at our headquarters, in order to reduce the municipal waste produced and to recycle as much as possible the waste produced by both the company's employees and the people who visit our cashiers.

Circular economy

As producing the equipment, we need for our infrastructure to work requires a significant number of natural resources, including rare earth metals, minerals, and fossil fuels, when possible, we try to adopt circularity measures. By adopting a circular economy approach, we can minimize waste and reduce our reliance on virgin materials by recovering, repairing, and reusing products and components. Simultaneously, this can bring us economic benefits, as the product-as-a-service model helps us reduce costs when we recover devices and equipment installed at our clients' premises.

Device*	Active		Recovered and reused	
CPE	69%		8%	
ONT	97%	% of the all-time installed devices up to date (2022)	4%	% of the all-time installed devices up to date (2022)
Receivers and CAM	51%		29%	
SMTA FTTB	84%		24%	
Switch FTTB	99%		13%	

*equipment installed at our clients' premises or for network development

While we can't control how our customers dispose of the devices bought from us, we try to offer them the possibility to return them to our premises.

In 2022, in Romania, with help from our partners from Environ, we managed to expand the **Digi Corrrner** project in all our stores. Started in 2021, the project aims at helping our clients and employees to dispose of their electric and electronic waste (smartphones, fixed line telephone, routers), but also their batteries and accumulators. The waste collected was either used by our partner in its own projects or recycled or eliminated, depending on the condition of each equipment.

In Spain, the waste generated by the organization in its own activities is always managed by a third party. The third party is a company specialized in waste management that always manages the waste in accordance with the legal requirements. The third-party company issues and provides us with a certificate regarding the destination of the waste.

Waste category	Waste generated (Spain) tones
Metal	3.98
Wood	102.66
Paper and cardboard	51.66
Cables	2.58
Optic fiber	1.19
Plastic	4.59
Municipal waste	11.37
Industrial waste	15.5
Mixed waste	19.23
Ordinary waste	1.55
Mixed packaging	8.46
RCD contaminated waste	8.98
Bulk waste	14.36
Construction and demolition waste	12
Total	258.11

Waste diverted from disposal (Spain)	Onsite	Offsite
Hazardous waste (tones)		
Preparation for reuse	0	0
Recycling (downcycling, upcycling, composting, anaerobic digestion)	0	0
Other recovery operations (repurposing, refurbishment)	0	0
Total	0	0
Non-hazardous waste (tones)		
Preparation for reuse	0	0
Recycling (downcycling, upcycling, composting, anaerobic digestion)	0	166.66
Other recovery operations (repurposing, refurbishment)	0	0
Total	0	166.66

Waste directed to disposal (Spain)	Onsite	Offsite
Hazardous waste (tones)		
Incineration (with energy recovery)	0	0
Incineration (without energy recovery)	0	0
Landfilling	0	91.45
Total	0	91.45
Non-hazardous waste (tones)		
Incineration (with energy recovery)	0	0
Incineration (without energy recovery)	0	0
Landfilling	0	0
Total	0	0

For DIGI Italy SL, as the only service offered by the company is mobile telephony, the company does not generate significant amounts of waste. For the waste that results from the office activities (paper, cardboard, glass, and municipal waste), a tax is paid to the local administration based on the area of our offices located in Milan, Via Giovanni Bensi 11 (for 400 square meters and for the warehouse located in Cesano Boscone for 410 square meters).

Water use

Within all the companies in the Group, the water is used only for household activities, within our administrative offices, stores and warehouses.

Country	Romania (m ³)	Spain (m ³)
Water used	14,671	106.2
Water evacuated	14,671	106.2

The data was extracted from the supplier invoices.

Biodiversity

As part of the telecommunications network development process, the construction of new sites complies to existing legislation on the authorization of construction works. This authorization process aims to guarantee high construction quality and to assess and limit construction activities in protected areas or historically significant buildings, thereby safeguarding these areas and cultural heritage.

During the construction and installation phase of telecommunications sites, a variety of materials and equipment are utilized. We take great care to protect the environment, clearly establishing work zones, implementing measures to prevent accidental pollution, and adopting separate waste collection procedures during and after the completion of these works.

To minimize the extent of construction works, both for financial reasons, as well as to minimize the impact on the environment and residents in the areas where we build mobile phone sites, we select optimal solutions from the design phase, that offer maximum flexibility. This includes using slender structures with low heights and a minimal ground footprint.

From the outset, we have always considered potential collaborations with other telecommunications operators and infrastructure owners that allow for the accommodation and operation of telecommunications equipment. In doing so, together with our partners, we tried to optimize the construction and operation costs of existing infrastructure through shared utilization, thus providing a means to mitigate the impact of new developments.

We have also implemented the GREEN site solution, which refers to sites that do not require batteries to ensure equipment operation during power outages. This solution is suitable for sites that do not have a critical role in the integrated functioning of our network.

Another principle we have considered for cost efficiency and reducing environmental impact is the use of 100% prefabricated structures. These structures allow for quick installation and uninstallation, but perhaps most importantly, they allow for reuse. Uninstalling a prefabricated telecommunications site involves disconnecting equipment, uninstalling it, dismantling the passive infrastructure (tower + foundation), and recovering and reusing 100% of all components.

87% of the tower structures constructed by the DIGI Group are prefabricated structures.

Due to the significant energy consumption required to operate telecommunications networks, we also place special emphasis on state-of-the-art equipment and technologies that improve the services provided to our customers and ensure reduced energy consumption.

Energy consumption

Energy consumption from traditional sources has a potential significant negative impact, with energy production currently being one of the sectors that has a great contribution to climate change. In internet and telecommunication services, the amount and the source of the energy consumed can also have an economic impact, as the cost of energy is a significant part of the operational cost of data centers and telecom networks. As energy prices rise, the cost of providing these services increases, which can lead to higher prices for consumers. Additionally, energy consumption can also be affected by energy policies and regulations, which can impact the cost of doing business.

For us, at DIGI, our own energy consumption comes from the fuel of our fleet and from the electricity and thermal energy consumed in our data centers, stores, and headquarters. At the same time, the company is an energy supplier. On the energy market we focus on residential clients, where at this moment, the price of the energy is dictated by legislation in force.

Fuel consumption from non-renewable sources	2022 Romania	
	l	toe
Gasoline	966,395.94	776.26
Diesel	9,513,485.51	8,014.64
Gasoline for hybrid cars	15,523.77	12.47
LPG	14,551.67	30.39
	MWh	toe
Natural gas	9,913.76	852.58

Electricity and thermal energy consumption	2022 Romania	
	MWh	toe
Self-supplied electricity	151,042.94	12,989.69
Electricity consumed from third parties	85,509.52	7,353.82
Renewable energy	273.03	23.48
	Gcal	toe
Thermal energy from third parties	603.74	60.37
Sold electricity	MWh	toe
To 3 rd parties	164,933	14,184.24

Self-supplied electricity – electricity purchased from the energy market

Electricity from third parties – electricity consumption extracted from the invoices received from the owners of the spaces we rent (no control over the supplier, as the consumption is re-invoiced to us)

Renewable energy – Electricity produced from our PV panels

The unit "toe" stands for "tonne of oil equivalent." It is a measure of energy that represents the amount of energy released by burning one metric ton (tonne) of crude oil. It is commonly used to compare and quantify different energy sources or to measure energy consumption.

The unit of measurement "L" is the abbreviation for liter. Liter is a unit of measurement for the volume of liquids and gases.

Conversion factors:

- ▶ Gasoline density: 0.765 t/m³
- ▶ Diesel density: 0.830 t/m³
- ▶ GPL density: 1.898 t/m³
- ▶ 1 ton of gasoline = 1.05 toe
- ▶ 1 ton of diesel=1.015 toe
- ▶ 1 MWh = 0.086 toe
- ▶ 1Gcal=0.1 toe

Total energy consumption = Gasoline + Diesel + Gasoline for hybrid cars + LPG + Natural gas + Self-supplied electricity + Electricity consumed from third parties + Renewable energy + Thermal energy from third parties

Reducing energy consumption

We are aware that a significant part of our direct negative environmental impact comes from the energy consumed. Therefore, we aim to invest every year in technology and measures that can help us reduce this consumption.

In this direction, the company has taken measures to reduce energy consumption, visible in the energy efficiency documents and in our internal procedures. At the same time, in 2022, an audit was carried out on the entire energy profile of the Romanian subsidiary of the Group, by an external company, where measures to reduce electricity consumption for the period 2023-2027 were designed and proposed for implementation. The energy audit is renewed once every four years.

Reduction in energy consumption	Reduction on in 2022	Investment value (Euro)	Description of the initiative that led to that reduction
Fuel	8,150 toe	8,600,000	Replacing vehicles in our fleet with new generation vehicles with start/stop system. The initiative to reduce fuel consumption was started in 2018 for part of the cars in our fleet and the process has continued until now. The energy saving is calculated for a number of 2,150 existing cars in the company's fleet with this system implemented. The average consumption of a car without start/stop is 8 liters/100 Km, while the consumption for a car with start/stop system is of 5 liters/100Km, the difference of 3 liters/100km represents energy savings.
Electricity	104.651 MWh	New procedure	Implementing of a program to power off the lighting system in the building, by applying an internal procedure that states <i>the lighting system should only be used in the situation where the area where the activity is carried out is not naturally lit effectively and to power off the lighting system when leaving the workspace</i> . The estimation is based on the lighting consumption before the implementation of the procedure and after the implementation of the procedure (when the consumption decreased at night).
Electricity	23.255 MWh	New procedure	The estimation is based on the lighting consumption before the implementation of the procedure and after the implementation of the procedure (when the consumption decreased at night).
Electricity	3,778 MWh	273,069	Implementing an efficient LED-based lighting system. In 2011, a pilot project was started to modernize the premises of the company with LED lamps, more energy efficient and more reliable. Until now, LED-based equipment has been changed in 274 locations of the company, the energy savings, just for 2022, being around 3,778 MWh.
Electricity	331.749 MWh	100,347	Replacing 48Vdc rectifiers with the latest generation equipment with improved efficiency. The measure is implemented as new sources are acquired or old ones break down. The old rectifiers had a yield of 91-92% and the new ones have a yield of 96%, the difference of 4.5% being considered energy saving. The calculation is made for a number of 447 rectifiers replaced in the company's network in the year 2022. For estimation purposes it was considered that these equipment function permanently.
Electricity	42.808 MWh	121,095	Developing a PV system for own electricity production. In 2022, we became prosumers for our headquarters in Oradea, setting up a photovoltaic system with an installed power of 92.130kWp. The energy produced is used for own consumption, while the surplus is injected into the electrical distribution network.
Electricity	827.820 MWh	0	Eliminating of a number of boxes/years. Every year, a small part of the national RCS&RDS network is switched to optic fiber, thus reducing the total consumption of the telecommunications network. In 2022, 1,890 boxes were removed. The energy reduction estimation was based on the average box power of 50W.
Electricity	230.226 MWh	832,000	The project to install hybrid solutions (solar/generator) at the telecommunications sites started in 2016 and by 2022, photovoltaic panel systems were installed for 64 of the telecommunications sites. The green energy produced by the panels installed on the telecommunications sites is for own consumption, and the injection of the power generated by the photovoltaic panels is carried out in a DC 48V system. The installed power of the panels is 224.18 kWp, with a production of 230,226 MWh, in 2022. The investment was 832,000 euros for the 64 locations installed so far.

Additional measures planned to be implemented for the 2023 – 2027 period:

- ▶ Installing 1000 photovoltaic systems for own consumption for telecommunication sites, to compensate for electricity consumption. Through this energy efficiency method, we aim to use green renewable energy for our own consumption and to introduce green energy into the National Distribution Network. The commissioning year is 2023, the investment planned is of more than 9.4 mil. euros. The panels for the total of 1000 sites have an installed power of 12,450 kWp, estimated annual production of approximately 17,591 MWh/year, with 8,818 MWh representing direct consumption and 8,773 MWh energy to be delivered to the National Distribution Network, with the possibility of installing even more photovoltaic systems in future.
- ▶ Phased replacement of external lighting fixtures with LED models, more energy efficient, the new fixtures being equipped with solar panels with motion sensors. The calculation is initially estimated for the company's headquarters, with 10 solar lamps installed at each of the 31 main headquarters. For this case, the investment is of 40,300 euros with an investment recovery period of 0.6 years and energy savings around 288.3 MWh/year.
- ▶ In certain areas of the company's premises, the water dispensers/purifiers installation, works for 24 hours a day instead of 8 hours a day for 5 days a week. As a future measure to reduce energy consumption, we aim to install timers on the sockets that supply this equipment. The timer systems will be adjusted according to the specifics of the space served and set up to interrupt the electricity supply one hour after the end of the program and to reconnect them to the electrical network one hour before the start of the program. The investment is estimated at 5,000 euros, with a recovery period of less than one year. The estimated energy savings is around 29.06 MWh/year.
- ▶ Installing cold aisles between two rows of racks (rows with equipment) for the data centers. The estimates are conducted for the data center with the highest consumption, the one in Bucharest. These cold aisles represent a system used for specific cooling of certain areas within the data center, in our case two rows of racks. The investment will be around 13,900 euros with recovery in more than 10 years, the estimated energy saving being of 2.9 MWh/year.
- ▶ Installing advanced systems for monitoring the electricity consumption, by purchasing smart meters. The investment was estimated at 957,300 euros, having a number of 19,146 locations (shelters plus telecommunications sites), at an average of 50 euros per location.
- ▶ Installing fans and temperature/humidity sensors on the shelters, to take over the load of the air conditioners during the cooler season. The shelters where the telecommunications equipment is located are cooled by means of air conditioners (high consumption of electricity), set to start when a certain temperature is exceeded inside. When the outside temperature is below 18 degrees, the air will be cooled by means of fans that have lower energy consumption. The estimated investment for this measure is of 580,800 euros for 2,200 shelters, with a recovery rate of 0.06 years, the energy savings obtained being around 37,213 MWh/year.
- ▶ Installing a heat pump heating system, an estimated investment of 3,100,000 euros, with the investment recovery period being 0.7 years. The energy savings amounts for approximately 18,023 MWh/year. The calculations are estimated for the 31 main offices, the investment per office being 100,000 euros. This specific heating system is 4-5 times more economical than an electric plant, providing more energy per unit than a conventional heating system.
- ▶ Thermal insulation for the shelters, an investment of 11,000,000 euros for 2,200 such locations, with the investment recovery period being of 0.35 years. The estimated energy saving is 127,886 MWh/year.

Energy consumption for our subsidiaries in Spain

Fuel consumption from non-renewable sources	1	2022 Spain toe
Gasoline	806,357.05	647.71
Diesel	1,954,083.61	1,646.20
LPG	1,719.88	1.39

Electricity and thermal energy consumption	2022	
	Spain	
	MWh	toe
Electricity consumed from third parties	977.51	84.07

Conversion factors:

- ▶ Gasoline density: 0.765 t/m³
- ▶ Diesel density: 0.830 t/m³
- ▶ 1 ton of gasoline = 1.05 toe
- ▶ 1 ton of diesel=1.015 toe
- ▶ 1 MWh = 0.086 toe

Energy consumption for DIGI Italy SL

Fuel consumption from non-renewable sources	2022	
	Italy	
	l	toe
Gasoline	39,347	31.61
Diesel	30,528	25.72

Electricity and thermal energy consumption	2022	
	Italy	
	MWh	toe
Electricity consumed from third parties	30.05	2.58

Conversion factors:

- ▶ Gasoline density: 0.765 kg/m³
- ▶ Diesel density: 0.830 kg/m³
- ▶ 1 ton of gasoline = 1.05 toe
- ▶ 1 ton of diesel=1.015 toe
- ▶ 1 MWh = 0.086 toe

Climate change

According to recent analysis, the ICT (Information and Communications Technology) sector is responsible for emitting 3% to 4% of global CO₂e emissions, which is about double the amount generated by the aviation sector. The global data usage is expected to grow exponentially, and unless significant actions are taken to reduce the environmental impact of telco and communication technology companies, this industry could contribute up to 14% of global CO₂e emissions by 2040.

Being aware of the environmental impact of its activities, the Group has calculated its carbon footprint for 2022. As such, this methodology was developed with the purpose of being entirely transparent about the assumptions and the data used to evaluate our emission sources.

A company's carbon footprint is the total amount of greenhouse gas (GHG) emissions produced by that company along its value chain. The GHG emissions are calculated by multiplying activity data with an emission factor (kg CO₂e = Activity Data × Emission Factor). Emission factors typically take into account the Global Warming Potential (GWP) of all relevant greenhouse gases associated with that activity, namely carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), Sulphur hexafluoride (SF₆), perfluorocarbons (PFCs), and hydrofluorocarbons (HFCs).

The carbon footprint is usually divided into three categories according to the methodology developed by the GHG Protocol, an international standard for calculating GHG emissions.

- ▶ Scope 1 includes direct emissions from sources controlled by the company, such as those coming out of car exhausts or factory chimneys.
- ▶ Scope 2 includes indirect emissions from sources controlled by the company, most often associated with the use of electricity generated by third parties. Electricity falls into this category because consuming electricity does not produce emissions (vs. consuming fuel), but producing electricity generates GHG emissions.

- ▶ Scope 3 includes indirect emissions from processes and activities across the entire value chain, from resource/material consumption or the amount of waste generated, to meals or furniture purchased for company offices.

The GHG Protocol further divides Scope 3 emissions into 15 categories:

- 1) Purchased goods and services: This category includes emissions related to the production of goods and services acquired by the company. This may include goods such as food or office supplies and services such as insurance or security.
- 2) Capital goods: This category includes emissions related to the production of capital goods acquired by the company, such as furniture or electronic equipment.
- 3) Fuel- and energy-related activities not included in Scope 1 or 2: Emissions from activities related to the generation of fuel or energy that are not included in Scope 1 or 2.
- 4) Upstream transportation and distribution: Emissions from the transportation and distribution of materials or goods to the reporting company.
- 5) Waste generated in operations: This category includes emissions resulting from the treatment of waste generated in operations, such as waste paper, glass or plastic that is recycled or landfilled.
- 6) Business travel: This category includes emissions resulting from the use of third-party transportation (e.g., bus, subway, plane) in the case of company business travels.
- 7) Employee commuting: This category includes emissions resulting from the transportation of employees from their homes to the workplace and vice versa.
- 8) Upstream leased assets: Emissions resulting from the consumption of electricity or fuel in the case of assets leased by the company for use in its operations.
- 9) Downstream transportation and distribution: Emissions from the transportation and distribution of materials and goods from the reporting company to its clients.
- 10) Processing of sold products: Emissions produced during the processing of the reporting company's intermediate products.
- 11) Use of sold products: This category includes emissions resulting from the use of products sold by the company, namely emissions related to electricity or fuel involved in the use of the product.
- 12) End-of-life treatment of sold products: Emissions from the disposal or recycling of the reporting company's sold products at the end of their life cycle.
- 13) Downstream leased assets: Emissions resulting from the consumption of electricity or fuel in the case of assets leased by the company to other entities.
- 14) Franchises: Emissions produced by the franchisees who operate independent businesses using the reporting company's brand.
- 15) Investments: Emissions generated by the operations of investments, such as equity investments in other companies or investments made in projects.

The categories included in the Group's carbon footprint assessment were:

Scope 1

- ▶ Stationary combustion
- ▶ Mobile combustion
- ▶ Fugitive emissions

Scope 2

- ▶ Purchased electricity
- ▶ Purchased heat

Scope 3

- ▶ Purchased goods and services
- ▶ Capital goods
- ▶ Waste generated in operations
- ▶ Business travel
- ▶ Employee commuting

These categories were assessed for three of the countries in which the Group has operations: Romania, Spain and Italy.

The categories not included in DIGI's carbon footprint assessment were:

Scope 3

- ▶ **Fuel- and energy-related activities.** Already taken into account in the Scope 1 and Scope 2 emission factors.
- ▶ **Upstream transportation and distribution.** Due to limited data availability, products purchased to be sold as a distributor by the Group were not taken into account in this assessment.
- ▶ **Upstream leased assets.** Already taken into account in Scope 1 and Scope 2 emissions as the operational control approach was used.
- ▶ **Downstream transportation and distribution.** Due to limited data availability, products purchased to be sold as a distributor by the Group were not taken into account in this assessment.
- ▶ **Processing of sold products.** This category was not included as the Group I does not sell intermediate products.
- ▶ **Use of sold products.** Due to limited data availability, products purchased to be sold as a distributor by the Group were not taken into account in this assessment.
- ▶ **End-of-life treatment of sold products.** Due to limited data availability, products purchased to be sold as a distributor by the Group were not taken into account in this assessment.
- ▶ **Downstream leased assets.** Not relevant for DIGI's activities.
- ▶ **Franchises.** Not relevant, as the assessment was carried out at a group level including all franchises.
- ▶ **Investments.** Not relevant for DIGI's activities.

2022	Romania	Spain	Italy	Total
	t CO ₂ e	t CO ₂ e	t CO ₂ e	
Scope 1	28,951.54	6,860.96	176.10	35,988.60
Scope 2 market-based	12,166.58	252.20	8.26	12,024.90
Scope 2 location-based	52,964.78	253.18	8.26	53,226.22
Scope 3	10,665.33	42,122.70	285.33	53,073.36
Scope 1, 2, 3 (market-based)	51,783.66	49,235.86	469.69	101,086.86
Scope 1, 2, 3 (location-based)	92,581.66	49,236.84	469.69	142,288.18

Emission Intensity = The Data Sources and Assumptions made can be consulted in detail in Annex 4.

GRI CONTENT INDEX

Statement of use	Digi Communications N.V. has reported in accordance with the GRI Standards for the period of January 1, 2022 –December 31, 2022				
GRI 1 used	GRI 1: Foundation 2021				
GRI Standard/ Other Source	Disclosure	Location	Omissions		
			Requirements omitted	Reason	Explanation
General disclosures					
GRI 2: General Disclosures 2021	2-1 Organizational details	6, 35, 71			
	2-2 Entities included in the organization's sustainability reporting	71			
	2-3 Reporting period, frequency and contact point	71			
	2-4 Restatements of information	EU Taxonomy KPIs for financial year 2021, as presented at pages 72 – 76.			
	2-5 External assurance	The content of the non-financial statement was not externally assured.			
	2-6 Activities, value chain and other business relationships	133 – 145, 147			
	2-7 Employees	90			
	2-8 Workers who are not employees	Information unavailable			Currently, the Group does not hold information regarding people who have concluded other types of collaboration with the Group companies than employment agreements.
	2-9 Governance structure and composition	37- 43			

GRI Standard/ Other Source	Disclosure	Location	Omissions	
			Requirements omitted	Reason Explanation
	2-10 Nomination and selection of the highest governance body	77		
	2-11 Chair of the highest governance body	77		
	2-12 Role of the highest governance body in overseeing the management of impacts	78		
	2-13 Delegation of responsibility for managing impacts	78		
	2-14 Role of the highest governance body in sustainability reporting	78		
	2-15 Conflicts of interest	56, 57, 79		
	2-16 Communication of critical concerns	82		
	2-17 Collective knowledge of the highest governance body	No measures taken to advance the collective knowledge, skills, and experience of the highest governance body on sustainable development during the reporting period.		
	2-18 Evaluation of the performance of the highest governance body	66-67		
	2-19 Remuneration policies	61-63		
	2-20 Process to determine remuneration	62		
	2-21 Annual total compensation ratio	68	Information was reported based on the average annual employee salary and not median, as required by this disclosure.	
	2-22 Statement on sustainable development strategy	2		
	2-23 Policy commitments	56-58		
	2-24 Embedding policy commitments	56-58		
	2-25 Processes to remediate negative impacts	Information incomplete	There are no formal commitments. All negative impacts are remediated in accordance with the European or each country national legal provisions in place.	
	2-26 Mechanisms for seeking advice and raising concerns	80		

GRI Standard/ Other Source	Disclosure	Location	Omissions	
			Requirements omitted	Reason Explanation
	2-27 Compliance with laws and regulations	There are no formal commitments. All negative impacts are remediated in accordance with the European or each country national legal provisions in place.		
	2-28 Membership associations	Not applicable.	The Group is not part of any industry associations, other membership associations, and national or international advocacy organizations in which it participates in a significant role.	
	2-29 Approach to stakeholder engagement	80,81,87,88		
	2-30 Collective bargaining agreements	95,97		
Material topics				
GRI 3: Material Topics 2021	3-1 Process to determine material topics	80-82		
	3-2 List of material topics	83-86		
Materials and waste				
GRI 3: Material Topics 2021	3-3 Management of material topics	84, 109- 114		
GRI 301: Materials 2016	301-1 Materials used by weight or volume	108, 109	Information incomplete. The data for the materials used for our activity in Spain was not monitored. At the same time, data for the Romanian subsidiaries was not presented using the same unit measure	
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	109		
	306-2 Management of significant waste-related impacts	110-112		
	306-3 Waste generated	110,112		
	306-4 Waste diverted from disposal	111,112		
	306-5 Waste directed to disposal	11,113		

GRI Standard/ Other Source	Disclosure	Location	Omissions	
			Requirements omitted	Reason Explanation
Energy consumption				
GRI 3: Material Topics 2021	3-3 Management of material topics	84, 114		
	302-1 Energy consumption within the organization	114, 116, 117		
GRI 302: Energy	302-4 Reduction of energy consumption	114-116		
Climate change				
GRI 3: Material Topics 2021	3-3 Management of material topics	84, 117, 118		
	305-1 Direct (Scope 1) GHG emissions	119		
GRI 305: Emissions	305-2 Energy indirect (Scope 2) GHG emissions	119		
	305-3 Other indirect (Scope 3) GHG emissions	119		
Biodiversity				
GRI 3: Material Topics 2021	3-3 Management of material topics	84, 113		
	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Information unavailable.	Information was not monitored as per the requirements of this disclosure.	
Circular economy				
GRI 3: Material Topics 2021	3-3 Management of material topics	86, 111, 112		
Group specific disclosure	Equipment and devices recovered and reused	112		Disclosure reported only for the Romanian subsidiaries of the Group.

GRI Standard/ Other Source	Disclosure	Location	Omissions	
			Requirements omitted	Reason Explanation
Fair working environment				
GRI 3: Material Topics 2021	3-3 Management of material topics	84, 91, 92, 94, 95, 97		
	401-1 New employee hires and employee turnover	92		
GRI 401: Employment	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	96		
	401-3 Parental leave	97		
GRI 404: Training and Education	404-1 Average hours of training per year per employee	98, 99		
	404-3 Percentage of employees receiving regular performance and career development reviews	100		
GRI 405: Diversity and Equal Opportunity	405-1 Diversity of governance bodies and employees	77, 78, 93, 94,		
	405-2 Ratio of basic salary and remuneration of women to men	95, 96		
GRI 406: Non-discrimination	406-1 Incidents of discrimination and corrective actions taken	93		
Occupational health and safety				
GRI 3: Material Topics 2021	3-3 Management of material topics	85, 100-102		
	403-1 Occupational health and safety management system	100		
GRI 403: Occupational Health and Safety	403-2 Hazard identification, risk assessment, and incident investigation	100-102		
	403-3 Occupational health services	92		
	403-4 Worker participation, consultation, and communication on occupational health and safety	102		

GRI Standard/ Other Source	Disclosure	Location	Omissions		
			Requirements omitted	Reason	Explanation
	403-5 Worker training on occupational health and safety	102			
	403-6 Promotion of worker health	96			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	102			
	403-9 Work-related injuries	103			
Data and network security					
GRI 3: Material Topics 2021	3-3 Management of material topics	18, 52, 53, 84, 89, 90			
Group specific disclosure	Measures to prevent data and network security breaches	89, 90			
Personal data privacy					
GRI 3: Material Topics 2021	3-3 Management of material topics	18, 52, 54, 85, 90			
GRI 418: Customer privacy	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	90			
Supply chain management					
GRI 3: Material Topics 2021	3-3 Management of material topics	17, 51, 84, 150, 142, 148,			
GRI 204: Procurement Practices	204-1 Proportion of spending on local suppliers	105			
Stakeholder engagement					
GRI 3: Material Topics 2021	3-3 Management of material topics	86-88			
Group specific disclosure	Communication channels per stakeholder category	86-88			
Technological innovation					

GRI Standard/ Other Source	Disclosure	Location	Omissions		
			Requirements omitted	Reason	Explanation
GRI 3: Material Topics 2021	3-3 Management of material topics	9, 10, 49,85			
Group specific disclosure	Number of cities where 5G mobile telecommunication services are available	145			
Impact on the local economy					
GRI 3: Material Topics 2021	3-3 Management of material topics	85, 134-145, 105-107			
GRI 201: Economic Performance	201-1 Direct economic value generated and distributed	72			
Quality of services					
GRI 3: Material Topics 2021	3-3 Management of material topics	8, 10, 14, 18, 84, 88, 142-146			
Group specific disclosure	Number of complaints received from clients on aspects regarding network interruptions	87			
Business ethics and responsibility					
GRI 3: Material Topics 2021	3-3 Management of material topics	19, 26, 54, 56-59, 78, 79, 84			
GRI 202: Market Presence	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	95			
	202-2 Proportion of senior management hired from the local community	95			
GRI 205: Anti-corruption	205-2 Communication and training about anti-corruption policies and procedures	72			
	205-3 Confirmed incidents of corruption and actions taken	79, 80			

GRI Standard/ Other Source	Disclosure	Location	Omissions		
			Requirements omitted	Reason	Explanation
GRI 206: Anti-competitive Behavior	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	78			
GRI 415: Public Policy	415-1 Political contributions	78			
Digital inclusion and access to services					
GRI 3: Material Topics 2021	3-3 Management of material topics	85, 103, 104, 134-146			
Group specific disclosure	Distribution of RGUs per residential location	103			
Internet governance and digital freedom					
GRI 3: Material Topics 2021	3-3 Management of material topics	85, 90			
Group specific disclosure	Number of IP addresses and domains blocked				
GRI 3: Material Topics 2021	3-3 Management of material topics	84, 103-104			
Group specific disclosure	Financial penalties received for non-compliance with the Regulatory Code Regarding Audiovisual Content	104			
Group specific disclosure	Warnings received for non-compliance with the Regulatory Code Regarding Audiovisual Content	104			
Engaging with local communities					
GRI 3: Material Topics 2021	3-3 Management of material topics	86, 105-106			
Group specific disclosure	Number of projects implemented to support the local community	106			
Group specific disclosure	Total value of donations and sponsorships	106			

ANNEX 4 DATA SOURCES AND ASSUMPTIONS

Romania

Scope	Category	Details	Emission Factors	Type of Data
1	Stationary Combustion	Natural gas	National emission factors for natural gas	Activity data regarding natural gas consumption
1	Mobile Combustion	Gasoline, diesel, LPG	DEFRA 2022	Activity data regarding fuel consumption
1	Fugitive Emissions	R410A, R407C, HFC-134a, HFC-32	DEFRA 2022	Activity data regarding refrigerant consumption
2	Purchased Electricity (market-based)	Self-supplied and third-party electricity	The market-based electricity emission factor was sourced from DIGI's energy label in the case of self-supplied electricity. For third-party electricity, no data was available, so the same emission factor was used	Activity data regarding purchased electricity
2	Purchased Electricity (location-based)	Self-supplied and third-party electricity	The location-based emission factor was sourced from DIGI's energy label regarding the emissions associated with the national electricity mix	Activity data regarding purchased electricity
2	Purchased Heat		National emission factors for thermal energy	Activity data regarding purchased heat
3	Purchased Goods and Services	Food, beverages, advertising materials, stationery, consulting services, banking and insurance services, cleaning products, security services	The emission factors used are represented by sectoral monetary ratios developed with the use of 2018 OECD macroeconomic data for Romania	Financial data regarding purchased goods and services, converted from EUR to RON with the use of an average 4.9313 conversion rate for 2022, as stated by the European Central Bank
3	Purchased Goods and Services	Tap water	DEFRA 2022	Activity data regarding water consumption

Scope	Category	Details	Emission Factors	Type of Data
3	Capital Goods	IT Equipment (computers, laptops)	For this category, Scope 3 LCAs were sourced from the Boavizta database regarding the carbon footprint of IT equipment. There is not a 1:1 match between the models purchased by DIGI and the models used in the assessment as they are not found in the database, but the closest model is used for the estimations each time. In the cases where the database did not have any data regarding the brand of IT equipment, a generic model was used to estimate the emissions	Data regarding purchased IT equipment
3	Capital Goods	Cars	LCAs comprising production and EoL emissions were sourced from PSI. The LCAs used are not representative of the exact model, but of a model that was chosen as representative for each car brand. When there was no data available regarding a certain brand, a similar brand was used instead	Data regarding the number of purchased cars
3	Capital Goods	Trailers and other vehicles	As these were unavailable on the PSI database, the emissions were estimated with the use of sectoral monetary ratios developed with the use of 2018 OECD macroeconomic data for Romania	Data regarding the number of purchased trailers and other vehicles
3	Capital Goods	Furniture (desk, cupboard, shelves, chest of drawers)	LCAs sourced from ADEME were used. Where there was not an exact match, the LCA for the most similar available piece of furniture was used	Data regarding the number of purchased pieces of furniture
3	Capital Goods	Buildings	ADEME	Data regarding the number of square meters built

Scope	Category	Details	Emission Factors	Type of Data
3	Waste Generated in Operations	WEEE, metal, batteries, plastic, wood, paper and cardboard, mixed municipal waste, cables, oils, printer cartridges, waste from construction and demolitions, insulation materials, non-ferrous metals, tires	DEFRA 2022, according to data availability (e.g., for tires, only a recycling emission factor is available on the database, so this was the EF used regardless of the actual treatment method). When there was not a 1:1 match between the materials and the emission factors (e.g., oils, cables), the EF for the most similar material was used	Data regarding quantities of waste per type and quantities of waste per treatment method. As this data was separate (the waste per type of material and the waste per treatment method did not specify the material), the materials were linked with the treatment methods based on logical assumptions referring to the relations between the quantities specified in each of the datasets
3	Business Travel	Flights (international flights, domestic flights)	DEFRA 2022	Data from settlements related to business travels (city of departure, city of arrival, number of passengers). It was assumed that all flights were round trips, except for when the description made it specifically clear that it was not so. When the number of people was not mentioned, it was assumed it was the travel of only one person. All international flights were assumed to be economy. The distances were calculated using an online distance calculator

Scope	Category	Details	Emission Factors	Type of Data
3	Employee Commuting	Bus, subway, tramway, train, car	DEFRA 2022	<p>Data gathered through a form sent to employees, requesting data on the daily kilometers travelled to and from work, and the mode(s) of transport. As not all employees answered the form, the emissions for the rest of the employees were estimated based on the available answers. After analysing some of the answers, it appeared that some of the employees may have not fully understood the question and answered in a different format than requested. However, as this interpretation was not entirely verifiable, and as the majority of the answers adhered to the right format, the values were used as such. DIGI aims to improve this data collection process by ensuring that all answers correspond to the same format for the following assessments.</p> <p>When it comes to commuting by car, the answers were provided by commuters who use company cars, as well as by those who use personal cars. In order to avoid double counting with the Mobile Combustion emissions, it was assumed that 33% of the car travels were done by personal car, according to values for the employee commuting of workers in Italy, for which the accounting of personal/company cars commuting was done separately. The car is assumed to be a small gasoline car</p>

Scope	Category	Details	Emission Factors	Type of Data
3	Employee Commuting	Trolleybus	The emission factor was calculated based on the energy efficiency of an average Volvo B10m trolleybus model and the emissions for the national mix as stated in DIGI's energy label. In order to reach a kg CO _{2e} /passenger.km value, it was assumed the bus has a capacity of 40 passengers	Same as stated above
3	Employee Commuting	Electric scooter	The emission factors were based on an LCA study. Only the use emissions were taken into account for the emission factor (47.7% of the total LCA). The emissions were converted from g/passenger mile to kg/passenger.km	Same as stated above

Spain

Scope	Category	Details	Emission Factors	Type of Data
1	Stationary Combustion	Not applicable		
1	Mobile Combustion	Gasoline, diesel	The emission factors were sourced from Oficina Catalana del Canvi Climàtic	Activity data regarding fuel consumption
1	Mobile Combustion	LPG	The emission factors were sourced from Oficina Catalana del Canvi Climàtic	Activity data regarding fuel consumption
1	Fugitive Emissions	R410A, R407C, HFC-134a, HFC-32	DEFRA 2022	Estimated based on the number of employees and refrigerant consumption for Romania
2	Purchased Electricity (market-based)		The market-based electricity emission factor was sourced from a document containing supplier-specific emission factors	Activity data regarding purchased electricity
2	Purchased Electricity (location-based)		The location-based emission factor was sourced from Oficina Catalana del Canvi Climàtic	Activity data regarding purchased electricity
2	Purchased Heat	Not applicable		
3	Purchased Goods and Services	Advertising materials, insurance services, cleaning services, consulting services, office supplies	The emission factors used are represented by sectoral monetary ratios developed with the use of 2018 OECD macroeconomic data for Spain	Financial data regarding purchased goods and services
3	Purchased Goods and Services	Tap water	DEFRA 2022	Activity data regarding water consumption
3	Purchased Goods and Services	Milk	Agribalyse 3.1	Activity data regarding purchased milk
3	Capital Goods	Cars	LCAs comprising production and EoL emissions were sourced from PSI. As there was no data available regarding the brand of the cars purchased for Spain, the brand was assumed based on the most purchased brand for Romania	Data regarding the number of purchased cars
3	Capital Goods	Security system, laptops, tablets, phones, computers	The emission factors used are represented by sectoral monetary ratios developed with the use of 2018 OECD macroeconomic data for Spain	Financial data regarding purchased IT equipment

Scope	Category	Details	Emission Factors	Type of Data
3	Capital Goods	Furniture	The emission factors used are represented by sectoral monetary ratios developed with the use of 2018 OECD macroeconomic data for Spain	Financial data regarding purchased
3	Capital Goods	Building	ADEME	Data regarding the number of square metres built
3	Waste Generated in Operations	WEEE, metal, plastic, wood, paper and cardboard, cables, optic fibre, mixed municipal waste, construction and demolition waste, industrial waste	DEFRA 2022	Data regarding quantities of waste per type of material, further disaggregated by recyclability. It was assumed that the recyclable materials were recycled
3	Business Travel	Train, aeroplane, boat	DEFRA 2022	Data regarding the total distances travelled with each mode of transport. The flights were assumed to be international economy flights. The boat was assumed to be a ferry
3	Employee Commuting	Bus, subway, tramway, train, car	DEFRA 2022	Estimated based on the number of employees and employee commuting for Romania
3	Employee Commuting	Trolleybus	The emission factor was calculated based on the energy efficiency of an average Volvo B10m trolleybus model and the location-based electricity emission factor. In order to reach a kg CO ₂ /passenger.km value, it was assumed the bus has a capacity of 40 passengers	Same as stated above
3	Employee Commuting	Electric scooter	The emission factors were based on an LCA study. Only the use emissions were taken into account for the emission factor (47.7% of the total LCA). The emissions were converted from g/passenger.mile to kg/passenger.km	Same as stated above

Italy

Scope	Category	Details	Emission Factors	Type of Data
1	Stationary Combustion	Natural gas	The emission factors were sourced from Alleanza per il Clima	Estimated based on the number of employees and natural gas consumption for Romania
1	Mobile Combustion	Gasoline, diesel	DEFRA 2022	Activity data regarding fuel consumption
1	Fugitive Emissions	R410A, R407C, HFC-134a, HFC-32	DEFRA 2022	Estimated based on the number of employees and refrigerant consumption for Romania
2	Purchased Electricity (market-based)		The market-based EF was not available. The electricity emission factor for Italy from EEA 2021 was used instead	Activity data regarding purchased electricity
2	Purchased Electricity (location-based)		The electricity emission factor for Italy from EEA 2021 was used	Activity data regarding purchased electricity
2	Purchased Heat		The emission factors were sourced from Alleanza per il Clima	Estimated based on the number of employees and purchased heat for Romania
3	Purchased Goods and Services	Food, beverages, advertising materials, stationery, consulting services, banking and insurance services, cleaning services	The emission factors used are represented by sectoral monetary ratios developed with the use of 2018 OECD macroeconomic data for Italy	Financial data regarding purchased goods and services
3	Purchased Goods and Services	Tap water	DEFRA 2022	Estimated based on the number of employees and water consumption for Romania
3	Capital Goods	IT Equipment (computers, laptops, smartphones)	For this category, Scope 3 LCAs were sourced from the Boavizta database regarding the carbon footprint of IT equipment. There is not always a 1:1 match between the models purchased by DIGI and the models used in the assessment as they are not found in the database, but the closest model is used for the estimations each time. In the cases where the database did not have any data regarding the brand of IT equipment, a	Data regarding purchased IT equipment

Scope	Category	Details	Emission Factors	Type of Data
			generic model was used to estimate the emissions	
3	Capital Goods	Cars	LCAs comprising production and EoL emissions were sourced from PSI. The LCAs used are not representative of the exact model, but of a model that was chosen as representative for each car brand	Data regarding the number of purchased cars
3	Capital Goods	Alarm system	The emissions were estimated with the help of sectoral monetary ratios developed with the use of 2018 OECD macroeconomic data for Italy	Financial data regarding purchased electronic equipment
3	Capital Goods	Furniture (desks, lockers)	The emissions were estimated with the help of sectoral monetary ratios developed with the use of 2018 OECD macroeconomic data for Italy	Financial data regarding purchased pieces of furniture
3	Waste Generated in Operations	WEEE, metal, batteries, plastic, wood, paper and cardboard, mixed municipal waste, cables, oils, printer cartridges, waste from construction and demolitions, insulation materials, non-ferrous metals, tyres	DEFRA 2022	Estimated based on the number of employees and waste generation for Romania
3	Business Travel	Air transport, land transport, water transport	The emissions were estimated with the help of sectoral monetary ratios developed with the use of 2018 OECD macroeconomic data for Italy	Financial data regarding business travels
3	Employee Commuting	Bus, subway, motorbike, car	DEFRA 2022	Data regarding total kilometres travelled per mode of transport. The car is assumed to be a small gasoline car. For public transport, it is assumed that half of the travels are done by bus, and half by subway

Sources for Data Used in the calculations

- ▶ *Greenhouse gas reporting: conversion factors 2022* – <https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2022>
- ▶ *Greenhouse gas emission intensity of electricity generation* – https://www.eea.europa.eu/data-and-maps/daviz/co2-emission-intensity-12#tab-chart_3
- ▶ *Factori conversie a energiei primare în emisii echivalente de CO2 | Ghid, parte integrantă din Ordin 2057/2020, Ordin 1548/2021* – <https://lege5.ro/gratuit/ha4demjwgu3q/factori-conversie-a-energiei-primare-in-emisii-echivalente-de-co-2-ghid>
- ▶ *Agribalyse 3.1* – <https://doc.agribalyse.fr/documentation/>
- ▶ *European Central Bank* – https://www.ecb.europa.eu/stats/policy_and_exchange_rates/euro_reference_exchange_rates/html/eurofxref-graph-ron.en.html
- ▶ *Boavizta. Manufacturer data repository* – <https://datavizta.boavizta.org/manufacturerdata>
- ▶ *PSI Calculator* – <https://www.carculator.psi.ch/>
- ▶ *ADEME* – <https://bilans-ges.ademe.fr/>
- ▶ *Estimating Climate Impacts: Case Study - Bus Electrification in Quito* – <https://cff-prod.s3.amazonaws.com/storage/files/VSRlqK1NFo1JRscuanp3m5oWHYhA6dVLcfsdvOyQ.pdf>
- ▶ *Oficina Catalana del Canvi Climàtic* – <https://canviclimatic.gencat.cat/ca/inici>
- ▶ *Are e-scooters polluters? The environmental impacts of shared dockless electric scooters* – <https://iopscience.iop.org/article/10.1088/1748-9326/ab2da8>
- ▶ *Alleanza per il Clima. Emission factors for Electric Energy in ECORegion* – https://mycovenant.eumayors.eu/docs/document/4894_1351079384.pdf
- ▶ *Factores de emisión* – https://www.miteco.gob.es/es/cambio-climatico/temas/mitigacion-politicas-y-medidas/factoresemision_tcm30-479095.pdf