

## REPORT OF THE TELEKOM SLOVENIJE GROUP ACCORDING TO THE 2021 EU TAXONOMY

### Introductory notes to the report according to the EU Taxonomy

In accordance with Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (hereinafter: the Taxonomy Regulation) and enclosures thereto, and Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021 supplementing the Taxonomy Regulation, and guidelines issued by the Securities Market Agency (hereinafter: the SMA), the Telekom Slovenije Group is obliged to publish key performance indicators for 2021 in connection with services linked to economic activities that are deemed sustainable. The Telekom Slovenije Group reports indicators for economic activities included in the 2021 EU Taxonomy separately for the 2021 financial year. In the future, those indicators will be integrated in the annual report of the Telekom Slovenije Group and Telekom Slovenije, d. d.

In accordance with the recommendations of the SMA, the first two years of reporting (2022 and 2023) represent a transitional period in which companies will primarily adapt their reporting practices and systems in such a way that they will be able to continue ensuring comprehensive disclosures in accordance with the Taxonomy Regulation. The SMA will monitor the sustainability reporting of public companies during that transitional period. Given previously raised issues (the chronology of the adoption and implementation of legal requirements), the SMA stated that the aforementioned period must be used primarily to maximise the compliance of reporting with legal requirements and not to sanction potential deviations.

The majority of activities in connection with the provision of telecommunication services are not currently covered by Annex I and Annex II to Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 supplementing the Taxonomy Regulation (hereinafter: the Commission Delegated Regulation). This means that the majority of the Telekom Slovenije Group's activities are not subject to the EU Taxonomy framework.

### EU Taxonomy

The EU Taxonomy is a classification system that establishes a list of economic activities that are deemed sustainable based on technical criteria, in accordance with the EU's sustainability objectives.

The EU Taxonomy studied the 13 economic sectors and activities described in Annex I and Annex II to the Commission Delegated Regulation. Currently, the Taxonomy only includes economic sectors and activities that can contribute substantially to climate change mitigation or climate change adaptation (sectors that are responsible for 93.5% of direct greenhouse gas emissions in the EU).

For the purpose of climate change mitigation, sectors are prioritised, economic activities are defined and the associated technical screening criteria developed. The 2021 EU Taxonomy gave priority to sectors that have a high carbon footprint and that could contribute substantially to climate change mitigation due to their significant environmental impact.

The EU Taxonomy has not yet performed a technical analysis in other economic activities to identify those activities potentially most beneficial for further inclusion in the Taxonomy. There has also been no technical analysis carried out to identify those economic activities that are unlikely to contribute significantly to climate change mitigation objectives and are unlikely to cause significant harm.

### Sustainability-oriented strategy of the Telekom Slovenije Group

The Telekom Slovenije Group's strategy is sustainability-oriented, as sustainable operations represent one of the Group's key strategic policies defined in the strategic business plan for the period 2022 to 2026. We understand sustainable operations as the responsible management of the economic-governance, social and environmental impacts of our operations. We include the principles of sustainability in our operations, products, services and content to the greatest extent possible. To that end, we pursue the Sustainable Development Goals (SDGs) of the United Nations and key content of the latter's 2030 Agenda, as well as the principles of the ESG (environmental, social and governance) model, through which we prevent the risk of greenwashing.

Through our activities in the future, we will contribute to the reduction of the carbon footprint of the Company, Group and our stakeholders, and provide the financial and other resources required for an effective green transition.

We report on sustainable operations in annual reports, including through the use of KPIs.

### Identification of Taxonomy-aligned activities for 2021

In order to identify aligned activities, the Telekom Slovenije Group carried out a comprehensive review of telecommunication and other service activities and, based on the available reporting attributes, determined which activities can make a substantial contribution to climate change adaptation and mitigation in terms of the EU Taxonomy.

Currently, only the activities of 'Data centres' and 'Development and use of ICT solutions to monitor and mitigate climate change' are included in the Taxonomy for the field of telecommunications and the broader ICT sector.

Because the other activities of Telekom Slovenije Group companies are not subject to reporting in the scope of the EU Taxonomy, the proportion of turnover and CAPEX accounted for by those activities are relatively small (less than 1%), which is also evident from the data in the tables below.

The Telekom Slovenije Group will continue to upgrade its sustainability reporting system with the aim of ensuring comprehensive disclosures in accordance with the Taxonomy Regulation.

We included under activity 8.1 'Data processing, hosting and related activities' the activity of data centres, which is defined as the storage, manipulation, management, movement, control, display, switching, interchange, transmission or processing of data through data centres, including edge computing. This includes both equipment and services in data centres that are intended for business users. The activity falls under NACE code: J63.11. We defined it as 'Data centres'.

We included under activity 8.2 'Data-driven solutions for GHG emissions reductions' the activity of the development and/or use of ICT solutions primarily in connection with Internet of Things (IoT) solutions. Those solutions are predominantly aimed at the provision of data and analytics for decision making by the public and private sectors, which in turn facilitates a reduction in greenhouse gas emissions and thus the carbon footprint. IoT-related services include solutions for calming traffic, environmental and remote metering, solutions for agriculture, digitalisation of the vehicle fleet, implementation in the scope of smart cities, etc. The activity falls under NACE code: J61, J62 and J63.11. We defined it as 'Development and use of ICT solutions to monitor and mitigate climate change'.

Indicators are calculated based on the definitions set out in the annex to the Taxonomy Regulation – Key performance indicators of non-financial corporations.

### Turnover

*Table 1: Proportion of turnover associated with Taxonomy-aligned economic activities – disclosure by the Telekom Slovenije Group for 2021*

Economic activities	Codes	Absolute turnover (in EUR)	Proportion of turnover (in %)
<b>A.) Taxonomy-eligible activities – 2021</b>			
Data centres	J63.11	5,177,171	0.79%
Development and use of ICT solutions to monitor and mitigate climate change	J61, J62, J63.11	296,588	0.05%
<b>B.) Taxonomy-non-eligible activities – 2021</b>			
Turnover of taxonomy-non-eligible activities – 2021 (B)		648,076,241	99.16%
Total turnover (A+B)		653,550,000	100.00%

In order to calculate the proportion of turnover, we took into account the amount of turnover from activities included in the EU taxonomy. The denominator takes into account total turnover (sales revenue and other operating revenues) at the Telekom Slovenije Group level.

#### Investments

*Table 2: Proportion of OpEx (excluding amortisation and depreciation) associated with Taxonomy-aligned economic activities – disclosure by the Telekom Slovenije Group for 2021*

Economic activities	Codes	Absolute OPEX (in EUR)	Proportion of OPEX (in %)
<b>A.) Taxonomy-eligible activities – 2021</b>			
Data centres	J63.11	2,718,517	0.63%
Development and use of ICT solutions to monitor and mitigate climate change	J61, J62, J63.11	64,163	0.01%
<b>B.) Taxonomy-non-eligible activities – 2021</b>			
OPEX of taxonomy-non-eligible activities – 2021 (B)		430,015,320	99.36%
Total OPEX (A+B)		432,798,000	100.00%

In order to calculate the proportion of operating expenditure (OPEX), we took into account the amount of operating costs from activities included in the EU taxonomy. The denominator takes into account total operating costs at the Telekom Slovenije Group level. Operating costs include: the historical cost of goods sold, costs of material and energy, costs of services, labour costs and other operating expenses. Amortisation and depreciation costs are not included.

*Table 3: Proportion of CAPEX associated with Taxonomy-aligned economic activities– disclosure by the Telekom Slovenije Group for 2021*

Economic activities	Codes	Absolute CAPEX (in EUR)	Proportion of CAPEX (in %)
<b>A.) Taxonomy-eligible activities – 2021</b>			
Data centres	J63.11	496,219	0.11%
Development and use of ICT solutions to monitor and mitigate climate change	J61, J62, J63.11	236,050	0.05%
<b>B.) Taxonomy-non-eligible activities – 2021</b>			
CAPEX from taxonomy-non-eligible activities – 2021 (B)		207,936,349	99.95%
Total CAPEX (A+B)		208,173,000	100.00%

In order to calculate the proportion of capital expenditure (CAPEX), we took into account the amount of capital expenditure from activities included in the EU taxonomy. The denominator takes into account total capital expenditure at the Telekom Slovenije Group level. Capital expenditure includes: the acquisition of intangible assets and property, plant and equipment, increases in right-of-use assets under lease and other investments.

The Company has no material investments in working capital such as products and services linked to economic activities included in the 2021 EU Taxonomy.