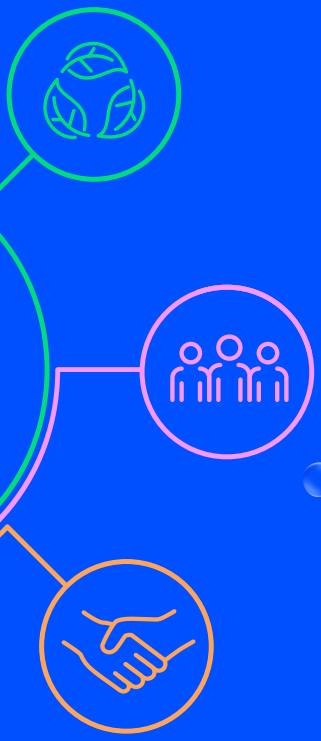
esg



Report 2023

O2

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1. Message from the CEO

Ladies and gentlemen, dear business partners

The third ESG report of O2 Czech Republic is now in your hands. In 2023, for the first time in our history, we have decided to undergo a complete ESG rating process by EcoVadis, a global rating agency on sustainability. The result was very gratifying for O2 - we ranked in the 91st percentile of the telecommunications sector, making us a „Silver Medal“ winner. This is well above the industry average, which takes into account 621 companies. Ranking in the top ten per cent of the most responsible companies confirms that we are moving in the right direction in meeting the expectations of our customers, business partners and, not least, our employees.

However favourable the rating result is for us, we know that we must not rest on our laurels. In fact, the rating itself made several recommendations to O2 that we take very seriously. That‘s why we will be implementing a new Sustainable Procurement Information System in 2024, which will give us a unique insight into how our suppliers approach sustainability. The existence of such a system will, among other things, allow us to monitor the progress our suppliers are making in ESG in the future. The same, by the way, is what multinational companies in the area of top corporate customers nowadays routinely ask O2 to do. Working only with partners who are transparent about the non-financial aspects of their business and work continuously to improve themselves is simply standard today.

Another area we have addressed is the reduction of direct greenhouse gas emissions. In the real estate sector, two major events took place last year - the Ostrava contact centre moved to new modern premises with significantly lower energy consumption and the O2 Prague headquarters underwent a complete lighting replacement with a switch to energy-saving LED technology.

In the area of social responsibility, 2023 was marked by our support for the Anna is Missing film project and the O2 Foundation‘s follow-up educational campaign, which was launched with a survey aptly titled „Children Online. When a parent is unaware“. Among other things, it revealed that children spend significantly more time on their mobile phones than parents think. Worse, one in four children have online friends they‘ve never met that their parents are unaware of, and 60 percent of kids take their phones to bed despite an explicit parental prohibition. Where can this lead? This is what the Czech Lion-nominated film „Anna is Missing,“ which the O2 Foundation supported together with the PPF Foundation and Nova TV, has shown us. Both the research and the film became part of the O2 Foundation‘s largest integrated educational campaign to date, thanks to which the shaky topic of online child safety reached more than 25 million views in a single year.

Dear friends and business partners, it makes sense to help communities and to do business in a sustainable, transparent, and responsible way. O2 Czech Republic has long been one of the most responsible companies in the Czech Republic, as evidenced by the many awards we have received. It is clear that the non-financial aspects of our business will be increasingly in the focus of our employees, partners and customers in the future, and we will not slacken in our efforts. I hope you enjoy reading this report.

I wish you a pleasant reading.

Jindřich Fremuth

2. Executive summary for 2023

Key ESG projects for 2023

- Received EcoVadis „Silver Medal“ rating
- Shielded off 1,566,000,000 cyber attacks
- 35%+ retail customers covered by O_2 Security application
- Over 85% of employees have been trained in the ESG agenda
- 216 employees donated blood in the “Daruj krev” program
- More than 17,000 trees planted
- „O_2 Chytrá škola“ project of digital security education in 62 schools
- Helped 11 human stories by employee donations of CZK 1.12 million
- CZK 12 million donated by O_2 Endowment to good causes
- Savings of more than 24 t of paper by using eBilling
- New LED lightning installed the HQ building
- Sustainable Procurement Code implemented

Key ESG projects for 2024

- Preparation of decarbonisation plan
- Implementation of Sustainable Procurement Programme
- Focus on Circular Economy (eWaste)
- CSRD Readiness Project
- Double Materiality Risk Assessment

3. About O2

Organisational Details

O2 Czech Republic a.s. stands at the forefront of telecommunications in the Czech Republic, catering to a diverse clientele ranging from households and small to large corporations. O2 is always striving to utilise cutting-edge technologies: it is further developing the O2 5G network as per the plan and is the first provider on the Czech market to launch it into the real environment. O2 is, at the same time, the largest home and business internet provider, offering it to 99% of addresses and providing the in-house developed O2 Smart Box modem for fixed connections. With its O2 TV service, it is the largest internet TV provider in the Czech Republic. Furthermore, O2 plays a significant role in hosting, cloud services, managed services, and ICT. Anticipating the evolving landscape of the telecommunications sector, the company actively explores and offers non-traditional services, particularly those of a financial nature such as device and mobile travel insurance.

O2 Czech Republic a.s. (hereinafter referred to as "O2 CZ" or "Company") is the parent company of several other companies in which it holds ownership interests. Below is a summary of the O2 holding and other ownership interests as at the date of publication of this report.

Subsidiaries within the O2 Czech Republic holding

O2 Czech Republic a.s. is the parent company of the following subsidiaries, which together form the O2 Group:

- O2 IT Services s.r.o.
- O2 TV s.r.o.
- O2 Financial Services s.r.o.
- INTENS Corporation s.r.o.
- O2 CRM Services s.r.o.

O2 Czech Republic a.s. also forms a joint venture with Tesco Mobile ČR s.r.o. Furthermore, the Company owns stakes in the following companies: První certifikační autorita, a.s. (23.25%) and Dateio s.r.o. (12.09%).

O2 Czech Republic a.s. hereby issues an ESG report for the calendar year 2023, covering non-financial data of all entities mentioned above which are defined as "O2 Group" for the sole purpose of this report. The consolidation of the quantitative indicators was performed for all entities unless otherwise specified at the particular indicator.

O2 Czech Republic a.s. is owned by PPF Comco N.V., part of the PPF Group.

In 2023, we updated our carbon footprint methodology in the following way. The method used to calculate emissions follows the globally recognised Greenhouse Gas (GHG) Protocol standard and guidance, including the Corporate Standard, Scope 2 and Scope 3 Calculation Guidance, GeSI ICT Sector Guidance and the relevant guidances of the Science-Based Targets Initiative.

We also updated the methodology on calculating renewable electricity to include only certified renewable energy. We restated the historic data to allow comparability.

Details on recalculations are disclosed in the relevant sections.

Our Mission:

We bring technologies
that improve people‘s everyday lives.

Business Model

Our mission:

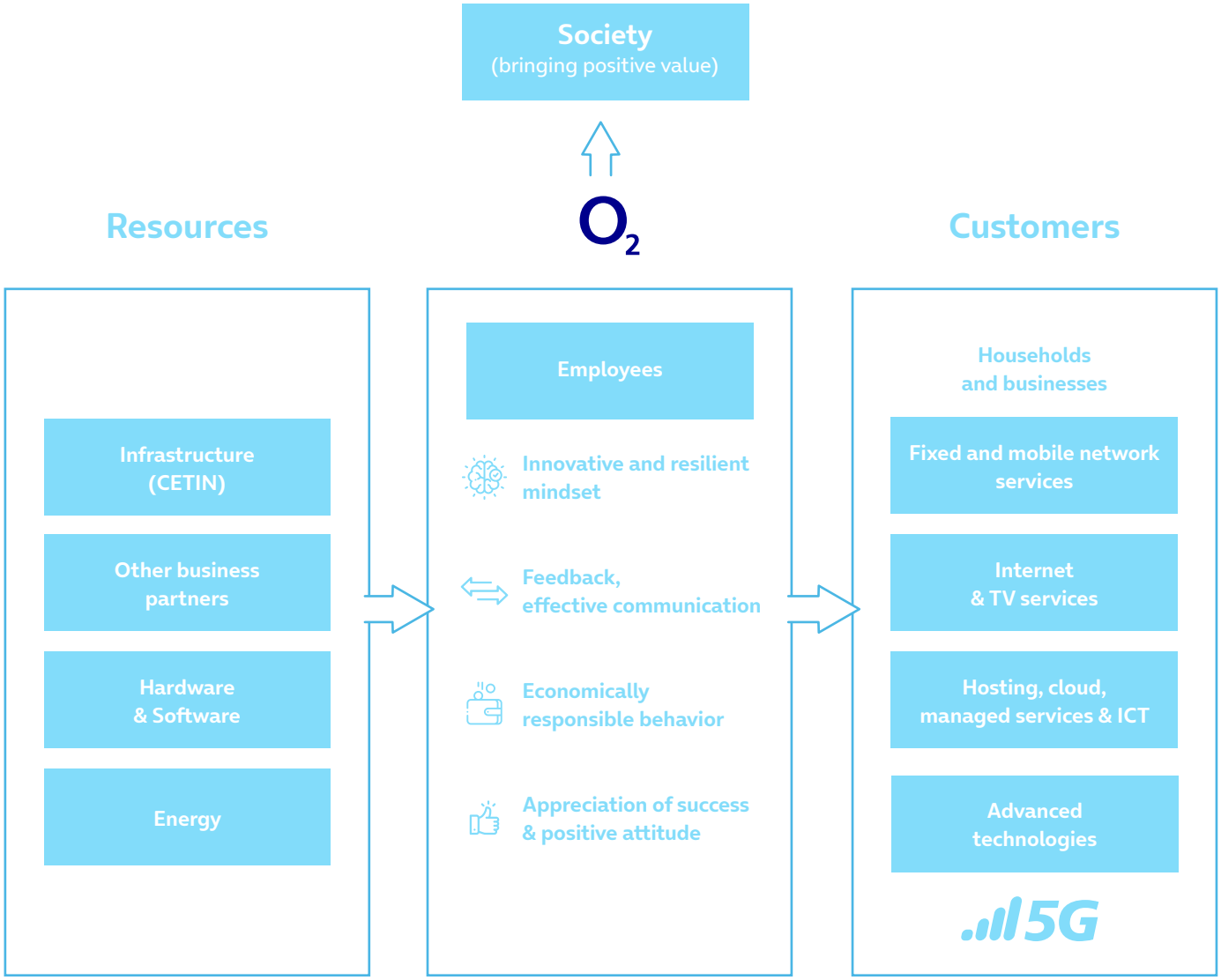
We provide technologies that improve people's everyday lives.

As our mission is to bring technologies that improve people's everyday lives; we build our business model on benefiting individuals and society as a whole.

Utilising the combined strength of our robust supply chain, infrastructure, and energy resources, alongside the expertise of our dedicated workforce who adhere to our core principles and leverage state-of-the-art technologies, we strive to provide comprehensive solutions that empower widespread access to digital communication technologies. Catering to a diverse clientele spanning from the general public to small and medium-sized enterprises, large corporations, and public administrations, we offer a range of services including the sale of terminal equipment and accessories, data center leasing, and tailored ICT solutions. Additionally, through our acclaimed O_2 TV service, we proudly hold the title of the largest internet TV broadcaster in the Czech Republic.

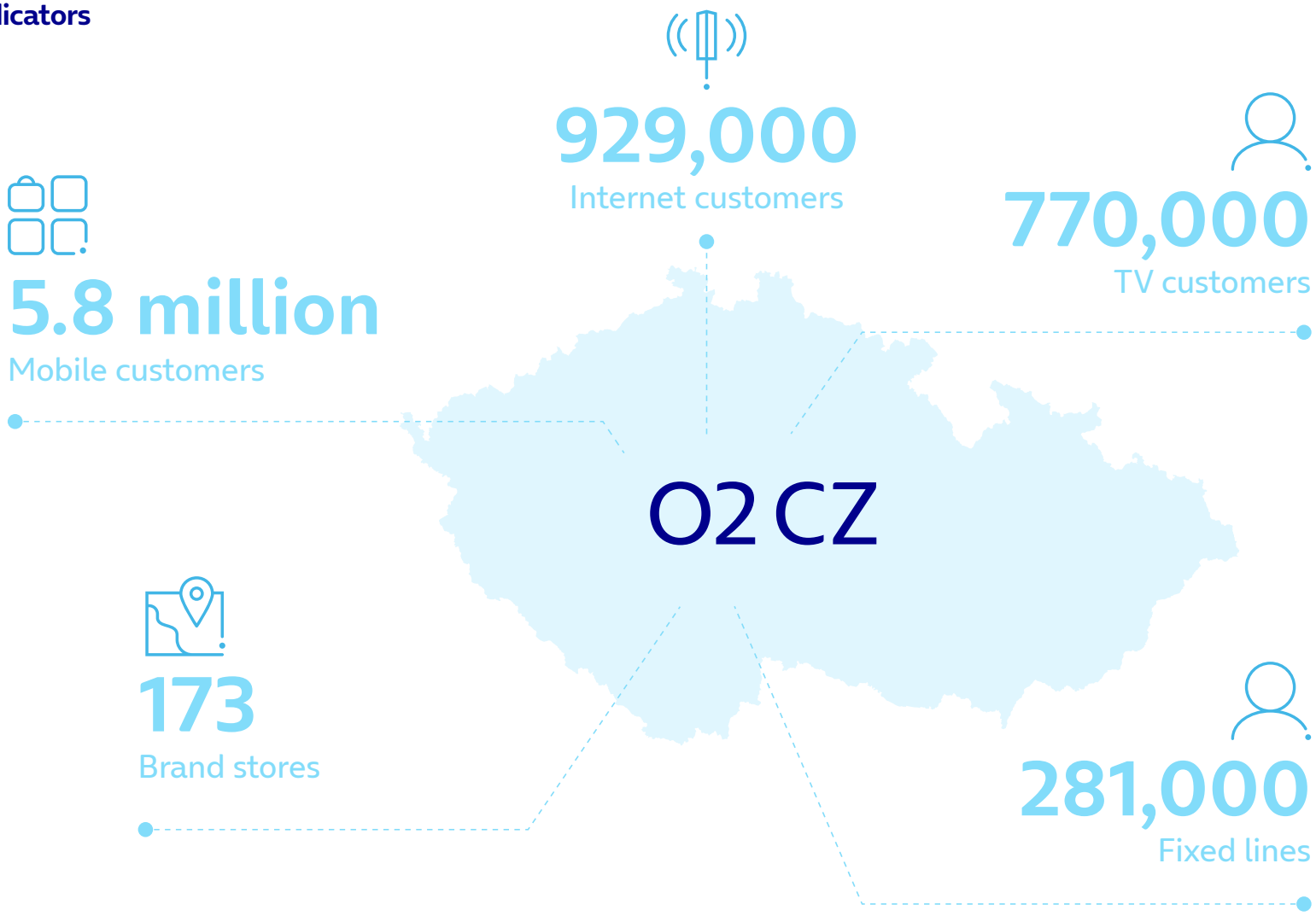
Details of our business activities, including information on products and services, financial and operating performance, can be found in our Annual Reports.

Our Value Chain



Market served

Basic Operating Indicators



Approach to Tax

Oversight of our tax procedures is managed by our dedicated Tax and HR departments, seamlessly integrated into the tax framework of the Czech Republic. Our interaction with tax authorities is underpinned by principles of mutual trust, understanding, and openness. Every aspect of our business operations adheres meticulously to the tax regulations stipulated by the Czech legislation.

Direct economic value generated and distributed in 2023 (CZK millions)

Direct economic value generated	**35,950**	Revenues
Direct economic value distributed	**-23,374**	Operating Costs
	-3,315	Employee wages and benefits
	-3,378	Payments to provider of capital
	-2,804	Payments to government
	-12	Community Investments
Economic value retained	**3,067**	

4. Sustainability in O2 CZ

We continue our commitment to sustainable development through our core value of technological transformation and digitalisation. In doing so, we actively pursue avenues for technological innovation, recognising their potential to pave the way towards a sustainable future for both humanity and the environment.

In September 2015, the UN adopted the Sustainable Development Goals (SDGs) to be achieved by 2030. This is a long-term programme covering all areas of human activity. O2 Group is openly committed to meeting this challenge.

UN Sustainable Development Goals (SDGs) Overview

We identified the following SDGs as being relevant to our operations:

Goal 3: Good Health:
"Ensure healthy lives and promote well-being at all ages"

Goal 4: Quality Education:
"Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all"

Goal 5: Gender Equality:
"Achieve gender equality and empower all women and girls"

Goal 7: Affordable and clean energy:
"Ensure access to affordable, reliable, sustainable and modern energy for all"

Goal 8: Decent Work and Economic Growth:
"Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all"

Goal 9: Industry innovation and infrastructure:
"Innovation and technological progress as key to finding lasting solutions to both economic and environmental challenges"

Goal 10: Reduced inequalities:
"Reduce inequality within and among countries"

Goal 11: Sustainable cities and communities:
"Sustainable cities and communities – Make cities and human settlements inclusive, safe, resilient and sustainable"

Goal 12: Responsible consumption and production:
"Ensure sustainable consumption and production patterns"

Goal 13: Climate Action:
"Take urgent actions to combat climate change and its impacts"

Goal 16: Peace and Justice:
"Promote peaceful and inclusive societies for sustainable development, provide access to justice for all, and build effective, accountable, and inclusive institutions at all levels"

Goal 17: Partnership for the goals:
"Strengthen the means of implementation and revitalise the global partnership for sustainable development"

Material topic name/ UN SDGs contribution	3 GOOD HEALTH AND WELL-BEING	4 QUALITY EDUCATION	5 GENDER EQUALITY	7 AFFORDABLE AND CLEAN ENERGY	8 DECENT WORK AND ECONOMIC GROWTH	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	10 REDUCED INEQUALITIES	11 SUSTAINABLE CITIES AND COMMUNITIES	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION	15 LIFE ON LAND	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	17 PARTNERSHIPS FOR THE GOALS
Carbon footprint and energy				✓						✓			
Waste and circular economy									✓				
Direct and indirect economic value					✓								
Technology helps	✓						✓						
Cybersecurity and customer privacy		✓											
Network deployment product & service quality						✓		✓					
Charitable initiatives and social investment	✓	✓									✓	✓	
Employment & working conditions			✓		✓		✓						
Employee training and development		✓											
Health, safety and healthy lifestyle	✓												
Diversity and non-discrimination			✓				✓						
Corporate governance, policies business ethics and compliance												✓	
Supply chain management					✓				✓				✓

ESG strategy

We address environmental, social and governance (= ESG) issues strategically. Only in this way can we contribute to creating a sustainable future for all our partners and civil society as a whole. In 2023, we adopted a complex ESG Strategy that is based on the four main pillars:

1.

Reduction of our environmental footprint

2.

Putting people at the center of everything we do

3.

Acceleration of technology for a sustainable future

4.

Acting with integrity and transparency

„We think of“

Within O2 CZ, our strategy is under the umbrella of the „We Think of“ strategy, which reflects the key themes and fulfils the strategy of the entire PPF Telecom Group. The individual strategic objectives were then translated into individual KPIs, which are monitored and evaluated on a quarterly basis.

We think sustainably

We think of nature

- We reduce greenhouse gas emissions
- We support circular economy
- We reduce the amount of waste we generate

We think of people

- We motivate our employees
- Customer satisfaction is key to us
- We support our communities

We think of technology for good

- We increase the coverage of the 5G network
- We ensure the cybersecurity of our customers
- We promote digital literacy

We think fair

- We conduct proper and transparent ESG oversight
- We do not tolerate corruption and conflicts of interest
- We purchase responsibly

Road map of our ESG Strategy

2022

- ESG Strategy
- Publicly committed to SBTi*

2023

- Planning period

2024

- SBTi target set*
- ESG Plan execution (ongoing)

2025–2029

- Execution of SBTi & Strategic Plans
- 1st Audited ESG Report

2030

- 50% CO_2 reduction

2050

- CO_2 Neutrality

* PPF Telecom Group has publicly committed itself to setting GHG emission reduction targets aligned with the Science Based Targets initiative's target-setting criteria. The group will use the next 12–24 months to prepare a comprehensive programme to enable us to reduce GHG emissions.

Stakeholders engagement

We recognise the paramount importance of our stakeholders' priorities in driving our sustainable development endeavors. As such, we place significant emphasis on engaging regularly with our diverse stakeholders to identify pertinent issues that warrant attention, thereby facilitating continual enhancement of our ESG performance.

O2 CZ remains dedicated to soliciting feedback on its operations from all stakeholders, primarily through questionnaire surveys and by analyzing customer churn and acquisition patterns. Communication channels with customers include call centers, chat services, in-store interactions, and surveys. In 2023 alone, we garnered over 516,000 responses to our customer questionnaires, underscoring our commitment to listening and responding to stakeholder feedback. stipulated by the Czech legislation.

Stakeholders	Type of Engagement	Engagement Frequency	Key Topics
Sole Shareholder	Communicates its decisions to the Board of Directors	Regularly	Dividend, other topics as per Articles of Association
Suppliers and partners	Websites, conferences, tenders, audits	Regularly	Transparent conditions and fair approach, payment ethics
Authorities and regulators	Participation in corporate and industry meetings, meetings with representatives of state administration, government, ministries, and regulators	Regularly, at least monthly	Compliance with legal obligations, product, and service safety, ESG
Society and local communities	Through the support and services provided, collaboration on non-profit and philanthropic projects, partnerships through the O2 Foundation, conferences, seminars	Daily	Promoting topical issues, long-term cooperation, awareness--raising, education
Business community	Associations	Regularly, at least quarterly	Ethics and business standards, security, public affairs
Customers (B2B/B2C)	Stores, Call Center´s consultants and salespeople, digital channels (website, social media My O_2 app, etc.)	Daily	Service and product quality, privacy, security
Management/ Employees	Regular management – employee meetings, intranet, electronic communication, employee evaluation process	Daily	Fair remuneration, benefits, training, working conditions, health protection

Materiality Analysis

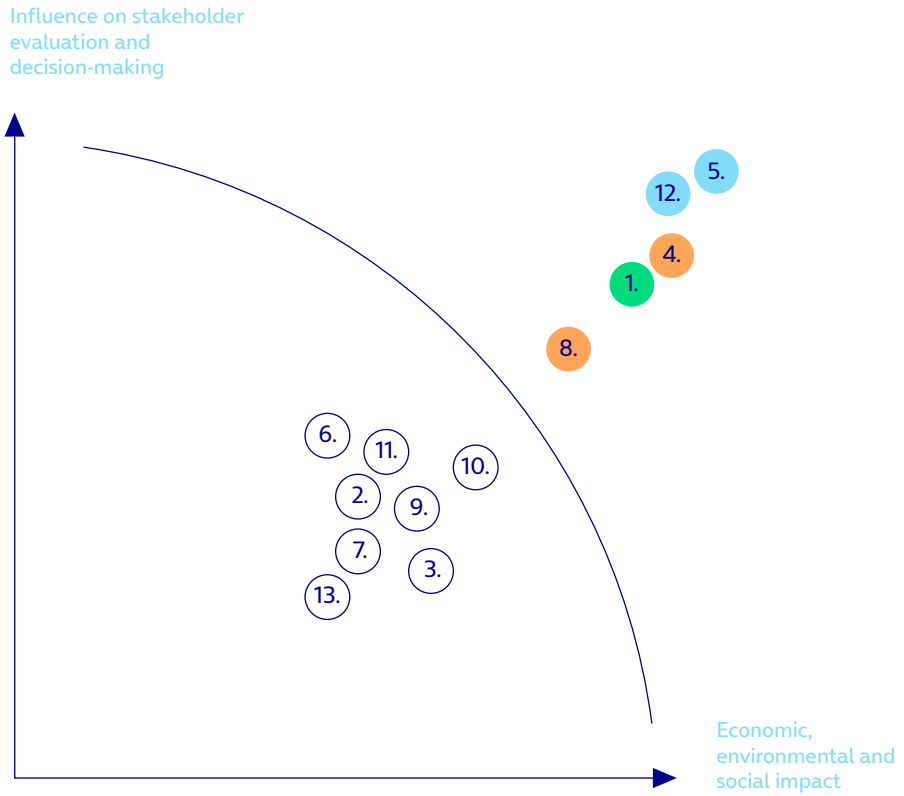
To keep up with a fast-changing environment and to adapt to all relevant ESG requirements, the last materiality was conducted in 2023. Materiality topics were identified based on the needs and interests of external and internal stakeholders, industry best practices, benchmarking with peers, identified risks and impacts, current and upcoming reporting frameworks (GRIs, SDGs, GHG Protocol, CSRD) and defining the current availability of data indicators. The identified ESG material topics were:

1. **Carbon footprint and energy**
2. **Waste and circular economy**
3. **Direct and indirect economic value**
4. **Technology helps – services and products addressing social and environmental challenges**
5. **Cybersecurity and customer privacy**
6. **Network deployment, product and service quality**
7. **Charitable initiatives and social investment**
8. **Employment and working conditions**
9. **Employee training and development**
10. **Health and safety at work**
11. **Diversity and non-discrimination**
12. **Corporate governance, policies business ethics and compliance**
13. **Supply chain management**

The analysis and its subsequent validation led to the identification of the five most significant topics, which are our focal points in this report. In addition to them, we also addressed other material ESG topics identified as part of the analysis. The following materiality matrix presents the results of this analysis.

The ESG themes identified were

1. Carbon footprint and energy
4. Technology helps – services and products addressing social and environmental challenges
5. Cybersecurity and customer privacy
8. Employment and working conditions
12. Corporate governance, business ethics policies and compliance



5. Environment

At O2 CZ, we are deeply aware of our pivotal role in confronting climate change and the array of environmental issues confronting us. Addressing these challenges is not just a commitment but a fundamental aspect of our philosophy, as we recognise our duty to take action. We are steadfast in our dedication to setting a positive example and motivating our stakeholders to embrace responsible practices.

We strive to conduct our business in an environmentally responsible manner in compliance with all relevant legislative requirements. We continually assess the environmental impact of our activities, implementing appropriate measures to mitigate any adverse effects. Our commitment extends to the adoption of eco-friendly practices and technologies throughout our operations. Moreover, we remain vigilant to promptly addressing any environmental incidents occurring within our workplaces.

To manage and measure our efforts towards environmental protection effectively, we have implemented and certified an environmental management system according to the international standard EN ISO 14001:2015[2] and an energy management system according to EN ISO 50001:2018[3].

In our Environmental policy, we outline our steadfast commitments to environmental protection, pollution prevention, continuous improvement, compliance with regulatory obligations, and fostering employee education and engagement, as well as maintaining collaborative relationships with partners on environmental issues.

In addition to our Environmental policy, the following internal guidelines serve as essential tools in guiding our environmental stewardship

- Waste management and the Circular economy
- Guideline for the management of chemical substances
- Guideline for the prevention of serious accidents
- Water protection and water management guidelines
- Air protection guidelines

[2] Applies only for O2 CZ and O2 IT Services s.r.o.
[3] Applies only for O2 CZ

As an integral part of our Integrated Management System, we proactively identify and address environmental risks and impacts stemming from our operations through regularly updated assessments of environmental aspects and impacts. We establish, monitor, and evaluate environmental goals to drive continual improvement.

To ensure comprehensive awareness and adherence to environmental standards, all employees, as well as external staff influencing the Company's environmental impact, are required to complete a mandatory course on environmental protection, environmental management systems, and energy management. This course is readily accessible and assigned by the respective employee's supervisor.

O2 CZ has been educating its employees for a long time through internal training and environmental protection projects that support their ecological behavior. As part of environmental protection awareness, the Company has been involved in the Responsible Company programme by EKO-KOM, aimed at supporting employee education and improving conditions for sorting waste in companies and increasing awareness in proper waste management. Besides paper, plastics, metal, tetra-packs, and glass, organic waste is also sorted at the Company's headquarters.

The Company continues to allow its employees and customers to return used electrical equipment and batteries from households at workplaces and O2 stores free of charge as part of the Green Company project of the REMA System collective system, where O2 CZ also financially supports the Safety Line. At selected company buildings, it is still possible to measure the current capacity of used batteries before they end up in collection containers. This can extend their lifespan and postpone the purchase of new ones. The goal of reducing waste production was incorporated into the Company's OKR goals in 2023, for example, by buying back valuable mobile phones and selling their refurbished versions, or by rewarding with a voucher for purchasing goods at O2 stores for bringing in an old mobile phone for ecological disposal.

In 2023, O2 CZ also continued the trend of internal campaigns that directly motivate employees to ecological behavior within the Company and beyond. As part of Breakfast with the CEO, EKO-KOM was invited to display their exhibition about waste sorting, the #nejsemsměsný campaign was launched, and an interactive waste sorting workshop with online access for colleagues from outside Prague was organised at the Company's headquarters.

Cooperation was established with the protected workshops REDIHEND, to which we pass electronic waste for ecological disposal. During Family Day, the event spaces were equipped with waste sorting bins. Customers can choose the necessary phone or accessories from the new offer of refurbished goods. We published an article about handling electronic waste in our Company in the Waste Forum magazine.

Employees have the opportunity to sell unused items on O_2 Bazárek, donate books to O2 libraries, and use the Carpooling app. O2 CZ also paid the entry fees for employees interested in ecological projects such as Cycling to Work and 10,000 Steps.

As part of the Sázej stromy.cz project, employees can dedicate their team building to a good cause and engage in planting trees. Together with weekend events that are also open to the public, 17,215 trees were planted.

Carbon footprint and energy

Energy

As a provider of telecommunications and IT services and a significant energy consumer, we are deeply committed to reducing our energy consumption.

CERTIFIKÁT

ZÁRUKY PŮVODU

Pražská energetika, a. s., potvrzuje společnosti

Gamma Building, s.r.o.

IČ: 17417805

dodávku ekologicky vyrobené elektřiny.

V období od 1. 1. 2023 do 31. 12. 2023 bude této společnosti dodáno 100 % elektřiny vyrobené z obnovitelných zdrojů.

Dodávka bude realizována uplatněním certifikátů Záruk původu z obnovitelných zdrojů (schéma EECS-GO RES-E) z členských zemí asociace vydavatelských subjektů AIB (Association of Issuing Bodies) prostřednictvím systému operátora trhu OTE, a.s.

Praha, 1. 1. 2023

Alexander Sloboda, obchodní ředitel

PRE

Our energy management policy articulates our objective of maximising energy efficiency across all Company facilities, network operations, product and service provision, fleet management, and collaboration with external suppliers.

We recognise the environmental impact associated with modern technologies, characterised by their high energy demands. This awareness extends to our network facilities, data centers, stores, call centers, and office buildings. Consequently, we meticulously monitor the annual trajectory of our energy consumption and prioritise energy efficiency considerations in the planned revitalisation of servers and data centers.

Our Prague headquarters only uses electricity from renewable sources. Other measures will be implemented in the following years as part of our overall decarbonisation efforts.

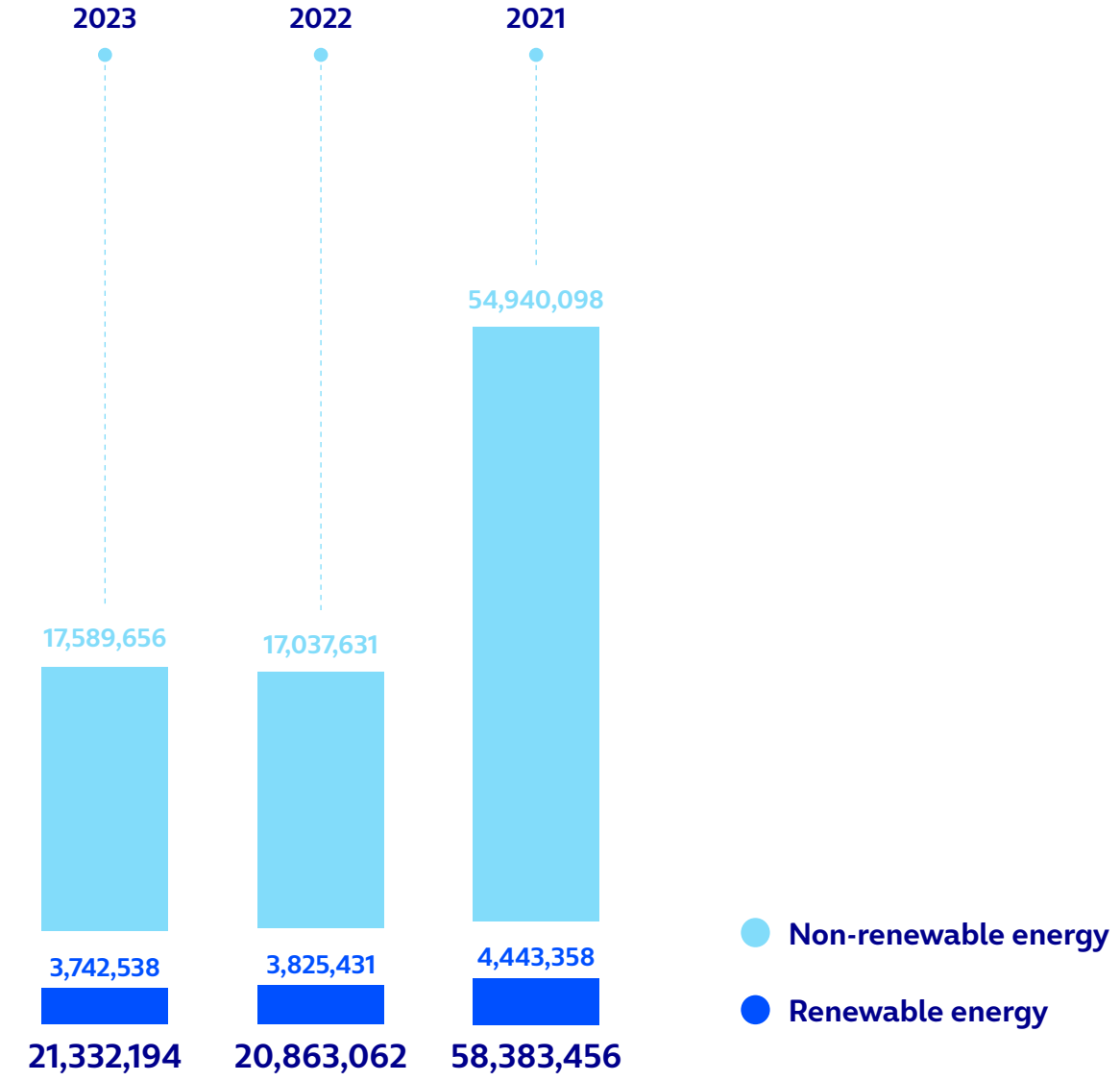
Overall electricity and heat consumption have been radically reduced compared to 2021. The reduction was because the data does not include O2 Slovakia s.r.o., which was sold in 2022.

The consumption of electric energy in 2023 was 21,332 MWh, which represents a 2% annual increase (2022: 20,863 MWh). The reported consumption of purchased heat in 2023 was 3,666 MWh (13,196 GJ), while in 2022, heat consumption was 4,353 MWh (15,670 GJ).

We will implement measures to reduce energy consumption by introducing new technologies in our Data Centers and by taking steps to increase energy efficiency and energy savings in our premises over the coming years. In 2023, we replaced all LED lights in the O2 CZ headquarters. 7,314 lighting fixtures with a total power consumption of 516.8 kW were replaced with LED sources with power consumption of 177.5 kW.

We try to plan our business trips by passenger cars responsibly and use other means of transport or virtual meetings where possible.

Purchased Electricity (kWh)



Note:. In 2023, electricity consumption includes O2 CZ, O_2 TV, O_2 IT Services, O_2 Financial Services, O_2 CRM and INTENS Corporation.

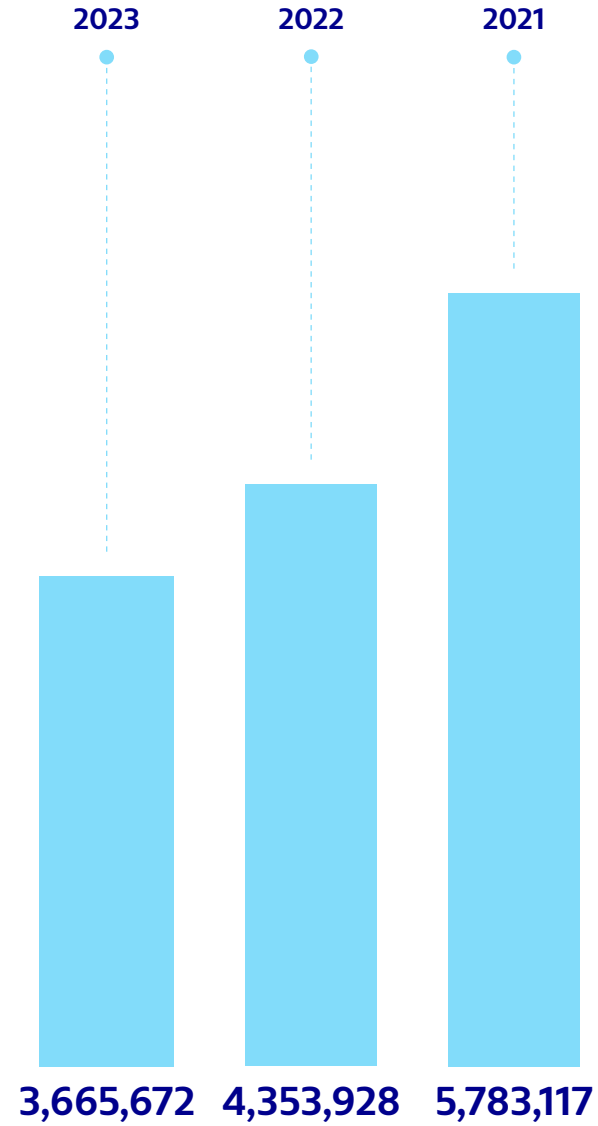
In 2023, O2 CZ used the same four types of energy as in previous years, with a total consumption of 33,801 MWh, which represents a 1.6% decrease compared to the baseline (2021), but a 4.8% annual increase.

Significant uses of heat are the consumption of electric energy, cooling, heating, and lighting at data centers, administrative buildings, stores, and warehouses. The consumption of electric energy is rising, mainly at DCs due to the continuous increase in data traffic (customers use more data than making calls and sending SMS, digitalisation).

O2 CZ contributes to air pollution with its stationary and mobile sources. Stationary sources of air pollution include equipment for heating water and heating branded stores, warehouses, or garages. These devices burn gaseous fuels. The related consumption of natural gas for heat production in 2023 was 676.5 MWh, which is 5% higher than in 2022 (645 MWh). The difference is due to the change in heating methods at some stores relocated to shopping centers and the course and length of the heating season.

Other stationary sources of air pollution include electricity production equipment – backup power sources (BPS). The total diesel consumption in backup power sources at Gamma and Hvězdova buildings increased due to the higher number of BPS functionality tests, which were not properly conducted in 2022. Discrepancies and leaks from stationary sources are not recorded in 2023.

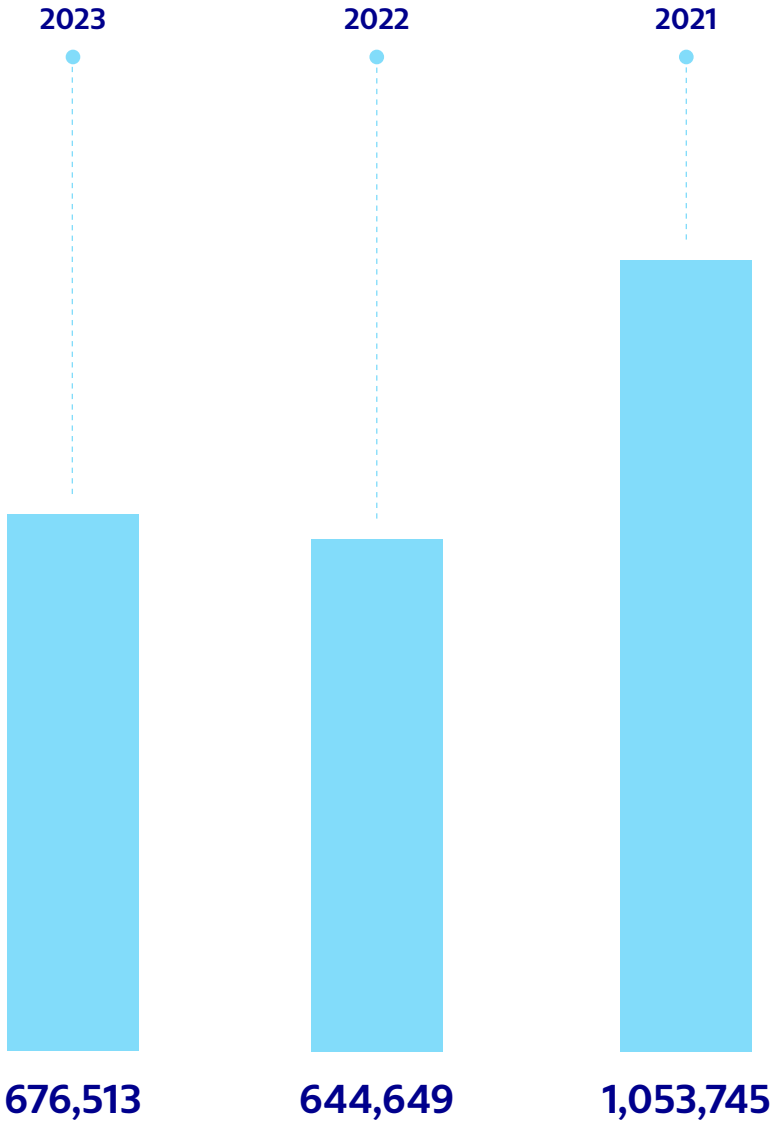
Purchased Heat (kWh)



Note: In 2023, heat consumption includes O2 CZ, O_2 TV, O_2 IT Services, O_2 Financial Services, O_2 CRM and INTENS Corporation.

In 2023, the new version of the energy policy was approved by the CEO, also considering the recommendations from the 2022 recertification audit. The update includes an emphasis on the commitment to providing the necessary resources for the Energy Management System (EnMS), continuous improvement of energy efficiency, and compliance with legislative requirements. The current alignment is considered satisfactory for the next period as well.

Natural Gas Consumption
(kWh – GCV)



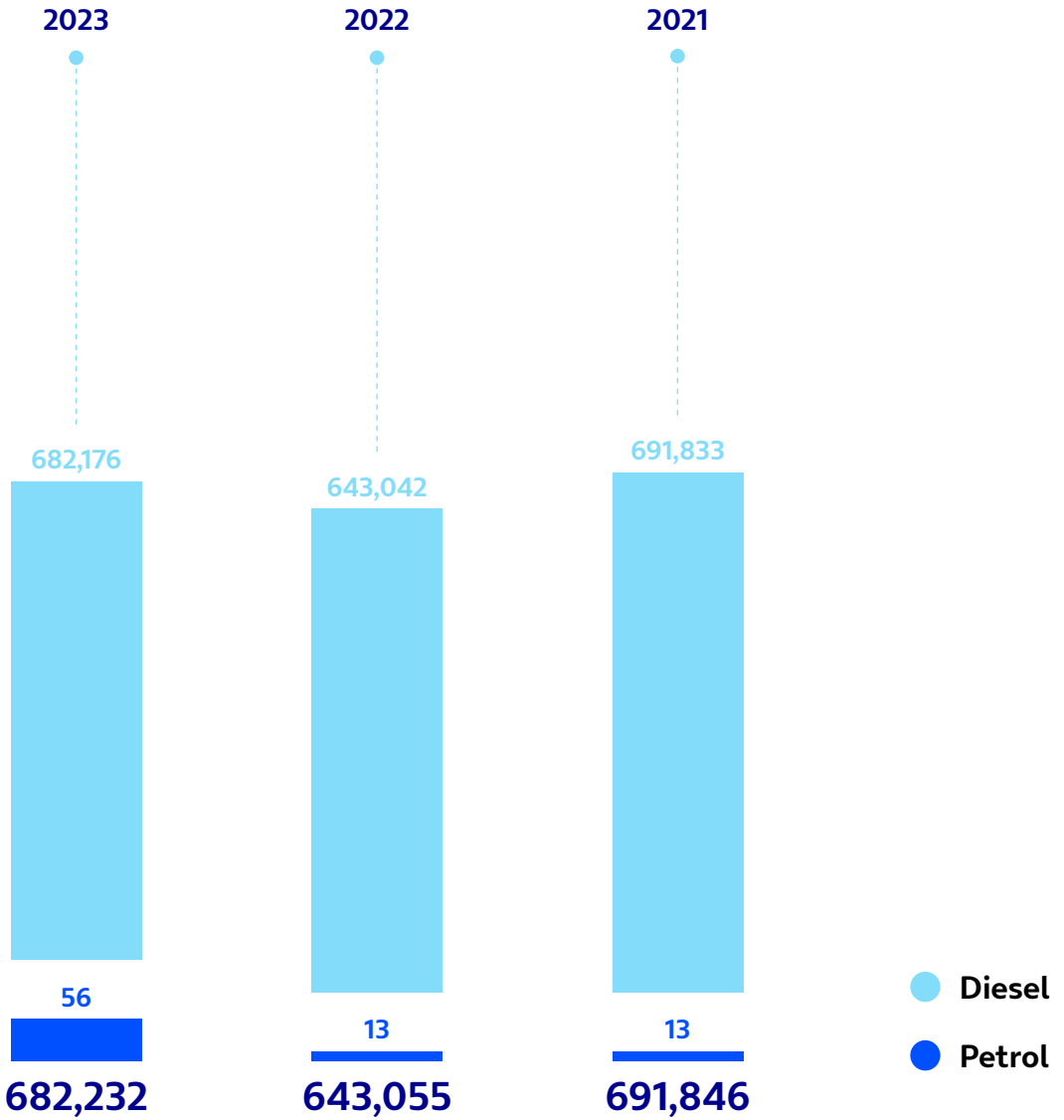
Note: Natural gas is purchased in substantive quantities only by O2 CZ. Natural gas is considered as fuel from non-renewable resources.

Fuel Consumption Diesel and Petrol (l)

Within O2 CZ, mobile sources of pollution are vehicles with combustion engines. The total distance covered by O2 CZ vehicles in 2023 was 12,123,196 km (in 2022 – 11,142,657 km), which is a 9% increase due to the Company's growth and the economic revival in the post-COVID period. From the perspective of fuel consumption, service vehicles used 672,806 liters of diesel in 2023 (in 2022 it was 642,000 liters of diesel) and 5 liters of gasoline (2022: 13 liters). The ongoing change in the motorisation of personal vehicles (from 2.0 to 1.6 liters of engine displacement) had a positive impact on consumption. The share of gasoline consumption as part of total fuel consumption is minimal, which is due to the fact that the used vehicle fleet consists almost exclusively of vehicles with diesel engines, and gasoline is only used in transport for snow scooters.

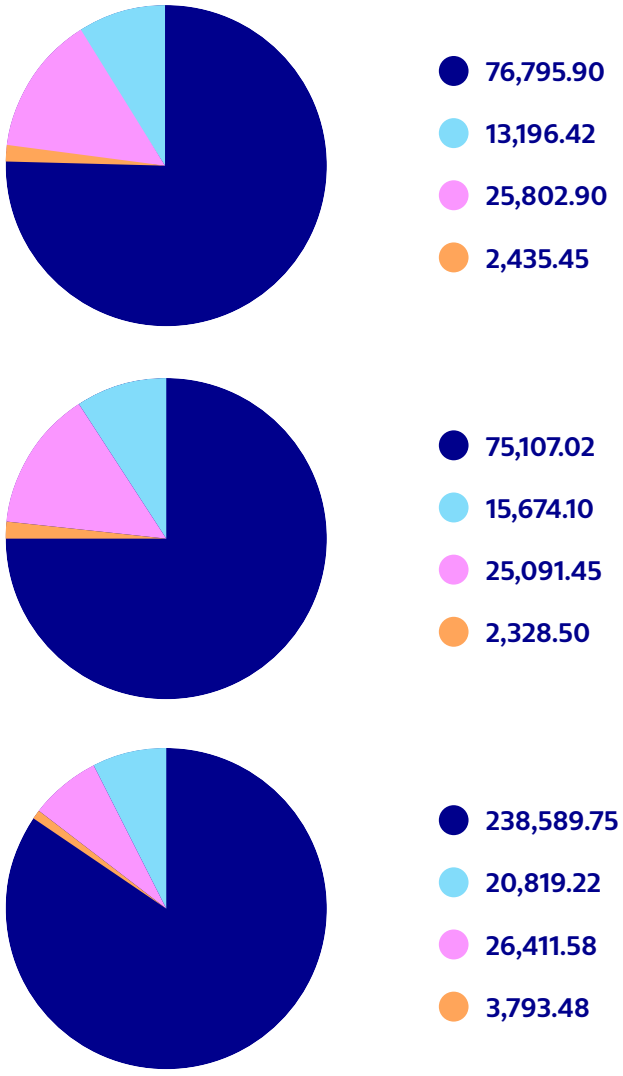
Air protection regulations also apply to the operation of air conditioning units, and a number of environmental legal obligations must be respected. The goal for 2023 was to reduce the average consumption by 0.5 liters of diesel per 100 service km, i.e., to 5.47 liters/100 km.

The goal was achieved, with a target value of 4.94 liters/100 km reached.



Note: In 2023, fuel consumption includes the Company's passenger fleet, diesel generators, snow scooters and a forklift. The fuel consumption Includes O2 CZ, O_2 TV, O_2 IT Services. All fuel consumed is from non-renewable resources.

Energy Consumption (GJ)



Total Energy Intensity (GJ/employee)

2023	29
2022	29
2021	60

Note: Employees in FTE. Energy intensity is based on purchased electricity, purchased heat, natural gas consumption and fuel consumption.

Carbon Footprint

Carbon footprint efforts aim to utilize primary data wherever possible, particularly around all major emission sources. The organizational boundaries were drawn using the consolidation based on the operational control approach. This approach considers all emissions that the organization has operational control over, but not necessarily financial control. In cases where primary data is not available, a consistent and conservative approach to calculation is applied. The reporting period covered in this document is January 1, 2023 to December 31, 2023. The emissions summary reflects the consolidation of emissions data according to the Greenhouse Gas Protocol reporting standards. These being the Corporate Accounting and Reporting Standard (2004) and the Corporate Value Chain Accounting and Reporting Standard (2011).

In 2023 the reported GHG are aggregated into the following category groups at the organizational level:

- Scope 1 - Direct Emissions from operations
- Scope 2 - Indirect emissions from the use of purchased electricity, steam, heating, and cooling
- Scope 3 - Indirect emission in the value chain; further divided into upstream and downstream emissions

Detailed carbon footprint results can be found in the GHG Protocol 2023.

Restatement

In 2023, O2 CZ has made several changes in the methodology of its GHG calculation. These methodological changes primarily vest in referencing goods' emissions to actual product emissions wherever declared by manufacturers, attribution of emissions from fuel and energy-related activities as multiplication of proportional rates set out by IEA and AIB residual mix emission factors / specific emission factors for renewable energy, and applying world emission factors for purchased goods and services and capital goods where spend-based method is applied for emissions' calculation.

In addition, several other improvements have been made in calculations of emissions by capturing emissions resulting from investments, full alignment of emission categories inputs with company accounting, applying most recent residual mix emission factors released by AIB, extending the use of sold products emissions to full life cycle of sold products and inclusion of leased products emissions in downstream leased assets.

All of the above mentioned factors account for more than 5 % change in O2 CZ's carbon footprint what has triggered the need to restate emissions calculated for the year 2022.

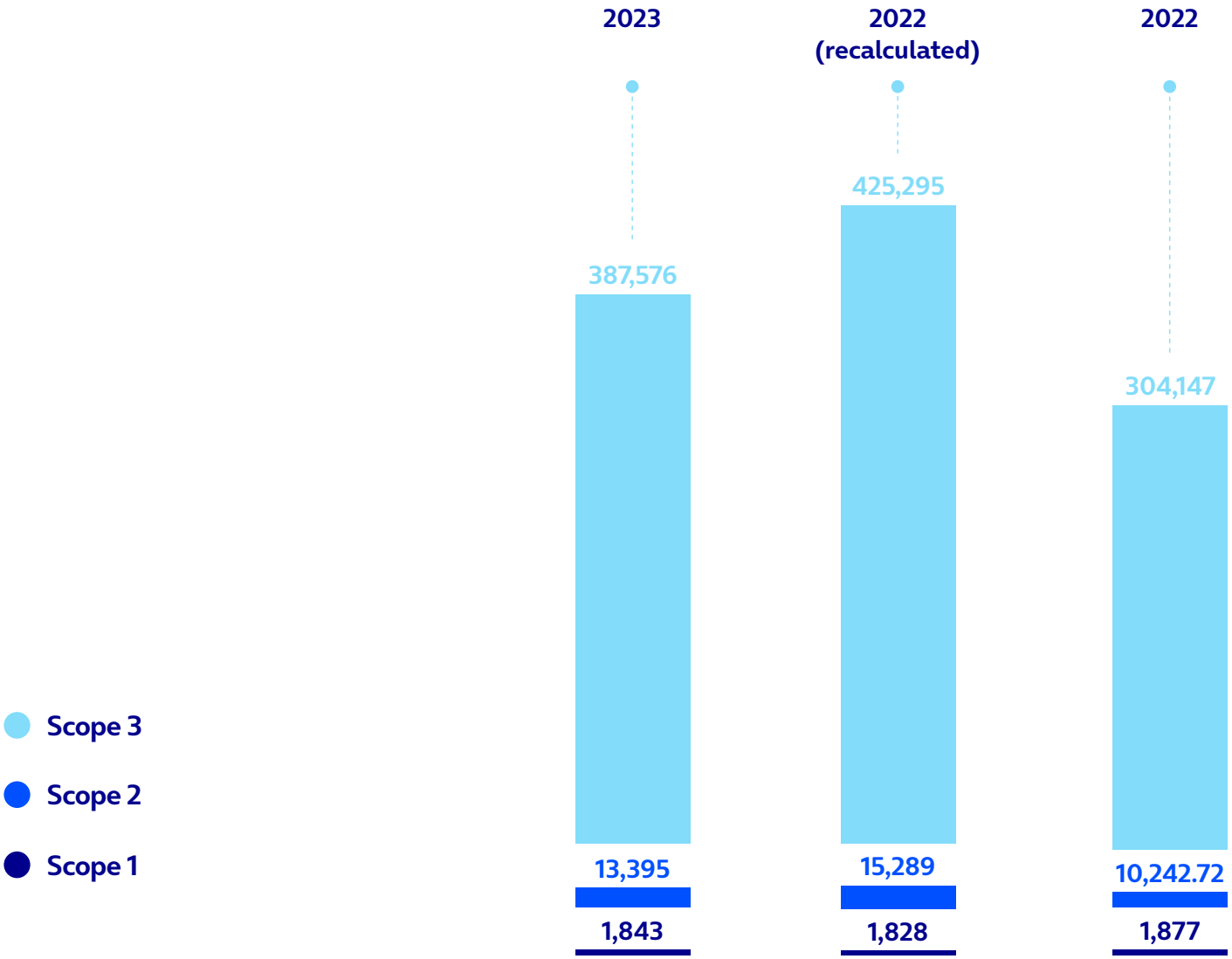
Detailed carbon footprint restated results for 2022 can be found in the GHG Protocol 2022.

O_2 carbon footprint overview

GHG Emissions (tCO2e):

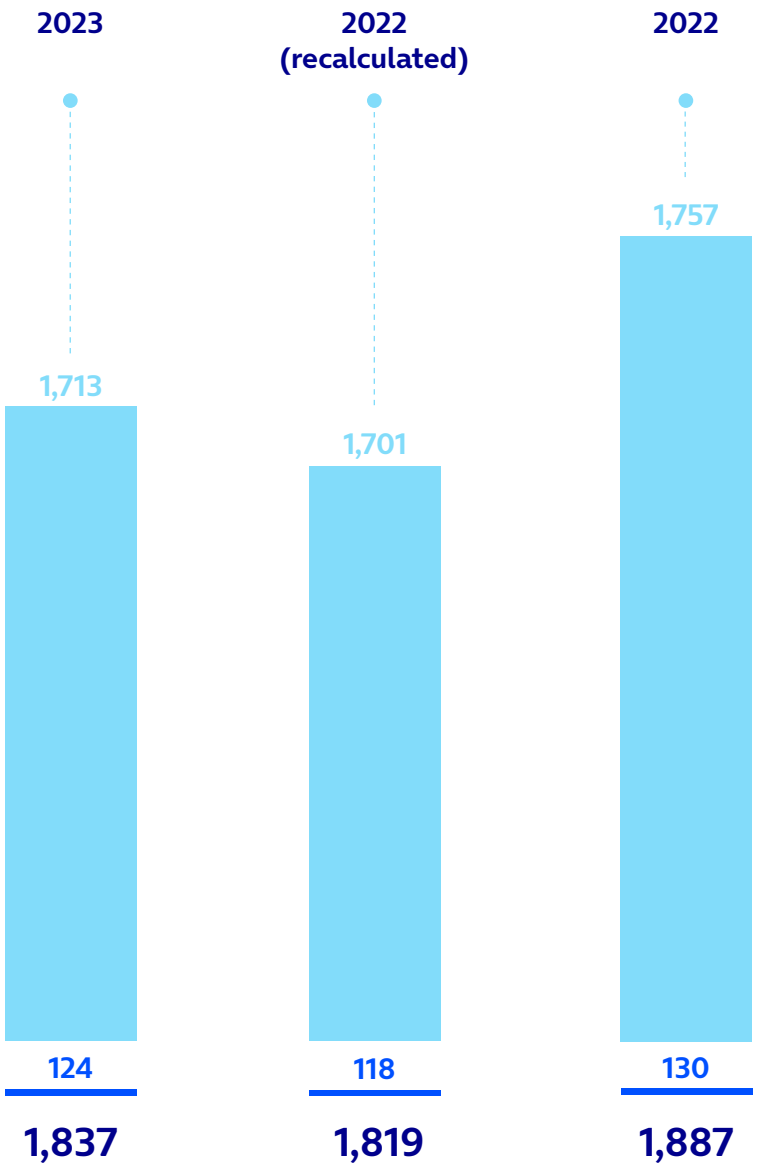
Source of Emissions	2023	2022 (recalculated)	2022
Scope 1	1,843	1,828	1,887
Scope 2 – market-based method	13,395	15,289	10,243
Total Scope 1+2	**15,238**	**17,117**	**12,130**
Scope 3	387,576	425,295	304,147
Total Scope 1+2+3	**402,814**	**442,412**	**316,277**

Carbon Footprint (tCO_2e)



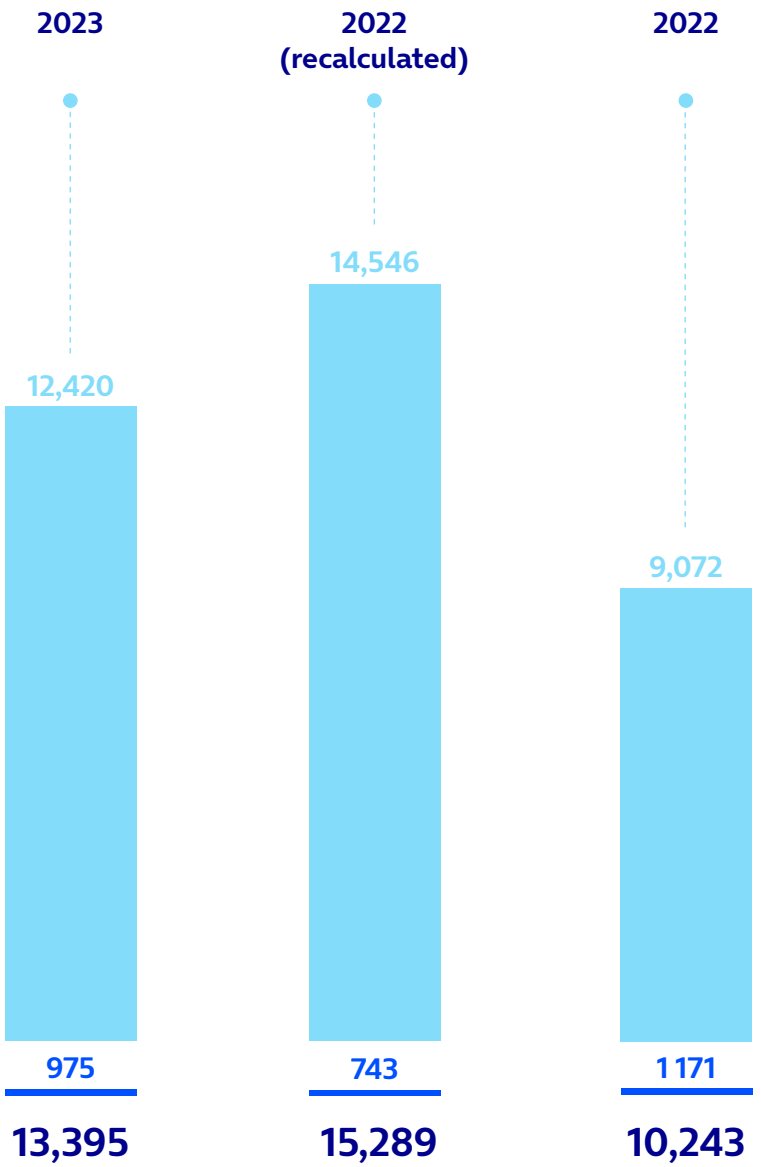
GHG Emissions – Scope 1 by Activity (tCO_2e)

Scope 1 emissions, which are direct emissions from operational activities, includes: Stationary Combustion, Mobile Combustion and Fugitive Emissions.



GHG Emissions – Scope 2 by Activity (tCO_2e)

These are emissions from purchased electricity, heat, steam and cooling. For purchased electricity, we used the market-based method; however, the location-based method was also calculated (Purchased electricity - location based = 13,845 tCO2e).



Purchased electricity

Purchased heat, steam, cooling

GHG emissions - Scope 3 by activity (tCO2e)

Scope 3 emissions include following categories:

a) Upstream

- Goods & Services - Embedded emissions in purchased goods and services
- Capital Goods - Embedded emissions in capital goods like buildings, cars, ICT and machinery
- Energy Supply - Embedded emissions in the purchase of fuels and energy in other activity categories
- Transport Upstream - Emissions related to the transport of goods upstream of the production process or any transport purchased by the company
- Waste - Emissions related to the disposal and processing of waste generated in operations
- Business Travel - Emissions related to transportation of employees for business-related activities
- Commuting - Emissions related to commutes of employees in vehicles not under control of the company

b) Downstream

- Transport Downstream - Emissions related to the transport of goods downstream of the production process not paid for by the company
- Use of Product - Emissions related to energy use of the product during its planned lifetime
- End-of-life of Product - Emissions related to the disposal of the sold product at the end of its planned lifetime
- Leased Assets as Lessor - Emissions related to the operation of assets owned by the reporting company
- Investments - Emissions related to the operation of investments

	2023	2022 (recalculated)	2022
Purchased goods and services	316,983	293,590	292,705
Use of sold products	34,975	110,670	7,913
Capital goods	24,307	9,486	0
Fuel- and energy-related activities	5,648	6,428	570
Employee commuting	2,145	2,068	0
Investments	1,290	1,273	0
End-of-life treatment of sold products	912	1,329	16
Waste generated in operations	445	165	60
Downstream transportation and distribution	407	52	347
Upstream transportation and distribution	128	112	0
Business travel	302	87	0
Downstream leased assets (as lessor)	36	35	2,537
Total	**387,578**	**425,295**	**304,148**

Waste and Circular Economy

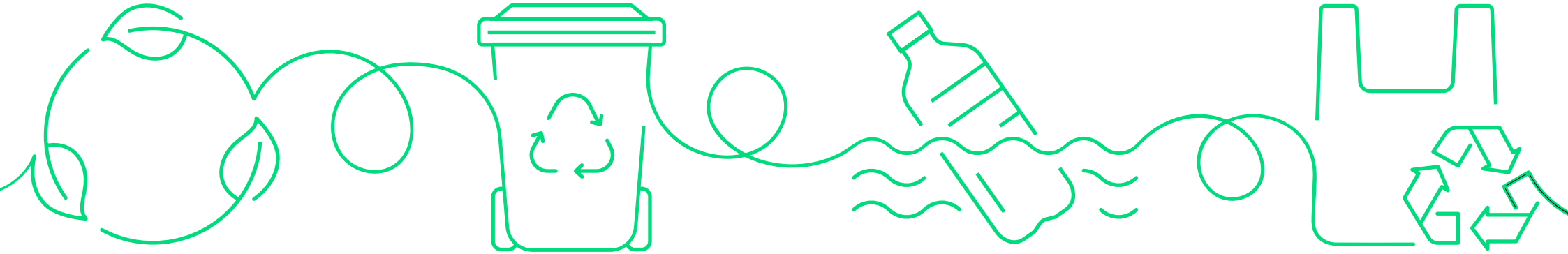
Waste Management

Our Waste Management Policy is designed to fulfill the requirements mandated by law concerning waste, packaging, and the disposal of products at the end of their lifecycle. This policy establishes clear internal protocols regarding the assignment of responsibilities in waste management, fundamental employee obligations, and procedures for waste segregation, gathering, elimination, and transportation. It also outlines the handling of specific waste categories and the management of packaging materials. Additionally, we have implemented a dedicated set of procedures for our brand outlets and distribution hubs.

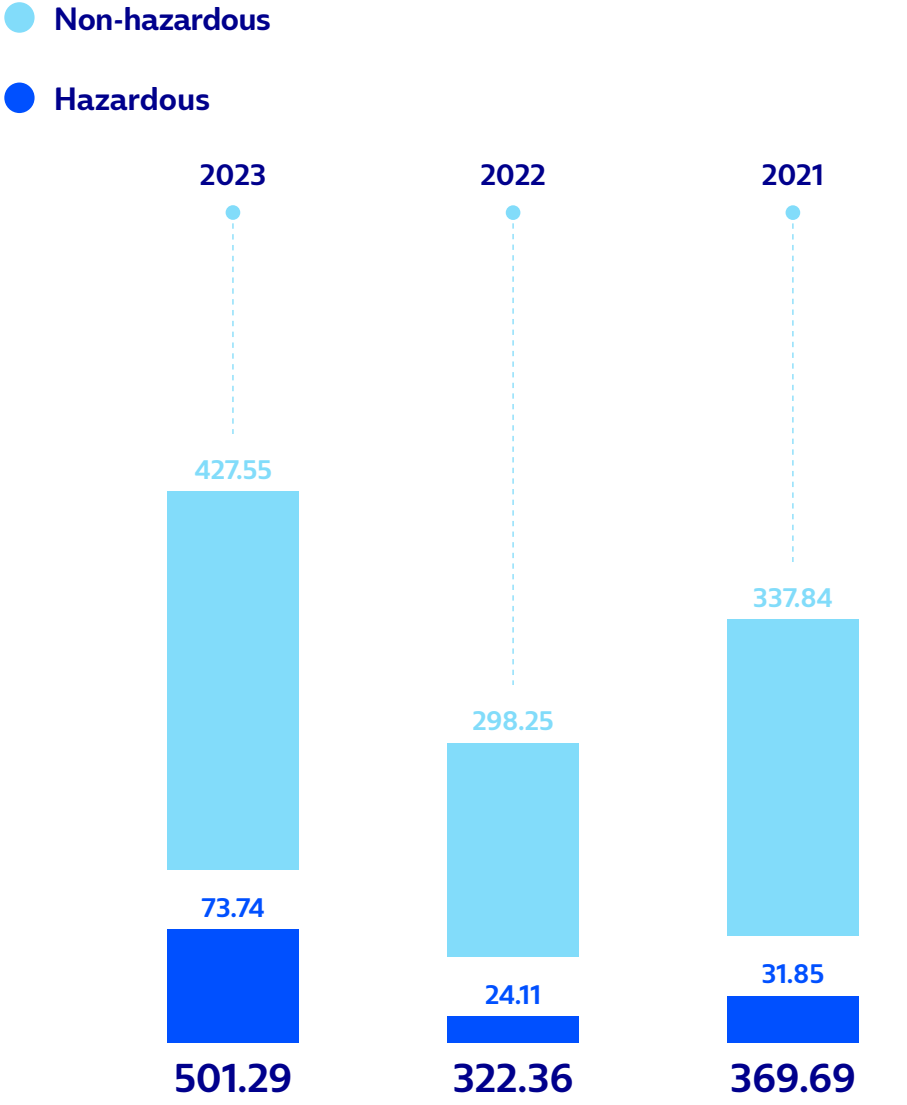
In accordance with our policy, it is imperative that all staff members actively engage in waste reduction during their duties, and meticulously separate and gather the resulting waste by its specific type and classification, whether hazardous or otherwise. It is required that employees conform to the established waste management system at our premises, which includes the segregation of municipal waste into distinct categories such as paper, plastics, glass, metals, organic waste, and other non-recyclable mixed waste. Additionally, employees are responsible for correctly sorting and preparing for return any used items such as portable batteries, small electronic devices, data storage devices not requiring a handover certificate, and printer toner and ink cartridges. Household small electronic devices and portable batteries are also accepted for return. The handling of hazardous waste must be conducted with utmost care. Furthermore, employees are obliged to sort and collect waste generated from various operational areas, including technology sectors, storage and vehicle facilities, retail spaces, and so forth, should their work processes produce such waste.

We also ran a campaign to encourage our customers and employees to recycle their old phones to help not only the environment but also the “Linka bezpečí” (Safety Helpline) by donating CZK 25 via our O2 Foundation for every phone handed in. REMA Systém, a.s., the company that provides the take-back service for O2 CZ, recovers important raw materials from old phones for further production – not only plastics and iron, which are mainly used to produce phones, but also copper, tin and various precious metals. In addition, old devices usually contain harmful and toxic substances, therefore, we advise the public not to store them at home, but to dispose of them in an environmentally friendly, professional way.

In 2023, we generated 501 tons of waste, which is more than in 2022 (322 tons).

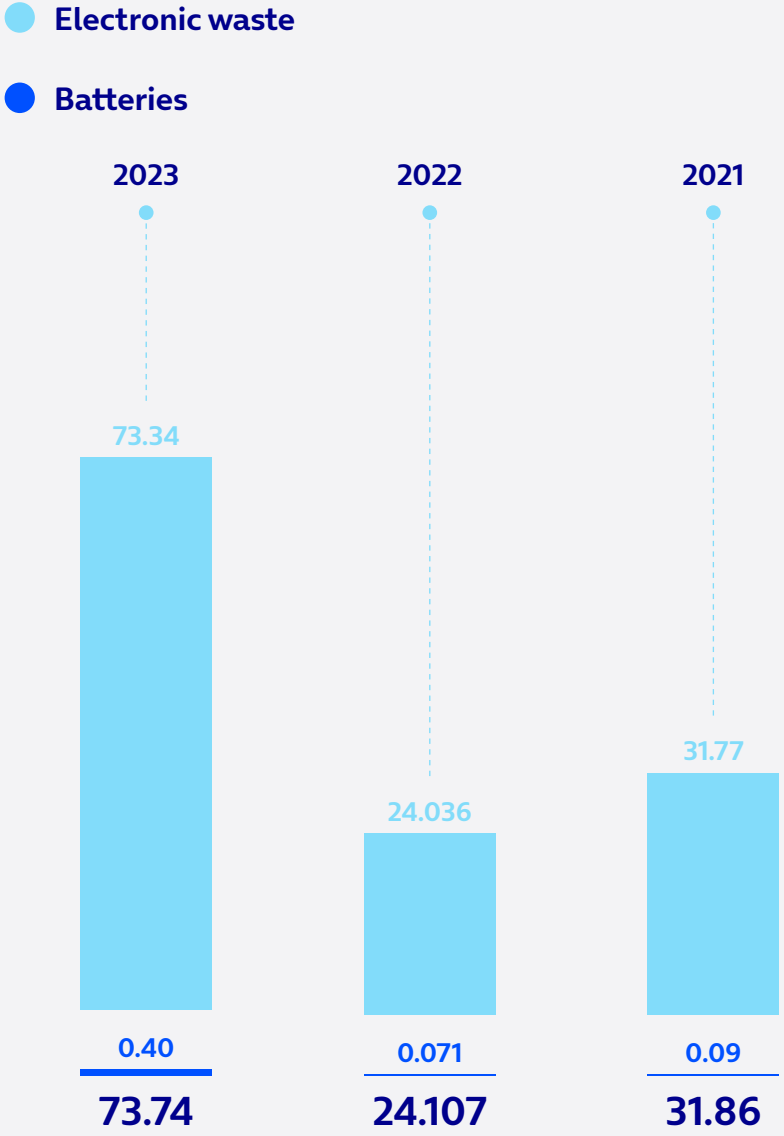


Waste generated (t)



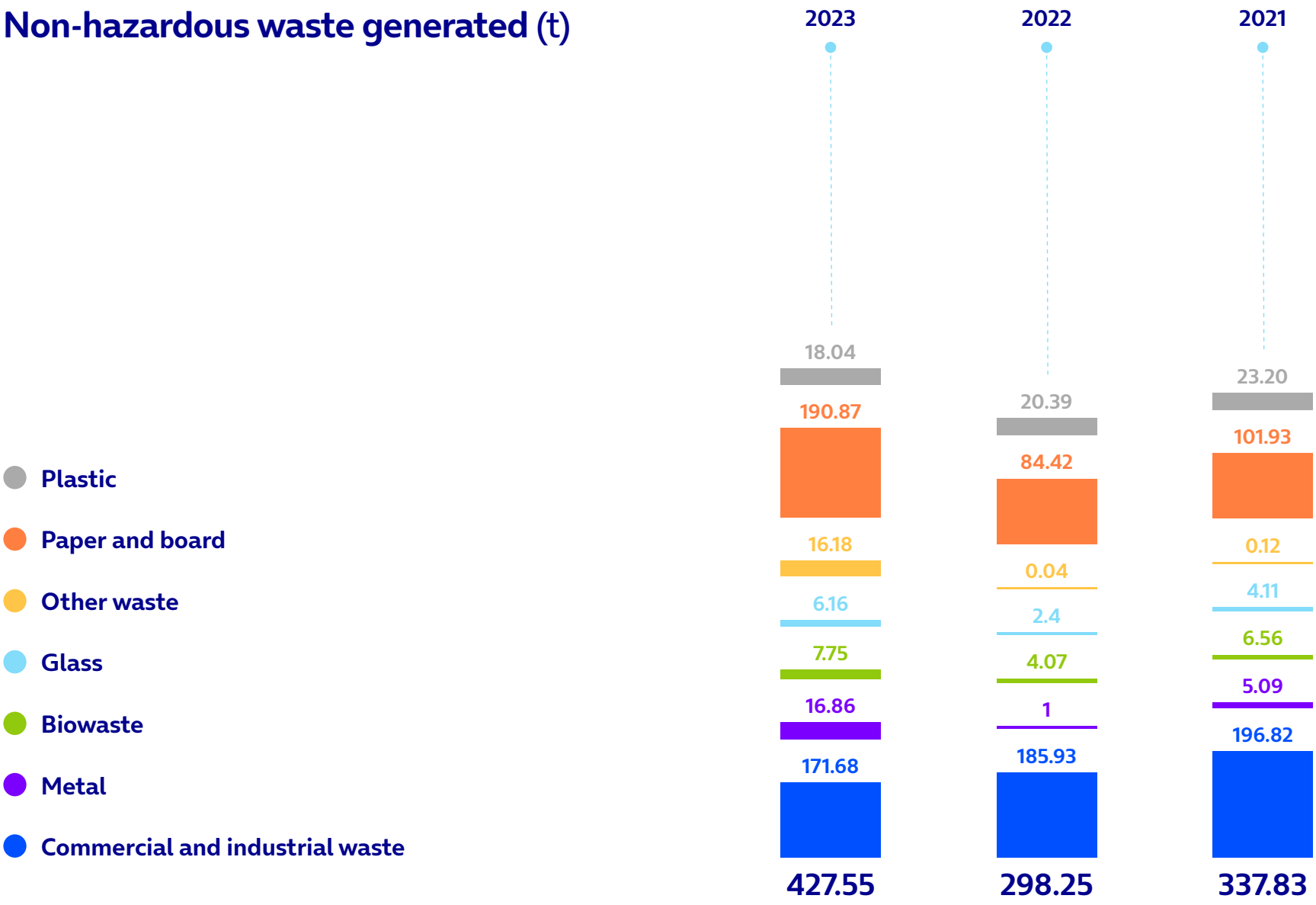
Note: 2023 includes waste generated by O2 CZ, O_2 IT Services and O_2 CRM. For stores where we are not considered as waste producers, the data was estimated based on the average of stores where we are waste producers. For mixed municipal waste, we are the producers of 68 out of 173 outlets.

Hazardous waste generated (t)



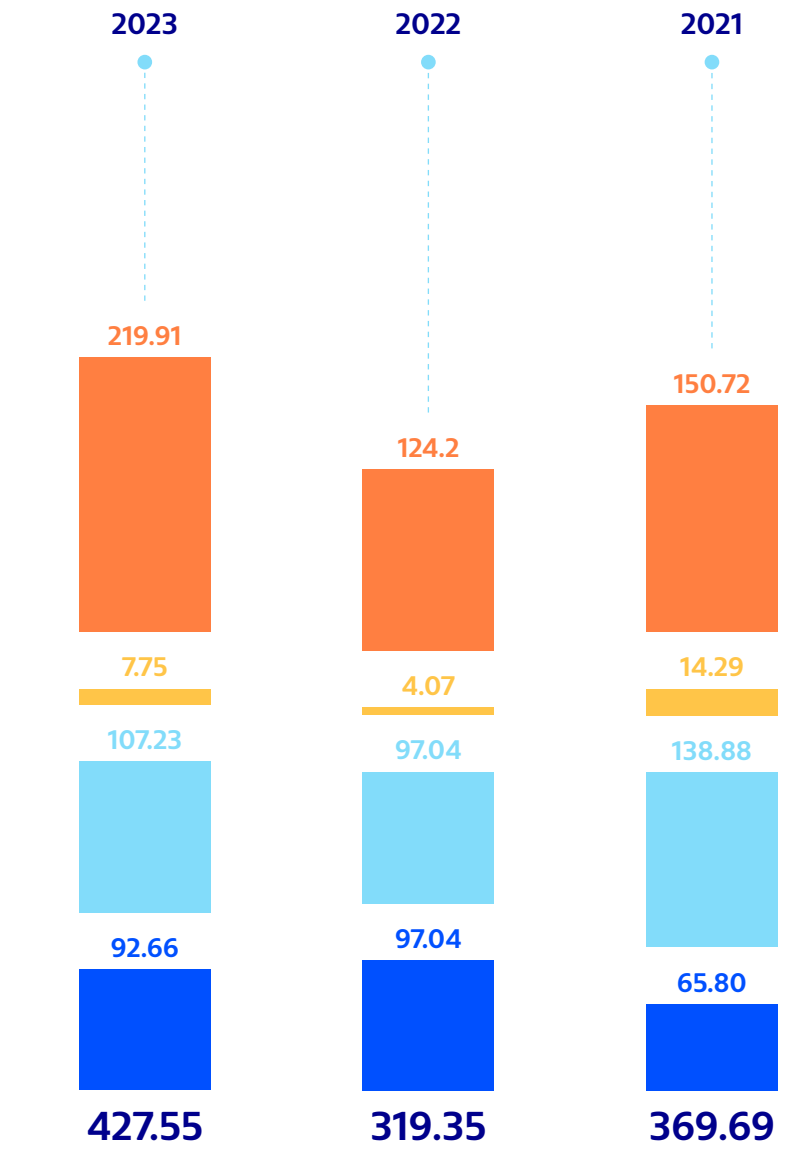
Note: Includes waste generated by O2 CZ and O_2 IT Services.

Non-hazardous waste generated (t)



Note: 2023 includes waste generated by O2 CZ, O_2 IT Services and O_2 CRM. For stores where we are not considered as waste producers, the data was estimated based on the average of stores where we are waste producers.

Waste Disposal (t)



Note: 2023 data includes waste generated by O2 CZ, O_2 IT Services. For stores where we are not considered as waste producers, the data was estimated based on the average of stores where we are waste producers. Paper, glass, metal, wood, batteries and electronic waste were considered recycled.

Circular Economy

We strive to adopt a circular mindset to maximise the value of our resources and shift to a restorative and regenerative economy. For O2 CZ, the most material aspects of the circular economy and waste prevention are those related to improving circularity of packaging material, mobile phones, modems, and other connected end-user devices, as well as network equipment at base stations.

In relation to the sale of products (mobile phones, modems, set-top boxes, etc.), we placed a total of 136 tons of packaging materials (of which 120 tons were paper and 11 tons were plastic) on the market, which is 35% less than in 2022.

As part of our environmental awareness, the Company has been involved for a long time in the EKO-KOM's Responsible Company programme – "zodpovednafirma.cz", which aims to support employee education and improves conditions for waste management in companies and raises awareness of correct waste management. Bio-waste is also sorted at the company's headquarters, in addition to paper, plastics, metal, tetra pack, and glass waste.

Note: Includes data for O2 CZ and includes other materials (e.g. wood) in addition to plastic and paper packaging.

EKO-KOM
AUTORIZOVANÁ OBALOVÁ SPOLEČNOST

Společnost EKO-KOM, a.s., IČO: 25134701, se sídlem Na Pankráci 1685/17, Praha 4, 140 21, zapsaná v obchodním rejstříku u Městského soudu v Praze, oddíl B., vložka 4763, je akciovou společností, které bylo Ministerstvem životního prostředí dne 28. března 2002 vydáno rozhodnutí o autorizaci č. j. OODP/9246/1440/3/02, podle § 17 zákona č. 477/2001 Sb., o obalech a o změně některých zákonů, ve znění pozdějších předpisů („zákon o obalech"), tímto osvědčuje, že

O2 Czech Republic a.s.

se sídlem

Za Brumlovkou 266/2

140 22 Praha 4, Michle

IČO: **60193336**

uzavřela smlouvu o sdruženém plnění se společností EKO-KOM, a.s. a je zapojena do Systému sdruženého plnění EKO-KOM pod klientským číslem

F00027677

a plnila tak své povinnosti stanovené § 10 až 12a zákona o obalech způsobem podle § 13 odst. 1 písm. c) zákona o obalech za období 1., 2., 3. a 4. čtvrtletí roku 2023.

Toto osvědčení o plnění povinností podle zákona o obalech se vydává na základě čl. III odst. 1 písm. c) smlouvy o sdruženém plnění a slouží pro účely prokazování plnění povinností podle § 10 až 12a zákona o obalech.

V Praze dne 22.03.2024

Ing. Zbyněk Kozel
generální ředitel EKO-KOM, a.s.

6. Social

In terms of the social aspect of ESG, our focus lies on our employees, customers, communities, and broader society. We deeply value the dedication and expertise of our workforce, striving to attract, develop, and retain the finest talent while fostering an inclusive team culture. Our dedication persists through initiatives aimed at supporting those in need through technological means, including assistance provided via the O2 Foundation to benefit the community.

Employment & working conditions

We understand that fulfilled, motivated, skilled, and growth-oriented employees are crucial for our business's success and growth. We're committed to fostering a company culture that's fair, safe, appreciative, dialogue-driven, and embraces diversity. That's why we introduced the O2 Manifesto and Employee Value Proposition in 2022. In 2023, we further enhanced our culture with a "Diversity and Equality" policy, which will be integrated into our work rules starting in 2024. We prioritise offering flexible working hours and part-time options to help employees better balance work and personal life. Home office is available on a flexible schedule, provided it doesn't impact work performance. Regular employee satisfaction surveys are conducted by our Human Resources Division.

Our Workforce in numbers: the total of employees in different entities

O2 Group counts a total of 4,167 employees and we keep growing. The largest entity, O2 Czech Republic, counts 3,886 employees.

Headcount and FTE

Entity	FTE	HC
O2 Czech Republic	3,807	3,886
O_2 TV	15	15
O_2 IT Services	195	200
O_2 Financial Services	20	23
INTENS Corporation	28	30
O_2 CRM	12	13
Sub-total Czech Republic	**4,077**	**4,167**

Note: Number of employees (HC= Headcount) as of December 31 2023 – HC and FTE. Includes full-time (FTE) and part-time employees. Excludes temporary employees – agreement for the performance of work and employment agreements.

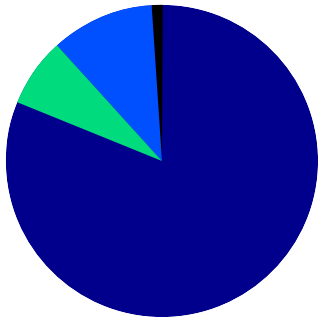
The Group – Total Number of Employees by Entity

2023 **4,077**

2022 **4,140**

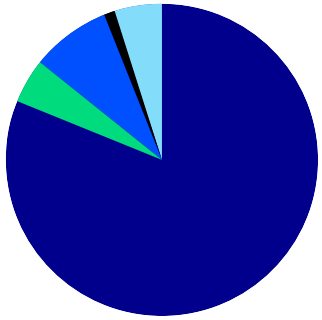
2021 **4,803**

- O2 Czech Republic
- O_2 Family
- O_2 TV
- O_2 IT Services
- Other Companies
- O2 Slovakia
- O_2 Business Services



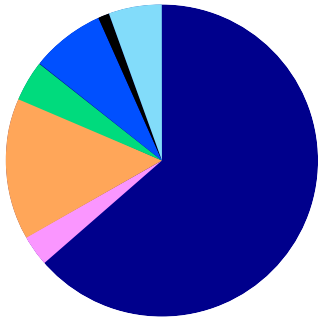
2023

- 3,807
- 195
- 15
- 60



2022

- 3,807
- 187
- 74
- 57
- 15



2021

- 3,686
- 83
- 74
- 724
- 15
- 41
- 180

Note: Numbers in FTE as of the end of a particular year. The other companies include: O_2 Financial Services, INTENS Corporation, O_2 CRM. O_2 Family is no longer part of the report for 2023.

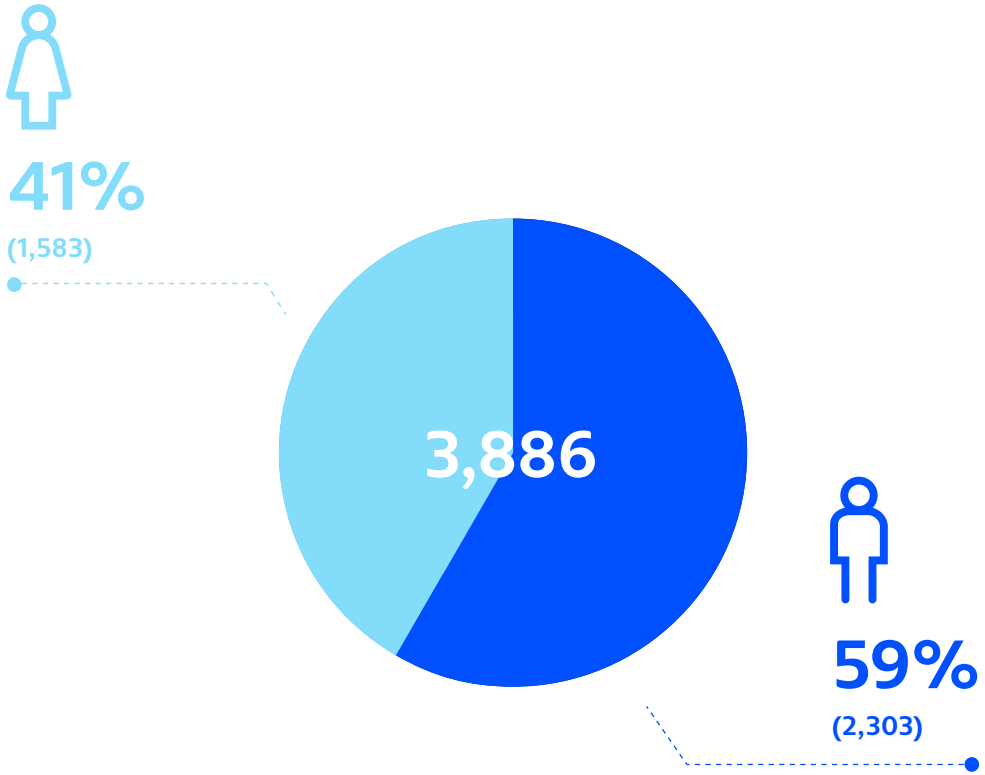
The following detailed statistics are only for O2 CZ (detailed statistical values are only available for the Czech Republic). The statistics are based on the number of employees at the end of the year (HC), unless otherwise stated.

Our Workforce in numbers: Gender

Out of the total 3,886 (HC) employees in 2023, 41 % were women and 59 % were men, showcasing our commitment to gender diversity in the workplace.

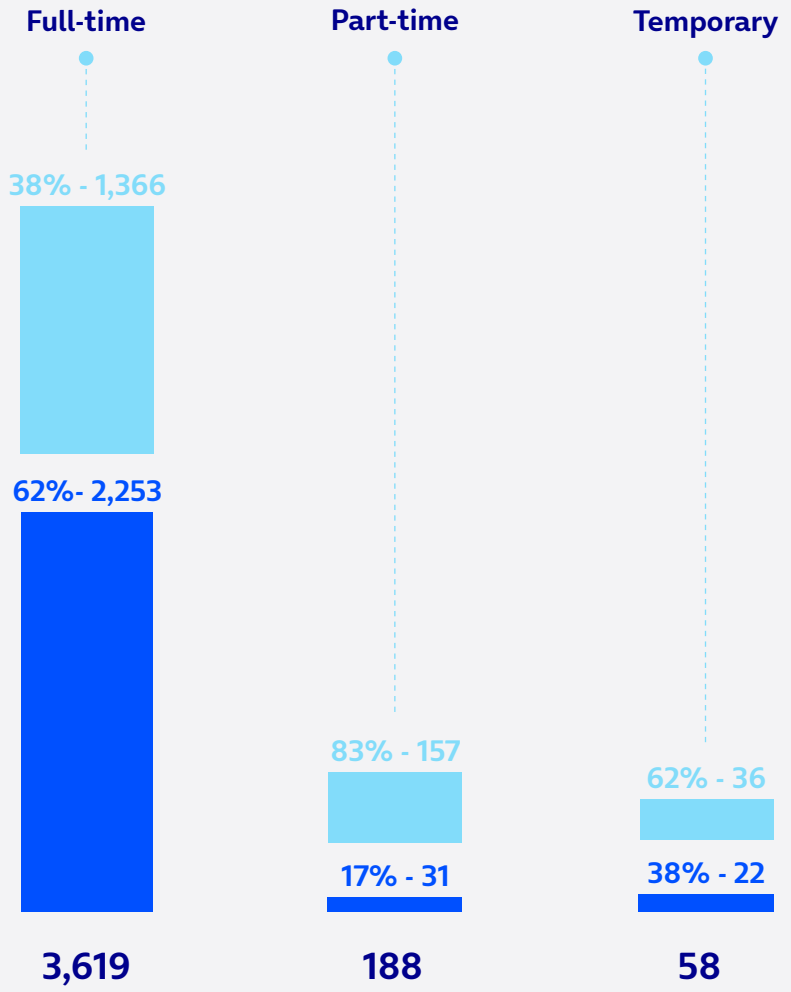
Our Workforce in numbers: Full-time and part-time employment by gender

The majority of our workforce is employed on a full-time basis. However, we understand the importance of flexibility and offer part-time opportunities where feasible, resulting in 4.8% of our employees opting for part-time work. Among our part-time workforce, 83% are women and 17% are men, again reflecting our commitment to diversity and inclusion.



Note: Includes data for O2 CZ, includes full-time employees and part-time employees in HC. Excludes temporary employees – agreement for the performance of work and employment agreement.

Number of Full-time and Part-time Employees by Gender



Note: FTE. Includes data for O2 CZ, temporary employees include agreement for the performance of work, employment agreement. Work performance agreement is counted as 0.2 FTE and employment agreement as 0.5 FTE.

Our Workforce in numbers: external resources

In 2023, O2 CZ cooperated with a total of zero external workers.

Our Workforce in numbers: Employee hiring and turnover

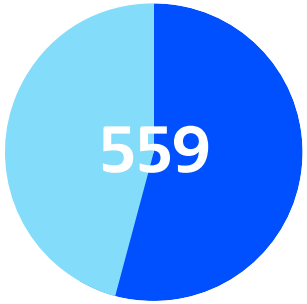
Last year, we joyfully welcomed a total of 631 new colleagues into our midst. Among the 631 new employees, 301 were women, marking another step towards fostering gender diversity within our workforce.

Total new hires rate: 16%

Note: Includes data for O2 CZ. Includes employees (headcount) hired in 2023 and still employed in the Company at the end of the year. Included are full-time and part-time employees, excluded are temporary employees – agreement for the performance of work and employment agreement.

New Employees by Gender and Age Structure

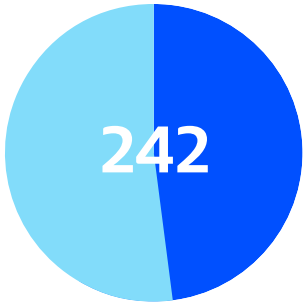
Up to 30 years



Men
55% (308)

Women
45% (251)

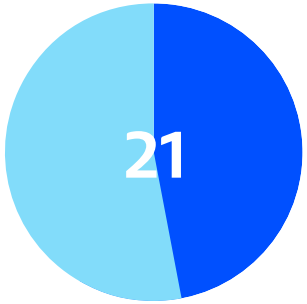
30–50 years



Men
49% (118)

Women
51% (124)

Above 50 years



Men
52% (11)

Women
48% (10)

Turnover Rate

20.8%

22.8%

Total **21.6%**

About our hiring campaign

In 2023, we launched the “Chci víc” employer branding campaign, focusing on measuring brand preference among potential job seekers—a key objective. Our 2024 campaign will extend to themes such as diversity and inclusion. Internal employee mobility, comprising approximately 16% of specialist roles outside of contact centers and stores, is supported through career counselling. Recruitment for leadership positions primarily relies on internal candidates within contact centers and stores. We maintain partnerships with schools and universities, offering internships in IT departments for secondary school students and continuing our internship programme for university students.

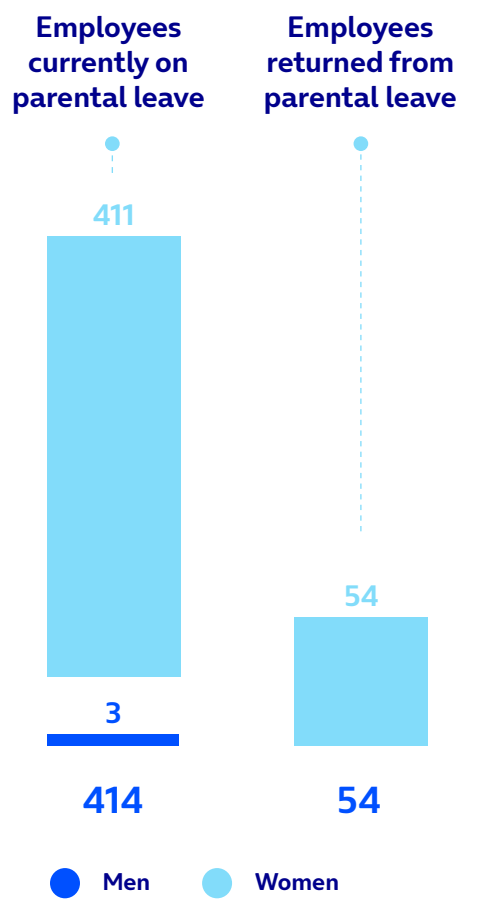
Note: Includes data for O2 CZ. Included are full-time and part-time employees; temporaty employees are excluded – agreement for the performance of work and employment agreement.

Our Workforce in numbers: Parental leave

Currently, 414 of our valued employees are on parental leave. In the past year, we warmly welcomed back 54 individuals who returned from their parental leave. Most of our employees on paternity leave are women, although we're pleased to note that there are also men taking leave.

We support our employees during and after parental leave by offering part-time work opportunities, when feasible, to help them balance work and family life. Our HR team maintains regular contact with employees on parental leave, providing them with suitable job options. Employees on leave can reach out to their HR Business Partner anytime for support and receive regular HR updates. Before returning from parental leave, employees receive a questionnaire to indicate their return plans, allowing us to actively explore return options within the Company. For parents returning immediately or within their child's first year, we offer a monthly allowance of CZK 8,000/ CZK 6,000. We also host family-oriented activities such as Family Day and St. Nicholas Day.

Number of Employees on Parental Leave and Returned from Parental Leave in 2023

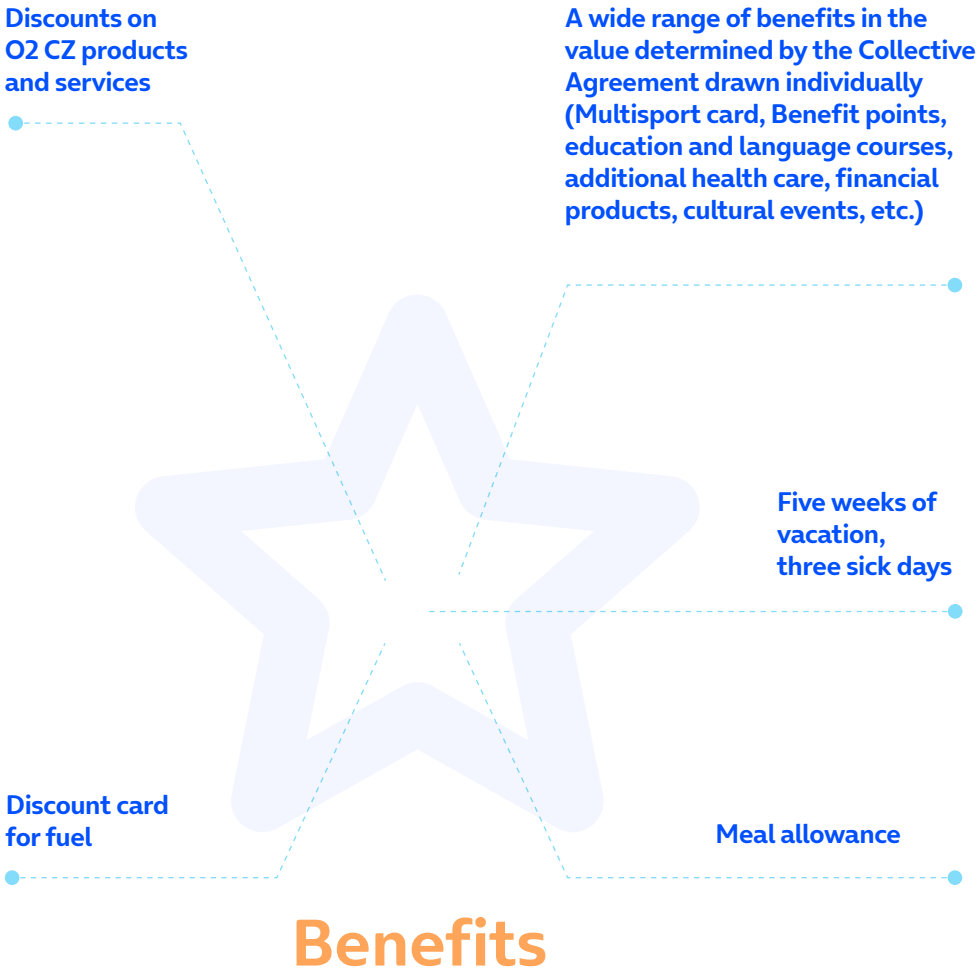


Note: Includes data for O2 CZ. Includes the number of employees currently on parental leave at the year end and the total number of employees in 2022 who returned from off-registration for at least 1 day in that year, not counting the employee on the agreement, only returns from off-registration status, i.e., the actual end of the parental leave.

Our Workforce in numbers: Remuneration

In addition to the basic salary, employees (in accordance with the set rules and conditions) are eligible for incentive remuneration in the form of bonuses or commissions.

In addition to the salary, O2 CZ employees receive benefits[4] such as:



The comprehensive benefits package can be found online in the Employee Benefits Guide. At O2 CZ, the Trade Union safeguards employees' rights and interests, negotiating collective terms on remuneration, benefits, and working conditions. All full-time employees are covered by the Company Collective Agreement, irrespective of Trade Union membership.

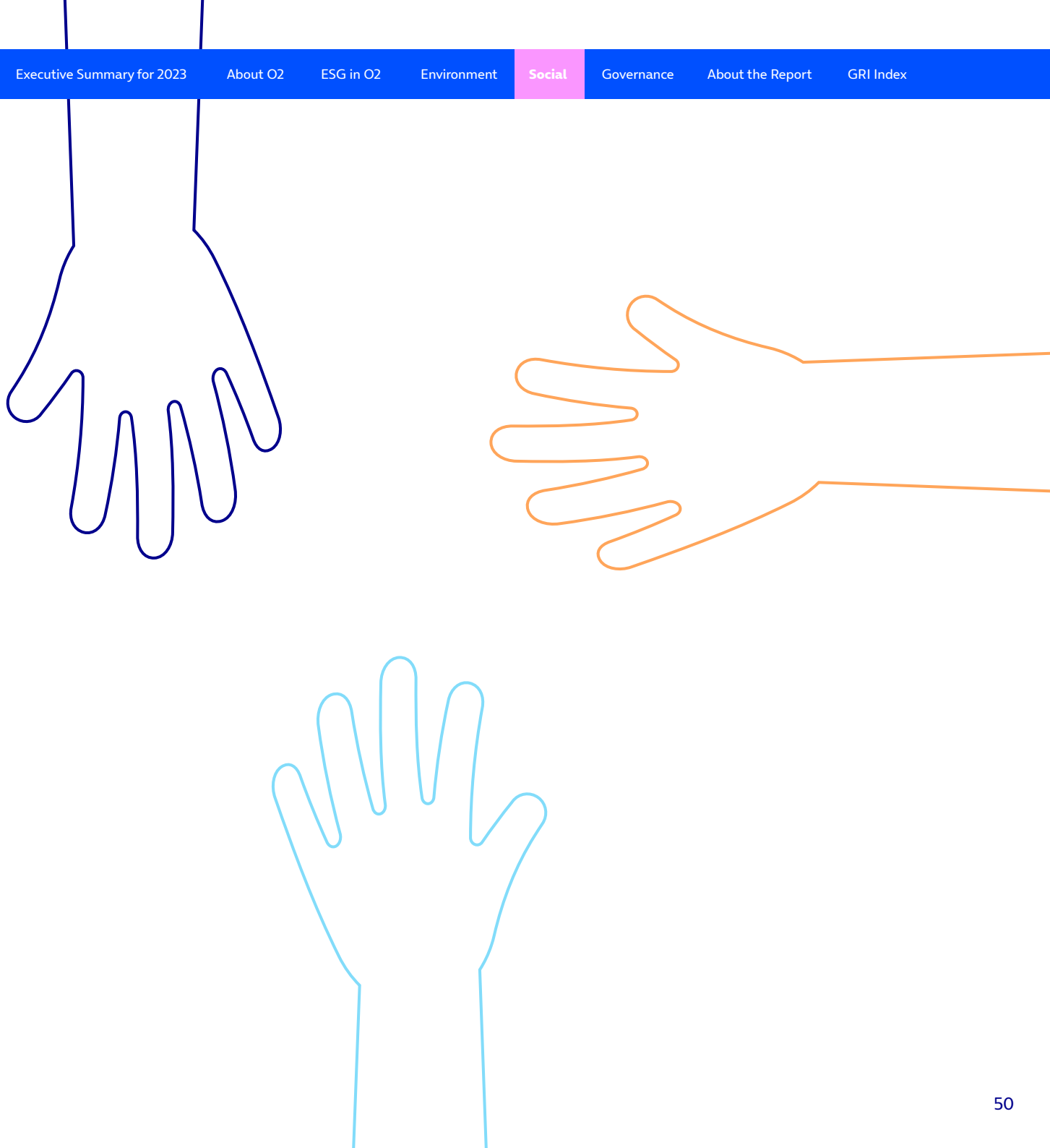
[4] Benefits are provided only to employees on employment contracts (full-time, part-time). Only some of these benefits are available to employees working on the basis of agreements for work outside an employment contract.

Diversity and non-discrimination

We prioritise fostering a diverse and inclusive company culture, recognising that diversity drives innovation. As a founding signatory of the European Charter for Diversity in the Czech Republic, we commit to providing inclusive working conditions for all, irrespective of gender, race, nationality, disability, or other factors. Our dedication is demonstrated through initiatives like an employee diversity survey and leadership training on unconscious bias. Anti-discrimination measures are integral to our internal policies, ensuring fair treatment in all aspects of employment. We maintain clear criteria for employee selection and career progression, promoting equal opportunities and fostering mutual trust and respect among employees. Grievance mechanisms are in place to address perceived discriminatory situations.

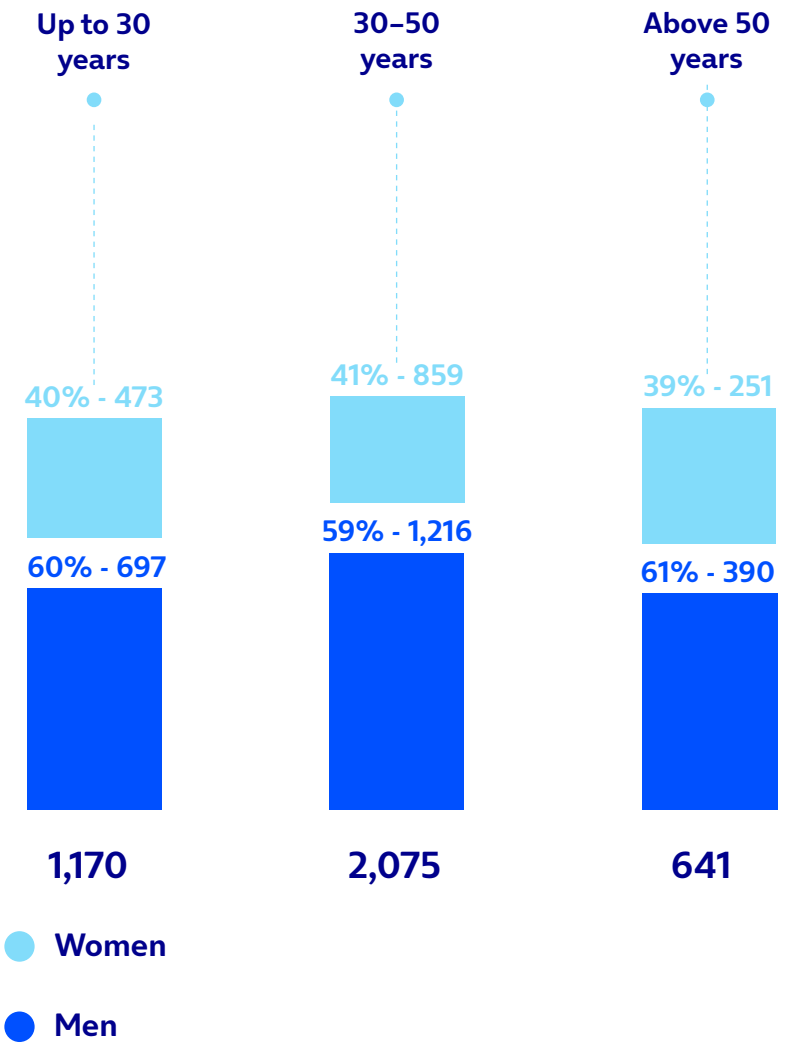
No discrimination incidents were reported in 2023.

Additionally, we actively support the employment of people with disabilities through targeted strategies, including Relax Points contributions to enhance their well-being and integration.



Employee diversity statistics

Employee Structure by Age Group and Gender



Note: Includes data for O2 CZ. Includes full-time and part-time employees, excludes temporary employees – agreement for the performance of work and employment agreement.

Employee Structure by Employee Category

Employee Category	Men	Women	Total
Sales	954	834	1,788
Management	341	143	484
Senior management	7	0	7
Specialist	982	546	1,528
Total	**2,284**	**1,523**	**3,807**

Note: Includes data for O2 CZ. Includes full-time and part-time employees (FTE), excludes temporary employees – agreement for the performance of work and employment agreement.

Diversity of governance and executive bodies

Gender diversity of governance and executive bodies

Gender	Supervisory Board	%	Board of Directors	%	ExComm	%
Men	2	67	3	100	7	100
Women	1	33	0	0	0	0
Total	**3**	**100**	**3**	**100**	**7**	**100**

Age diversity of governance and executive bodies

Age Group	Supervisory Board	%	Board of Directors	%	ExComm	%
Up to 30 years	0	0	0	0	0	0
30–50 years	1	33	3	100	6	86
Above 50 years	2	67	0	0	1	14
Total	**3**	**100**	**3**	**100**	**7**	**100**

Health and Safety

As an employer, we prioritise the health and safety of our workforce and stakeholders. Our aim is to minimise workplace accidents, illnesses, and risks while promoting employee well-being. We extend this commitment to all individuals impacted by our operations and products. To formalise these efforts, we're certified under the ISO 45001:2018[5] health and safety management system. All new employees undergo mandatory health and safety training upon joining, followed by refresher training every two years. Technical work requires additional training, such as for tasks at heights and in electrical engineering.

In 2023, we recorded 12 work-related accidents, with four resulting in temporary incapacity. The main cause was attributed to human error, including falls and tool use. Thankfully, there were no fatal accidents or reported occupational diseases in 2023.

Recordable work-related injuries

12

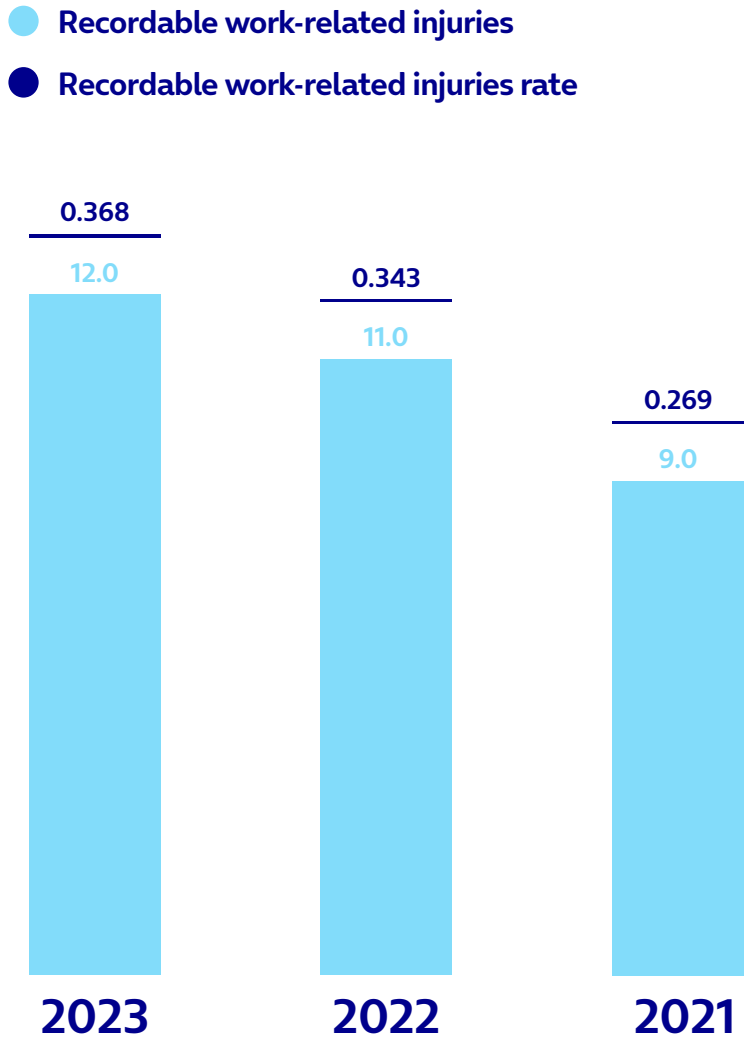
Total hours worked

6,516,963

Recordable work-related injuries rate

0.368 / 200,000

Hours worked



Note: Includes data for all O2 Group entities as defined in the Organisational details section.

[5] Applies only for O2 CZ

Healthy lifestyle

We encourage our people in the areas of disease prevention and having a healthy lifestyle:

- **Health Days in Prague and Ostrava, two- to three-day events of a series of examinations lasting 15 to 30 minutes, including dermatological checks, nutritional consulting, physiotherapy, eye exams, etc.**
- **Thematic lectures as part of the Health Days in 2023.**
- **Vaccinations against hepatitis and tick-borne encephalitis for our technicians in the field**
- **Extended health care is available to directors.**
- **Massages (for free at some locations or paid for through Benefit points).**
- **Weekly Yoga at the Prague headquarters.**
- **To promote healthy exercise, we have joined the 10,000 Steps and Bike to Work challenges.**
- **Other sports: running club, regular sports games, a small football tournament (twice a year) along with fitness exercises.**

Employee Training and Development

Employee growth is a key aspect of our commitment to long-term employee satisfaction. Our modern training center serves as a hub for development activities, catering to colleagues from stores, call centers, and beyond.

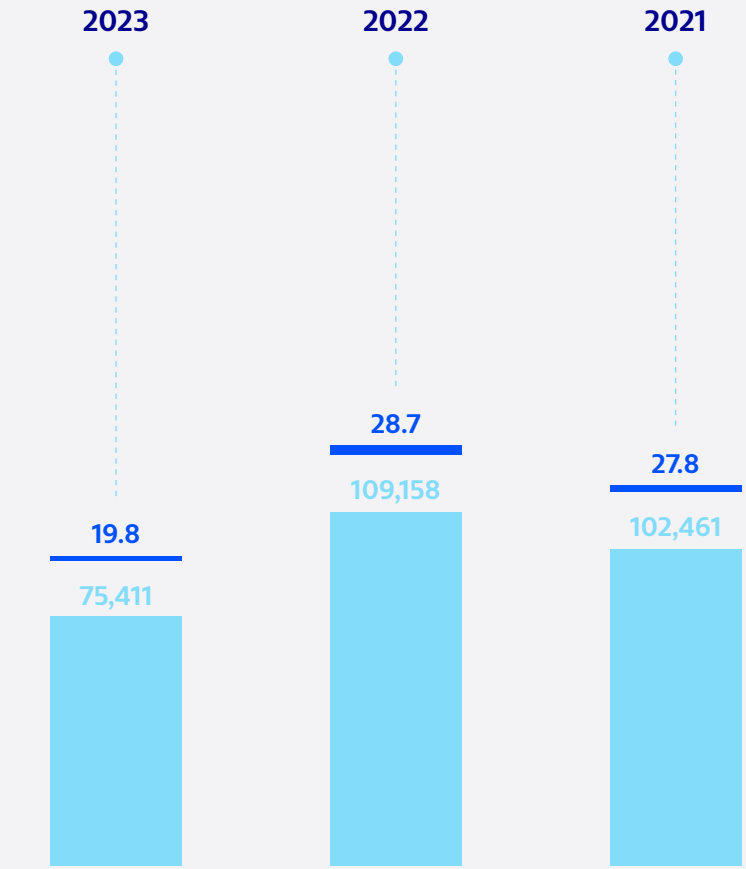
Our training offerings span professional, management, innovation, and well-being courses, both in-person and online. In 2023, we successfully launched management and talent programmes, alongside popular initiatives such as Technology Tuesdays. Additionally, our Experts as Trainers programme expanded to cover new topics such as MS Teams, communication skills, SEO, Power BI, and diversity training.

Training at O2 CZ is based on 3 fundamental pillars:

- **Individual approach**
- **Adaptability**
- **The learning experience**

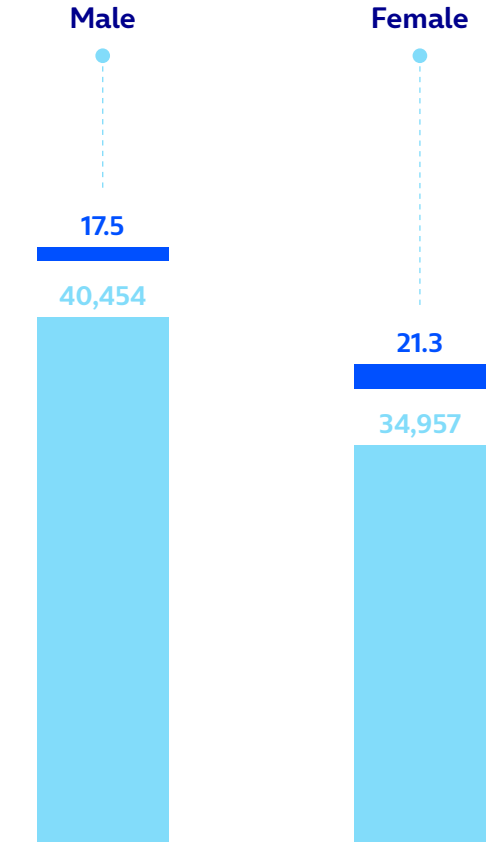
Our colleagues dedicated a total of 75,411 hours last year to training and development. This works out to approximately 19.8 hours per employee.

Total training hours and average training hours per employee



Note: Includes data for O2 CZ. Calculation based on total number of employees in FTE. Includes full-time and part-time employees. Excludes agreements.

Total training hours and average training hours per employee by gender



Note: Includes data for O2 CZ. Calculation based on total number of employees in FTE. Includes full-time and part-time employees. Excludes agreements.

Total Training Hours by Gender and Employee Category

Employee Category	Male	Female	All
Call Centre	12,675	20,994	33,669
Care to Sales	65	182	247
Customer Service	100	121	221
Executive management	313	56	368
Middle management	1,451	403	1,855
Operational management	2,629	1,239	3,868
Salesman	13,700	7,654	21,354
Senior management	28	0	28
Specialist	9,493	4,308	13,801
Total	**40,454**	**34,957**	**75,411**

Note: Includes data for O2 CZ.

Helping society

We recognise the important role we play in society and actively help communities. We support them through education, collaboration with non-profit organisations and by involving our employees in volunteer and charitable activities. We provide services and technology to people who are in need.

Our support is focused on the following themes

1. Digital literacy

• Hosting educational platform O_2 Smart School: online safety, media and computer literacy, and integrating technology into education

• Providing financial support for teaching digital, computer and media literacy at school (O_2 Smart Schools Grant)

• Raising awareness among children as users in the online space through the platform bezpecnevsiti.cz

• Conducting research and awareness campaigns under O_2 Smart School (O_2 Chytrá škola)

Awards received
The O2 Foundation won 2 prestigious awards for preventing and combating online cyberbullying. The winning charity communication project of the Donors Forum Awards.

2. Help through technology

• Helpline assistance to support people with hearing and visual impairments

• Safety Line (Linka bezpečí) to support children and young people

• Senior Citizens Line to support senior citizens and their carers in dealing with difficult life situations

3. Support to communities

• Financial Support to NGOs (“Trhy chráněných dílen” and “Pěkně vypečená pomoc”)

• Planting trees through the project Sázej stromy.cz

• Regular voluntary blood donation days on the Company’s site

• Employee collection

Other notable events from 2023

• The Data Festival and CityChangers Conference, which focused on citizen mobility, smart cities, and transportation.

• The Week for Digital Czechia (Týden pro digitální Česko), featuring a webinar on online safety for visually impaired citizens.

• Verifee, a student-developed tool designed to identify fake news and information manipulation. We were proud to provide financial support to these talented students for the development of the app.

• Independence Day of Ukraine: free calls to Ukraine were offered.

• Štěrkovna Open Music: sustainability at the music festival. Over 200 pieces of old electronic devices were collected for ecological disposal.

• Machine Learning Prague Conference, where our colleagues from Dataclair.ai (AI Research and Development Center) contributed to the programme hosted workshops on machine learning.

More information about the projects

O_2 Smart School (O_2 Chytrá škola)

Since 2018, the O_2 Smart School project has focused on helping teachers, parents and children gain a better understanding of the digital world and providing cyber security education. A wide range of educational materials on internet safety, media and computer literacy and educational technology can be found on the publicly accessible portal www.o2chytraskola.cz. A sample of how to work with the portal in a classroom setting is available here https://www.youtube.com/watch?v=-xVoSN3kljk. In 2023, the content of the portal was expanded to include additional topics such as AI, copyright, digital wellbeing, working with misinformation and more. In 2023, the O2 Smart School portal attracted almost 48,000 visitors.

O_2 Smart School Grant Programme

In 2023, a total of 213 applications were received from primary schools for support in digital literacy. Out of these applications, 62 schools were selected to receive support, with a total amount of 4,909,974 CZK distributed among them. Additionally, support was provided to 16 children's homes.

Safe on the internet

In October 2021, the website bezpecnevsiti.cz was launched, serving as a central source for the latest information on ensuring children's safety on the internet. Visitors to these websites will find a wide range of information in the form of traditional articles, knowledge tests, and video clips. In 2023, the website contained more than 30 articles and on average, two articles were added per week.

Research and awareness campaign O_2 Smart School

As part of the research "Children Online. When a parent doesn't know" (Děti on-line. Když rodič netuší), we found, for example, that children spend an average of 3 and a half hours on their mobile phones, 11% of them more than 6 hours a day. Almost 4,000 children and adolescents aged 8 to 15 took part in the research. Nearly 1,000 respondents were involved for the adult population. The aim was to find out if there is a gap between reality and parents' perceptions of their children's mobile phone use. Time spent on mobile, use of parental controls and digital well-being were also compared, not only for children but also for adults. The research was fo'lowed up with an awareness cam'aign "Online violence is not visible but it hurts me", which aimed to show the public, primarily parents, that even if they cannot see the physical manifestations of violence against their children, they can suffer in the online space. The campaign was linked to the film Anna is Missing.

Supporting the community

We support communities through education, collaboration with non-profit organisations, as well as employee engagement and volunteering. We provide services and technology to help those in need.

"Trhy chráněných dílen" and "Pěkně vypečená pomoc"

In 2023, we produced a variety of baked goods with the aim of supporting non-profit organisations and raised a total of CZK 111,279. During the Easter and Christmas markets, our employees bought goods from sheltered workshops worth CZK 126,667.

Sázej stromy.cz

The O2 Foundation also supports projects through the Sázej stromy.cz initiative that contribute to the protection and development of the environment and local communities. Together with O_2 employees and other partners, we planted 17,215 trees. In 2024, we will plant a total of 15,000 trees. In 2023, we also announced a grant programme to support tree and shrub planting in schools as well as educational activities in caring for a healthier landscape. In total, we supported 8 schools and distributed CZK 477,586.

Blood donation

We have partnered with the mobile blood transfusion station at the Central Military Hospital in Prague to host four blood donation opportunities in the main building in 2023. Our employees donated a total of 97 liters of blood.

Employee collections

In the Hand on the Heart (Ruku na srdce) for a Human Story programme, employees nominated 11 human stories for which we raised a total of CZK 1,099,008.

"Ruku na srdce" for a non-profit organisation

In 2023, the grant committee decided to support a total of 14 projects. The O_2 Foundation allocated a financial amount of CZK 999,737 to these projects.

When evaluating the projects, we also focused on the involvement of our employees in the non-profit sector. It was important for us to support projects that not only bring educational benefits but also enable our employees to actively engage and participate in the development of non-profit organisations.

7. Governance

The Company is governed by the recommendations of the Czech Corporate Governance Code 2018, the general rules of which are based on the applicable laws of the Czech Republic. They are also inspired by comparable national corporate governance codes (in particular the German or Austrian Code) as well as international corporate governance standards (in particular the G20/OECD Principles of Corporate Governance 2015). Support for the proper exercise of corporate governance, including the fulfillment of the requirements of the Code, is provided by the Company Secretary, whose position has been established in the Company for a long time. This function is organisationally placed in the Legal and Regulatory Affairs Division.

Our governance is based on accountability guaranteed by our policies, oversight, and systems that ensure we act in an ethical and fair manner in our everyday business.

Governance Structure, the Highest Governance Body and Policies

Board of Directors

The Board of Directors is the statutory body that manages the Company's activities, acts on its behalf, and decides on all matters not reserved by law or the Articles of Association to the sole shareholder or the Supervisory Board. The members are elected and removed by the sole shareholder in the competence of the sole shareholder. The Board of Directors has three members, and their mandate is five years. The composition of the Board of Directors is:

Name	Role
Jindřich Fremuth	Chairman of the Board of Directors
Tomáš Kouřil[1]	Vice-Chairman of the Board of Directors
Václav Zakouřil	Member of the Board of Directors

[1]As of 29 February 2024, Tomáš Kouřil resigned from his position as a member and Vice-Chairman of the Board of Directors. Jan Bechyně was elected to the position of member as of 1 March 2024.

Executive Committee (ExComm)

The Company also has an Executive Committee as an advisory body to the Chief Executive Officer. It consists of the Directors of the Commercial Division, the Technology Division, the Finance Division, the Legal and Regulatory Affairs Division, the Human Resources Division and the Corporate Communications Unit.Composition of the Executive Committee is:

Name	Role
Jindřich Fremuth	Chief Executive Officer
Tomáš Kouřil[2]	Director of Finance Division
Václav Zakouřil	Director of Legal and Regulatory Affairs Division
Pavel Milec	Director of Human Resources Division
Richard Siebenstich	Director of Commercial Division
Jan Hruška	Director of Technology Division
Hany Farghali	Director of Corporate Communication and ESG

[2]As of 1 March 2024, Jan Bechyně was entrusted with the management of the Finance Division as a member of the Board of Directors.

Supervisory Board

The Supervisory Board is the controlling body of the Company and supervises the performance of the Board of Directors. Two-thirds of the members are elected and dismissed by the sole shareholder in the competence of the General Meeting, one-third of the members are elected and dismissed by the Company's employees. The Supervisory Board has three members, and their mandate is five years. The composition of the Supervisory Board is:

Name	Role
Lubomír Král	Chairman of the Supervisory Board
Pavel Milec[3]	Vice-Chairman of the Supervisory Board
Kateřina Márová	Member of the Supervisory Board

[3]In the employee election held from 27 November to 1 December 2023, Martin Petrů was elected to the Supervisory Board for the next five-year.

Conflict of Interest

The Company has adopted an internal policy on the management of conflicts of interest. This policy also applies to decision makers who are members of the Board of Directors, Supervisory Board and Executive Committee. None of these persons has been judicially disqualified in the last five years from acting as a member of the administrative, management or supervisory bodies of a legal entity or holding a position in the management of a legal entity or carrying out the activities of any legal entity. No decision maker has been found to have a conflict of interest and no decision maker is related to any other decision maker in the Company. No decision maker has been convicted of fraud, has been involved in insolvency proceedings as a statutory or supervisory body or has been sanctioned by statutory or regulatory bodies.

There is a general non-compete rule for members of the Board of Directors stated in the Articles of Association. A member of the Board of Directors may not:

- conduct business in the company's field of activity, even for the benefit of other persons, nor to broker the company's business for another party;
- participate in the business of another business corporation as a partner with unlimited liability or as a controlling person of another entity with the same or similar business or activity;
- be a member of the statutory or other body of another corporation having the same or similar business or activity or a person in a similar capacity, unless such other legal person belongs to the same group or is controlled by the same person as the company.

Remuneration

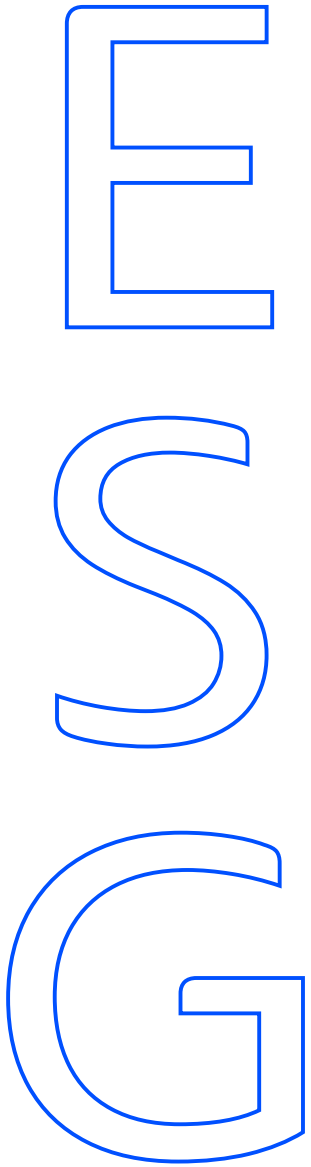
The remuneration of members of the Company's bodies is governed by the Remuneration Policy of members of the Board of Directors and Supervisory Board and the Company's Articles of Association.
In 2023, selected members of the Board of Directors and Executive Committee had ESG targets set as part of their performance evaluation and remuneration.

Communication of critical concerns

The Board of Directors is informed on a regular basis of significant findings. These include the suspected breach reporting by the Compliance Officer, the risk matrix presented to the Board twice a year and the findings reported in the Internal Audit and Risk Management reports. The activities of the Internal Audit and Risk Management are described in the 2022 Annual Report.

ESG Agenda

A report on the status and implementation of the Company's ESG requirements is presented to the Company's Board of Directors at least twice a year.
In 2023, the Executive Committee established an ESG Committee, which includes members of the Executive Committee, the Chief Security Officer, the Head of Internal Audit and the ESG Officer. The ESG Committee receives all relevant information from internal and external sources so that its members have sufficient information, skills and experience necessary to properly manage the ESG agenda, oversee the impact of activities on ESG, and conduct ESG due diligence.



Other governance bodies

Sole shareholder in the competence of the General Meeting

The sole shareholder exercises the powers of the General Meeting, which is the supreme body of the Company. The sole shareholder is PPF Comco N.V.

Internal Policies

Our commitment to responsible business is outlined in Our Business Principles document, which summarises our responsible, fair, transparent and sustainable approach to our partners (customers, employees, shareholders, suppliers, and the public). These principles form part of the Code of Conduct and form the basis for the entire system of internal regulations.

How we implement Our Business Principles in the day-to-day operations of the Company

• Compliance with the provisions of our Business Principles is mandatory for all employees as part of their employment contract and internal regulations.

• The Board of Directors ensures compliance with this policy throughout the Company, including an annual review of compliance.

• Managers are responsible for implementing more detailed policies based on the Business Principles. At the same time, they are also responsible for applying them in the management of their subordinates, including examples of their application in day-to-day operations.

• Our Business Principles also cover the areas of anti-corruption (gift and hospitality policy) and conflict of interest policy.

• A helpline is available on the corporate intranet for questions or if you need clarification or interpretation of issues related to compliance with Our Business Principles.

• Confidential tools are available for reporting such suspicions to the designated compliance officer should an employee suspect a violation of this policy. Such reports are always handled in the strictest confidence and the whistleblower faces no penalty in connection with the report.

• Our Business Principles are publicly available and are available to all O2 employees. Employees receive regular training to ensure they have a thorough understanding of Our Business Principles, on joining the Company and every three years thereafter.

Ethics, compliance and anti-corruption

O2 CZ adheres to the guidelines outlined in the Czech Corporate Governance Code of 2018.

The fundamental principles articulated within the Code are primarily rooted in relevant Czech statutes. Furthermore, they have been influenced by analogous codes from other nations, notably Germany and Austria, as well as international standards pertaining to corporate governance, such as the G20/OECD Corporate Governance Principles of 2015. The Czech Corporate Governance Code can be accessed through the official website of the Ministry of Finance of the Czech Republic.

Processes to remediate negative impacts

We are committed to proactively addressing, identifying, and rectifying any adverse effects stemming from our operations. Our focus lies on internal regulations governing contract approval, conflict of interest management, and the implementation of effective control mechanisms, which we regard as practical measures to mitigate undesirable conduct.

In instances where employees suspect violations of our business principles, require guidance in challenging situations, or feel endangered for any reason, a whistleblowing mechanism is accessible for employees to report such concerns. This platform enables employees to disclose information anonymously if desired. Additionally, employees may report suspicions directly to their line manager or the designated compliance officer, whose contact details are available on the company intranet. The whistleblower is shielded from any repercussions for reporting concerns. Currently, our whistleblowing policy is being revised to ensure full compliance with Czech legislation.

Our external partners have various channels to voice their concerns or grievances. Regarding O2 CZ's operations, customer complaints regarding service quality, billing issues, or product matters are of paramount importance. We receive complaints and claims through multiple channels, including phone, online self-service, web forms, social media platforms, and our branded stores. These are handled by a specialised team, with adherence to legal deadlines for claim resolution continuously monitored. The quality of complaint handling undergoes regular audits. Each complainant is informed of their rights and avenues for further recourse if dissatisfied with the resolution.

The Company actively engages in out-of-court dispute resolution processes overseen by the Czech Trade Inspection Authority.

In 2023, no significant sanctions or corrective measures were imposed for serious breaches of regulations. However, isolated cases of minor infractions, such as delays in resolving complaints, transferring telephone numbers, or updating prices in the e-shop, resulted in fines totaling tens of thousands of Czech crowns. In each instance, the Company conducted investigations to ascertain whether these issues indicated systemic failures. Responsibility for such lapses rests with the relevant operational units.

Anti-corruption

As part of mandatory training on our corporate principles, all employees and members of governing bodies are educated on the significance of anti-corruption principles and the potential repercussions of illicit conduct. Renewal of certification is mandated upon expiration.

The O2 Group has established protocols governing the acceptance and provision of donations. Should an employee accept or offer a gift within the scope of their duties, they are obligated to register such exchanges for transparency purposes. In specific instances, internal regulations prohibit the acceptance or offering of gifts, particularly in situations where there exists the potential for undue influence on decision-making or where such actions may be perceived as such. Likewise, principles aimed at mitigating conflicts of interest are upheld.

Internally, corruption risks are systematically monitored and assessed across the O2 Group.

In fiscal year 2023, the Company did not record any instances of corruption. No legal proceedings have been instigated against the Company in connection with such matters, and there is no knowledge of any such proceedings against any employees of the Company.

Procurement

• We develop relationships with suppliers and other business partners based on transparent negotiation, objective business decision-making and equality of opportunity.

• We comply with all provisions of applicable laws and regulatory requirements with respect to suppliers

• We encourage suppliers to apply ethical principles comparable to our own.

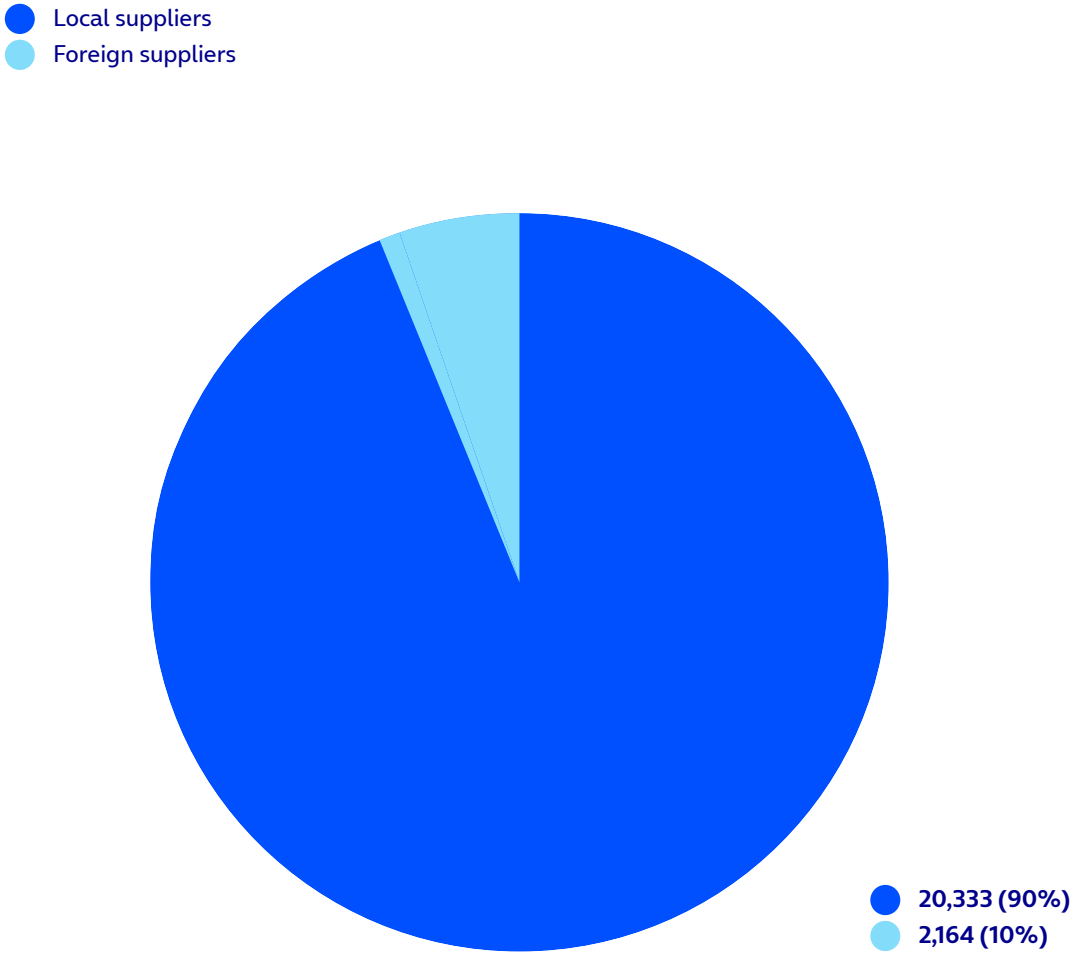
• In 2024, we are launching a systematic assessment of existing and new suppliers, including how they meet ESG principles. We will require suppliers to comply with the PPF Telecom Group Suppliers Code of Conduct.

Conflict minerals

With regard to respect for human rights in our supply chain, we are paying particular attention to the use of conflict minerals. In our case, these include mainly tin, tungsten, tantalum and gold used in mobile phones and other electronic devices. These raw materials can come from war zones in developing countries, where their extraction can contribute to financing conflict. Mining may also involve child labour and forced labour.

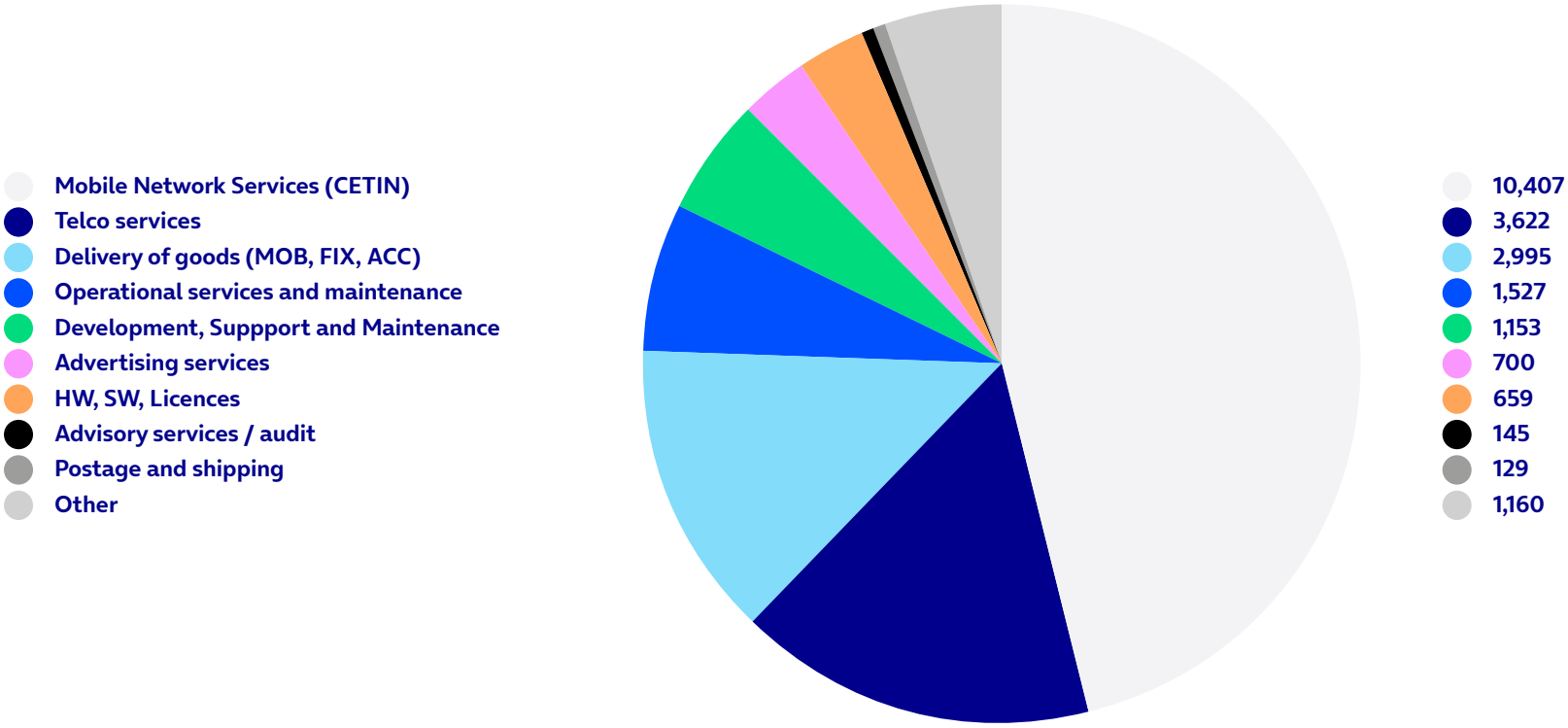
The Company is not a direct manufacturer of electronics, and our suppliers are not processors of raw materials. Therefore, the Company is not exposed to the risk of human rights violations as defined by international standards. Nevertheless, when selecting our suppliers, we always ensure that they also comply with these standards.

Monetary value of invoices (CZK million)



Note: Data for O2 CZ. A local supplier is considered to be an organisation or person that provides a product or service to O2 CZ and is based in the Czech market, including cases where invoices come from local branches of international companies.

Monetary value of invoices to suppliers in 2023 by supplier category
(CZK millions)



- **Mobile Network Services (CETIN): mobile and fixed network connectivity (CETIN)**
- **Telco services: interconnection charges, SMS, network components, network platforms, installation of telecommunications services, transmission capacity rental, information lines, IP connectivity, IPTV services, O2 card top-up, roaming.**
- **Delivery of goods (MOB, FIX, ACC): supply of mobile phones and accessories, goods for fixed and/or mobile lines.**
- **Development, Support and Maintenance: IT support, development and maintenance services.**
- **Operational services and maintenance: brokerage, construction work, office services and equipment maintenance, O_2 TV, staff training, remittances, electricity and water supply, car leasing, premises rental, WTTX set-up and installation.**
- **Advertising services: advertising services, sponsorship, telemarketing services, sales promotion and media subcontracting, market and opinion research.**
- **HW, SW, Licenses.**
- **Advisory services / audit: advisory services, consulting services, financial audit.**
- **Postage and shipping.**
- **Other: suppliers whose invoice value excluding VAT for 2023 was less than CZK 4 million. These invoices account for 5% of the total invoice value.**

Cybersecurity and customer privacy

Cybersecurity and the protection of digital and personal data are very important issues for society, for our people and for our business. In a constantly changing regulatory environment, O2 CZ considers it necessary to take all necessary measures to protect its stakeholders from potential breaches that could harm them or the continuity of O2 CZ business itself. Security is embedded in the design and development of our solutions, and all new initiatives, projects, and products of the company are linked by the necessary condition of security and resilience of our network and services.

Our approach

The O2 CZ is aware of the important role that information plays in today's business world, as well as in our professional and private lives. It has therefore built and continuously improved an established and certified Information Security Management System (ISMS) to protect its information assets and to provide an appropriate level of assurance to its customers and partners. The ISMS (as well as related policy) covers all activities, applies to the entire organisational structure, all buildings, and technologies.

The Company's management encourages and motivates employees to ensure that all applicable information security requirements, even beyond the requirements of applicable legislation, have been met. The O2 CZ has a designated security organisation, under the umbrella of a security committee and crisis staff, supported by an experienced team of internal specialists with defined processes and procedures.

The Company is certified in accordance with[6]:

- **ISO/IEC 20000-1:2018 Information Technology,**
- **ISO/IEC 27001:2017 Information Security Management Systems,**
- **ISO/IEC 27017:2015 Information Security Management System for Cloud Services,**
- **ISO/IEC 27018:2019 Management System for the Protection of Personal Data in Public Clouds. ISO 22301:2019 Business continuity management system.**

A major technology entity and solution such as O_2 Cloud also has an effective internal control system in place, evidenced by a SOC 2 Type II report.

O2 CZ consistently ensures that information is protected to the necessary level to ensure that only authorised persons have access to it (confidentiality principle), that information is accurate and complete, that powers and rights to amend it are clearly defined (integrity principle) and that information is accessible to users when they need it (availability principle).

The information protection management system is systematically monitored, assessed and continuously improved. We meet individual information security objectives by applying appropriate measures identified by the risk management process with an impact on information security.

We manage our processes and activities to ensure their continuity and compliance with applicable Czech and EU legislation, international conventions and other information security measures.

That is why we have the following systems and programmes in place:

- **Asset management**
- **Security risk management**
- **Security monitoring systems**
- **Intrusion detection and prevention systems**
- **Endpoint detection and response systems**
- **Data leakage prevention**
- **Mobile device and mobile application management**
- **Security information and event management and security incident response**
- **Technical vulnerability management**
- **Management of accounts with elevated privileges**
- **Multi-factor authentication**
- **Security Awareness Programme**

Most of these activities are based on systematic planning and a sophisticated cybersecurity strategy.

[6] *Applies for O2 CZ.*

Stakeholders' cybersecurity and data protection

We recognise that the topic of cybersecurity and the protection of digital and personal data is important to all of our customers today, as well as to the general public and all of society. Therefore, we focus on this area not only within our internal systems, but also when developing new products and services for our customers. We offer tailored systems, whether it is a mobile phone, home computer or corporate network protection, and value-added services such as security monitoring and security incident response. In 2023, our O2 Security service prevented more than 1 billion and 566 million attacks on our customers' devices.

We also take care of our partners' security from a prevention perspective so therefore offer free educational activities. Additionally, we proactively distribute situation reports to our corporate customers in case new cyber threats or serious zero-day vulnerabilities are identified.

Customers

At O2 CZ, we run the O2.cz CERT (Computer Emergency Response Team), which helps customers deal with security incidents on the Internet. The team deals with incidents that threaten the availability or confidentiality of Internet services. O2.cz CERT is also an accredited member of the Trusted Introducer international network of these security teams.

O_2 Security is a service designed for households that routinely use the internet. It provides protection for their mobile devices, computers and other connected devices in the home from fraudulent and hacked sites.

O_2 Security prevented a record number of security threats in the last 12 months. In total, there were a staggering 1 billion and 566 million attacks on our customers' devices. This is a 400% increase compared to 2022, with malware and phishing attacks accounting for many times that number. On average, one in three devices using O_2 Security protection was the target of an attack. Given the rising number of attacks, it was therefore a logical option to extend O_2 Security to all O_2 Together packages from June 2023, adding new value.

What's more, in 2023, we've managed to re-launch a brand new portfolio of Internet PRO services, combining our best connectivity with the most effective Next Generation firewall protection. The result is the first Internet that protects entrepreneurs or smaller businesses from cyber attacks, which are constantly growing.

O2 also provides other security services such as O_2 Next Generation Firewall, which secures corporate connections against threats from the Internet, O_2 AntiDDos, which provides protection against DDoS attacks, and O_2 Mobile Device Management, which manages corporate phones or other endpoint devices. The O_2 Security Expert Center serves as a complete cybersecurity solution against data leakage, hacking, log and incident collection and other cyber threats. O2 CZ also assists customers with NIS2 requirements, both with initial analysis of the existing environment and with subsequent organisational and technical measures thanks to in-house consultants with high expertise.

Employees

The Internal Security Unit provides comprehensive internal materials, advice and recommendations to Company employees on how to act and protect themselves from cybersecurity risks and how to protect digital data and personal information. Every employee in the Company receives mandatory periodic training in this area. The Company manages the sensitive data of its customers, and we require our employees to strictly adhere to established security policies and procedures. We also run a number of security education campaigns throughout each year, responding to current security topics.

Ten Security Commandments

I protect sensitive data and never pass it on to unauthorised persons.

I use secure long passwords that I don‘t share with anyone.

I always connect to public Wi-Fi via VPN.

I indicate the sensitivity of the documents sent.

I do not open suspicious e-mails.

I always verify the identity of the stranger I‘m dealing with.

I only store company data on company drives.

I do not download unknown programmes, documents or browser plugins.

I do not use company accounts for private communication.

I always keep all my devices under control and I do not lend them to anyone.

Society

Our publicly accessible O_2 Smart Schools portal provides the public with comprehensive and useful information on how to use the internet and digital technologies safely, free of charge. We also run the O_2 Cyber News portal dedicated to corporate cyber security and produce our own O_2 Cybercast, where we invite interesting guests to discuss cyber security.

Data protection and processing of personal data

The O2 Group places utmost importance on upholding individuals' privacy rights and safeguarding all personal data received, processed, and collected during its operations. Adherence to legal standards governing the processing of personal, operational, and location data is strictly maintained by the O2 Group. Established processes align with international and ISO standards, incorporating robust security measures to forestall breaches of personal data confidentiality.

The O2 Group imposes equally high requirements on its suppliers whose activities involve the processing of personal data. Suppliers are mandated to possess a comprehensive understanding of their processes and systems involved in data processing, conduct risk assessments, and designate a direct point of contact for addressing security incidents.

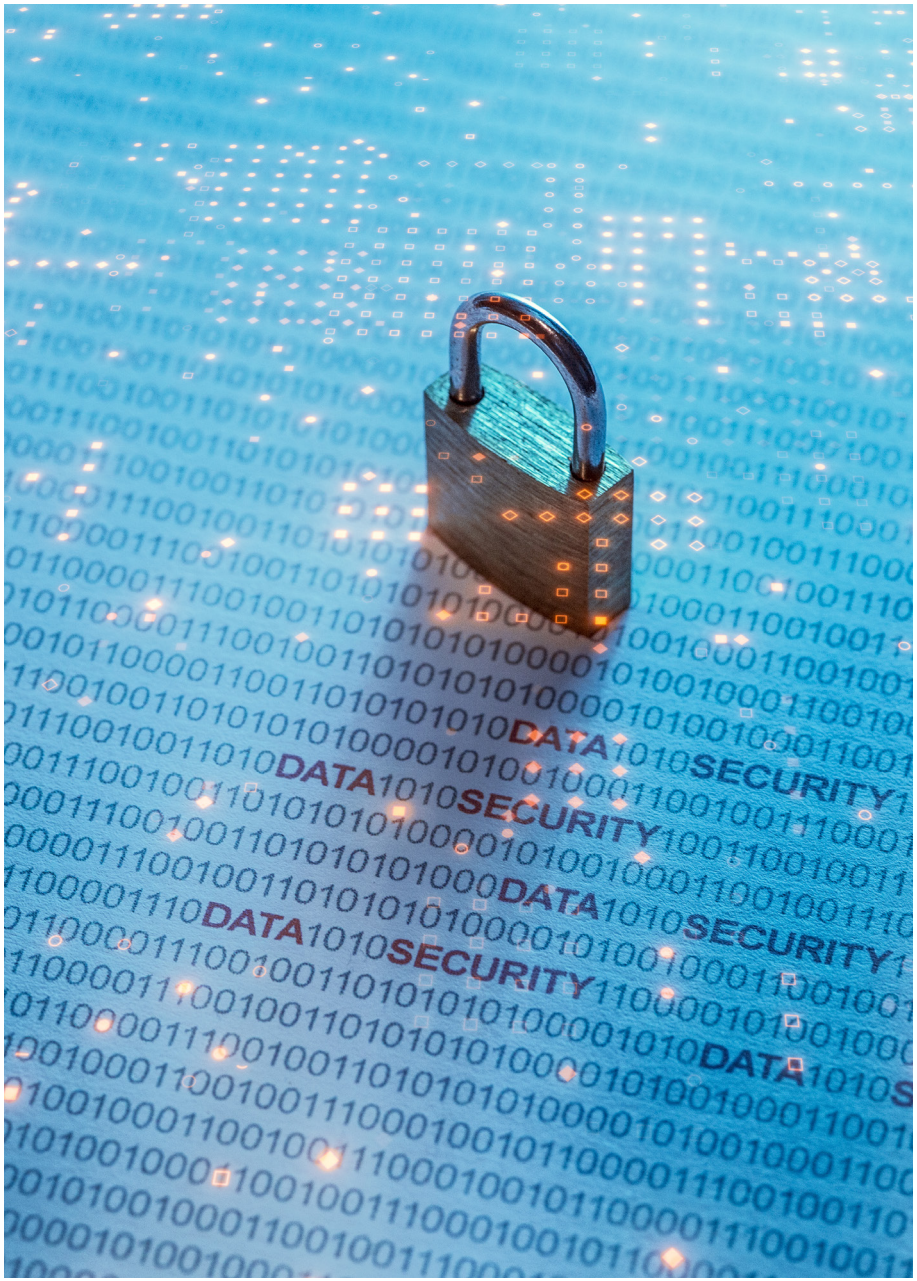
Comprehensive details regarding processing the personal data of customers, as stipulated under Article 13 GDPR and Article 14 GDPR, are readily accessible in the document Principles of personal data processing, ensuring clarity and transparency.

The Board of Directors of the Company has appointed a Data Protection Officer. Detailed organisational measures have been implemented to ensure the protection of personal data by employees and external workers of the O2 Group. Employees and external workers of the O2 Group are required to undergo training on Information Security for Employees and Personal Data Protection according to GDPR, upon joining the Company and subsequently every three years. Within the intranet environment, employees have access to a special section dedicated to cybersecurity, information security, and personal data protection, where they can find various advice, guidelines, and recommendations.

Requests and complaints from data subjects concerning personal data protection, as well as any suspicions of breaches of personal data protection, are handled by the Data Protection Officer in collaboration with the Information Security Department.

For the year 2023, we record the following in this area:

- **No substantiated complaint of a personal data breach that could result in a risk to the rights and freedoms of the data subject;**
- **No concluded administrative proceedings;**
- **No report of a breach of personal data protection to the Office for Personal Data Protection pursuant to Article 33 of the GDPR.**



Network deployment

5G technology serves as a catalyst for fostering inclusive long-term opportunities within society. Robust and dependable mobile networks are indispensable for the seamless operation and advancement of contemporary civilisation in the digital era, with accessible connectivity being a fundamental requirement across all strata. O2 CZ is committed to delivering cutting-edge services to its clientele by spearheading the modernization of its mobile network infrastructure. This comprehensive overhaul encompasses the integration of the latest fifth-generation standard, 5G, alongside enhancements to capacity, quality, and overall efficiency of the existing LTE network. From its inception, O2 CZ has diligently expanded its 5G network, bolstering it with frequencies that facilitate significant boosts in data speeds and network capacity. As of the conclusion of 2023, our 5G network spans 3,728 base stations across providing coverage to 79.9% of the population and 69.7% of the territory. Notably, 1,547 cities and towns and also the entire Prague metro network boasts complete 5G mobile signal coverage.
Our corporate objective is to extend 5G coverage to over 90% of the territory and reach a minimum of 99.5% of the population in the Czech Republic by 2030. This ambitious endeavor is paramount in equipping the Czech economy with ample potential for sustained development and prosperity.

5G private networks

The considerable advantages of 5G technology lie in its speed, capacity, flexibility, and reliability, making it an integral component in the realisation of Industry 4.0. 5G private networks represent a pivotal aspect of this advancement. These networks are poised to supplant existing Wi-Fi solutions that may not be conducive to widespread usage, or they are poised to pioneer entirely new applications, such as robotics, where wired connections are either unnecessary or impractical.
Within a private campus network, the proprietor exercises full control over all network facets. This includes the ability to establish priorities, allocate capacity to specific service types, and adjust security protocols, thereby furnishing users with the requisite flexibility to manage their infrastructure autonomously.
The implementation of private, or campus, networking places paramount emphasis on cybersecurity. With each additional network-connected element, the potential avenues for infiltration multiply. However, a dedicated network solution is adept at thwarting such security breaches, thus safeguarding the integrity of the system.

LTE-M

As part of the transition to 5G radio technology, O2 CZ introduced LTE-M (CAT M1) technology in the first quarter of 2022. LTE-M, a component of the 5G standard, is tailored for low-power Machine-to-Machine (M2M) communication.
LTE-M, also known as LTE Cat.M, shares similarities with NB-IoT, offering low battery consumption and enhanced indoor penetration capabilities (Deep Indoor Coverage). Both technologies are standardised specifications within the 3GPP mobile communications project and are integrated into 5G networks. In comparison to NB-IoT, LTE-M utilises more bandwidth within the LTE spectrum (1.4 MHz), enabling higher data rates and comparable latency to broadband LTE. Consequently, LTE-M proves to be a suitable solution for modem connections necessitating continuous connectivity, particularly for overseeing simpler machinery.
Presently, LTE-M emerges as a pivotal component for the advancement of Industry 4.0, where automated data acquisition from machinery is anticipated. Leveraging this technology facilitates substantial time and cost savings in machine maintenance, enhances production efficiency, and facilitates early detection and resolution of faults.
LTE-M is increasingly gaining traction as a solution within the Internet of Things (IoT), providing dependable and efficient connections between devices and networks. With its attributes of low power consumption, high reliability, and indoor accessibility, LTE-M finds applicability across various domains such as Smart Cities, healthcare, industry, transportation, and beyond.

Network deployment

Cooperative intelligent transport systems (C-ITS)

Being a part of Intelligent Transport Systems (ITS), cooperative ITS (C-ITS) encompass a group of technologies and applications that allow effective data exchange through wireless communication technologies between components and actors of the transport system, very often between vehicles (vehicle-to-vehicle or V2V) or between vehicles and infrastructure (vehicle-to-infrastructure or V2I). ITS aims on improving surface transportation in respect of safety e.g. crash avoidance and efficiency e.g. navigation, green wave, priority, lane access control by applying information and communication technologies (ICT).
C-ITS services are based on the exchange of data between vehicles e.g. cars, buses, emergency and specialized vehicles, the roadside and urban infrastructure e.g. traffic lights, variable message signs, and control and services centres in the cloud e.g. traffic control centre and service providers.
The cities of Brno, Ostrava and Pilsen are among the first European cities where C-ITS has been fully implemented. It was INTENS Corporation together with O2 that successfully tested the mentioned systems in the past as part of the European C-Roads project. Now, for the first time, 5G networks have also been used for the operation of the C-ITS system, starting with the city of Pilsen as part of the 5G program for 5 cities announced by the ministry of Industry and Trade and the Ministry of Regional Development, in which Pilsen is actively involved and where O2 is a technology partner. The key advantage of 5G network is the speed of downloading and sending of data or low response along with high security of data transmission, which are the necessary elements to build an infrastructure that enables functional operation and mutual communication between the individual elements of smart mobility. The supplied solution also includes a complete C-ITS (V2X) system, which transmits traffic information and warnings from the infrastructure to the vehicles and vice versa. The city of Pilsen is thus one of the first in the Czech Republic to create an environment equipped with 5G technologies for the development and testing of autonomous mobility.
O2 is working with other municipalities in the Czech Republic, as well as with Yettels to expand the use of the technology.

Product and service quality

The reliance of individuals, families, businesses, and emergency services on the integrity of our network is paramount. Day by day, these entities rely on our network's quality to fulfill their essential connectivity needs. To uphold this crucial service, we regularly invest in enhancing the speed, quality, and reliability of our network to align with the evolving demands of our customers. Recognising the potential impact of natural disasters on telecom networks and the subsequent disruption of customer services, we are actively evaluating climate-related risks. This assessment serves to fortify our emergency preparedness plans and implement effective mitigation measures. By proactively addressing these risks, we aim to ensure the resilience and continuity of our services even in the face of adverse environmental events.

To maximise the quality of our products and services we developed and maintained our Quality Management System certified according to ISO 9001[7].

As part of our commitment to ensuring operational excellence and adherence to established standards, we conduct regular internal audits. This audit programme encompasses both internal assessments and external audits of our business partners and suppliers. The outcomes of these audits are subsequently managed in accordance with the Non-Conformance Management guideline and the Preventive and Corrective Action Management guideline.
In line with the principles outlined in ISO 9001, we actively pursue opportunities for continuous improvement that contribute to enhancing the overall performance of the Company. Continuous improvement efforts may manifest in various forms, including incremental enhancements to existing processes, products, and services, or through project-based initiatives aimed at redesigning or introducing new processes, products, or services. By embracing a culture of continuous improvement, we strive to optimise our operations and deliver greater value to our stakeholders.

[7] *Applies for O2 CZ*

Membership and Associations

We are a member of the following industry associations

- Association of Mobile Network Operators (APMS)
- Czech Association of Electronic Communications (ČAEK)
- GSM Association (GSMA)
- ICT Union
- Réseaux IP Européens Network Coordination Centre (RIPE NCC)
- ACCA (Association of Chartered Certified Accountants)
- SOLUS, the interest association of legal entities
- People Management Forum, z.s.
- ISACA Czech Republic Chapter
- IT Service management Forum Czech Republic, z.s. (itSMF CZ)
- Chamber of Commerce of the Capital City of Czech Republic, Prague
- CZ.NIC, z.s.p.o.
- CFO Club
- Z-Wave Alliance, Inc.
- NIX.CZ, z.s.p.o.

Non-profit and non-governmental partnerships

- Palacký University in Olomouc (Faculty of Education - E-Safety project)
- Masaryk University in Brno (Faculty of Social Studies)
- University of West Bohemia in Pilsen
- Diversity Charter
- Fórum dárců, z.s.
- Člověk v tísni o.p.s.
- Linka bezpečí, z.s.
- Elpida, o.p.s.
- Nelež z.s.
- Onfine, z.s.
- Fakescope, z.s.

8. About the report

About the report

O2 CZ is issuing the non-financial information within this 2023 ESG Report with reference to the GRI Standards (2021) including 2019, 2020, 2021 and 2022 historical data as comparatives for selected indicators.

GRI Index is available in Chapter 9. Mapping to UN Sustainable Development Goals has also been performed.

The report describes the Company's approach to sustainability, performance in relation to environmental, social and governance issues, and covers the period from 1 January 2023 to 31 December 2023. The reporting period is aligned with the reporting period of the Annual Report.

The report has not been subject to external assurance.

The Company values the views of each stakeholder group on this report. Please send any questions about the content of this report to esg@o2.cz or investor_relations@o2.cz.

This Report is available in electronic form on the https://www.o2.cz/myslime-na/esg-reporty website.

9. GRI Index

GRI Content Index							
Statement of use GRI 1 used	O2 Czech Republic a.s. has reported the information cited in this GRI content index for the period 1st January – 31st December 2021 with reference to the GRI Standards. GRI 1: Foundation 2021						
GRI Standard	**Disclosure Number**	**Disclosure Name Individual Requirements** (‚a', ‚b', ‚c', etc.) are not listed here	**Location of Disclosure**	**Note**	**Requirement(s) Omitted**	**Reason**	**Explanation**
General Disclosures							
GRI 2: General Disclosures 2021	**2-1**	Organisational Details	Organisational Details				
GRI 2: General Disclosures 2021	**2-2**	Entities Included in the Organisation's Sustainability Reporting	Organisational Details				
GRI 2: General Disclosures 2021	**2-3**	Reporting Period, Frequency and Contact Point	About the Report				
GRI 2: General Disclosures 2021	**2-4**	Restatements of Information	Organisational Details				
GRI 2: General Disclosures 2021	**2-5**	External Assurance	About the Report	No external assurance			
GRI 2: General Disclosures 2021	**2-6**	Activities, Value Chain, and Other Business Relationships	Organisational Details, Business Model, Suppliers				
GRI 2: General Disclosures 2021	**2-7**	Employees	Workforce Statistics	Requirements iv. and v. covered	i., ii., iii.	Information unavailable	HR databases limitations
GRI 2: General Disclosures 2021	**2-8**	Workers who are not employees	Workers who are not employees		c	Information unavailable	HR databases limitations

GRI Standard	Disclosure Number	Disclosure Name Individual Requirements (‚a', ‚b', ‚c', etc.) are not listed here	Location of Disclosure	Note	Requirement(s) Omitted	Reason	Explanation
GRI 2: General Disclosures 2021	**2-9**	Governance Structure and Composition	Governance Structure, Highest Governance Body and Policies, Diversity	Requirements a., c. ii., iii., iv., vii	others	Confidentiality constraints	
GRI 2: General Disclosures 2021	**2-10**	Nomination and Selection of the Highest Governance Body	Governance Structure, Highest Governance Body and Policies,	Requirement a. covered	b.	Confidentiality constraints	
GRI 2: General Disclosures 2021	**2-11**	Chair of the Highest Governance Body	Governance Structure, Highest Governance Body				
GRI 2: General Disclosures 2021	**2-12**	Role of the Highest Governance Body in Overseeing the Management of Impacts	Governance Structure, Highest Governance Body – ESG Agenda	Requirement a. covered	b., c.	Confidentiality constraints	
GRI 2: General Disclosures 2021	**2-13**	Delegation of Responsibility for Managing impacts	Governance Structure, Highest Governance Body – ESG Agenda				
GRI 2: General Disclosures 2021	**2-14**	Role of the Highest Governance Body in Sustainability Reporting	Governance Structure, Highest Governance Body – ESG Agenda				
GRI 2: General Disclosures 2021	**2-15**	Conflicts of Interest	Governance Structure, Highest Governance Body – Conflict of Interest	Requirement a. covered	b.	Confidentiality constraints	

GRI Standard	Disclosure Number	Disclosure Name Individual Requirements (‚a', ‚b', ‚c', etc.) are not listed here	Location of Disclosure	Note	Requirement(s) Omitted	Reason	Explanation
GRI 2: General Disclosures 2021	**2-16**	Communication of Critical Concerns	Governance Structure, Highest Governance Body	Requirement a. covered	b.	Confidentiality constraints	
GRI 2: General Disclosures 2021	**2-17**	Collective Knowledge of the Highest Governance Body	Governance Structure, Highest Governance Body				
GRI 2: General Disclosures 2021	**2-18**	Evaluation of the Performance of the Highest Governance Body	Governance Structure, Highest Governance Body	Requirement a. partially covered – currently no ESG KPIs	b.c.	Information unavailable	Detailed ESG governance structure is being prepared.
GRI 2: General Disclosures 2021	**2-19**	Remuneration Policies	Governance Structure, Highest Governance Body				
GRI 2: General Disclosures 2021	**2-20**	Process to Determine Remuneration				Confidentiality constraints	
GRI 2: General Disclosures 2021	**2-21**	Annual Total Compensation Ratio				Confidentiality constraints	
GRI 2: General Disclosures 2021	**2-22**	Statement on Sustainable Development Strategy	Message from CEO				
GRI 2: General Disclosures 2021	**2-23**	Policy Commitments	Internal Policies, Ethics, Compliance and Anti-corruption	Requirement a. covered			

GRI Standard	Disclosure Number	Disclosure Name Individual Requirements (‚a', ‚b', ‚c', etc.) are not listed here	Location of Disclosure	Note	Requirement(s) Omitted	Reason	Explanation
GRI 2: General Disclosures 2021	2-24	Embedding Policy Commitments	Internal policies				
GRI 2: General Disclosures 2021	2-25	Processes to Remediate Negative Impacts	Processes to Remediate Negative Impacts				
GRI 2: General Disclosures 2021	2-26	Mechanisms for Seeking Advice and Raising Concerns	Internal Policies, Processes to Remediate Negative Impacts				
GRI 2: General Disclosures 2021	2-27	Compliance with Laws and Regulations	Processes to Remediate Negative Impacts	Requirement a. covered	b., c., d	Not relevant	No non--compliance cases
GRI 2: General Disclosures 2021	2-28	Membership Associations	Membership and Associations				
GRI 2: General Disclosures 2021	2-29	Approach to Stakeholder Engagement	Stakeholder Engagement				
GRI 2: General Disclosures 2021	2-30	Collective Bargaining Agreements	Remuneration	Requirement a. covered	b.	Not relevant	All employees covered by collective bargaining agreements

GRI Standard	Disclosure Number	Disclosure Name Individual Requirements (‚a', ‚b', ‚c', etc.) are not listed here	Location of Disclosure	Note	Requirement(s) Omitted	Reason	Explanation
Material Topics							
GRI 3: Material Topics 2021	**3-1**	Process to Determine Material Topics	Materiality Analysis				
GRI 3: Material Topics 2021	**3-2**	List of Material Topics	Materiality Analysis				
GRI 3: Material Topics 2021	**3-3**	Management of Material Topics	Chapters Environmental, Social, Governance				
Economic							
GRI 201: Economic Performance (2016)	**201-1**	Direct Economic Value Generated and Distributed	Business Model	No external assurance			
GRI 204: Procurement Practices (2016)	**204-1**	Proportion of Spending on Local Suppliers	Suppliers				
GRI 205: Anti--corruption (2016)	**205-1**	Operations Assessed for Risks Related to Corruption	Anti-corruption	Requirement a. covered	b.	Confidentiality constraints	
GRI 205: Anti--corruption (2016)	**205-2**	Communication and Training About Anti-corruption Policies and Procedures	Anti-corruption				

GRI Standard	Disclosure Number	Disclosure Name Individual Requirements (‚a', ‚b', ‚c', etc.) are not listed here	Location of Disclosure	Note	Requirement(s) Omitted	Reason	Explanation
GRI 205: Anti--corruption (2016)	**205-3**	Confirmed Incidents of Corruption and Actions Taken	Anti-corruption				
GRI 207: Tax (2019)	**207-1**	Approach to Tax	Business Model	Partially covered			
GRI 207: Tax (2019)	**207-2**	Tax Governance, Control, and Risk Management	Approach to Tax	Requirement a.iii. covered			
Environmental							
GRI 302: Energy (2016)	**302-1**	Energy Consumption Within the Organization	Energy	Requirements a., c.i., c.ii. and e. covered			a. in litres
GRI 302: Energy (2016)	**302-3**	Energy Intensity	Energy				
GRI 305: Emissions (2016)	**305-1**	Direct (Scope 1) GHG Emissions	Carbon Footprint	Requirements a., e. and g. covered			
GRI 305: Emissions (2016)	**305-2**	Energy Indirect (Scope 2) GHG Emissions	Carbon Footprint	Requirements a., b. e. and g. covered			
GRI 305: Emissions (2016)	**305-3**	Other indirect (Scope 3) GHG emissions	Carbon Footprint	Requirements a., f. and g. covered			

GRI Standard	Disclosure Number	Disclosure Name Individual Requirements (‚a', ‚b', ‚c', etc.) are not listed here	Location of Disclosure	Note	Requirement(s) Omitted	Reason	Explanation
GRI 305: Emissions (2016)	**305-4**	GHG emissions intensity	Carbon Footprint				
GRI 305: Emissions (2016)	**305-5**	Reduction of GHG emissions	Carbon Footprint	Requirement a. covered			
GRI 306: Waste (2020)	**306-2**	Management of Significant Waste-related Impacts	Waste management and Circular Economy	Requirement a. covered			
GRI 306: Waste (2020)	**306-3**	Waste Generated	Waste Management				
GRI 306: Waste (2020)	**306-4**	Waste Diverted from Disposal	Waste Management	Partially covered			Without breakdown by hazardous, non--hazardous and by composition
GRI 306: Waste (2020)	**306-5**	Waste Directed to Disposal	Waste Management	Partially covered			Without breakdown by hazardous, non--hazardous and by composition

GRI Standard	Disclosure Number	Disclosure Name Individual Requirements (‚a', ‚b', ‚c', etc.) are not listed here	Location of Disclosure	Note	Requirement(s) Omitted	Reason	Explanation
Social							
GRI 401: Employment (2016)	**401-1**	New Employee Hires and Employee Turnover	Our Workforce in numbers: Employee hiring and turnover	Partially covered	Employee turnover by age group	Information unavailable	HR databases limitations
GRI 401: Employment (2016)	**401-2**	Benefits Provided to Full-time Employees That Are Not Provided to Temporary or Part-time Employees	Our Workforce in numbers: Remuneration	Partially covered			
GRI 401: Employment (2016)	**401-3**	Parental Leave	Parental Leave	Requirements b. and c. covered			
GRI 403: Occupational Health and Safety (2018)	**403-1**	Occupational Health and Safety Management System	Health and Safety	Requirements a.ii. overed			
GRI 403: Occupational Health and Safety (2018)	**403-9**	Work-related Injuries Health	Health and Safety	Requirements a.iii., iv., v. and e. covered			
GRI 403: Occupational Health and Safety (2018)	**403-10**	Work-related Ill / Health	Health and Safety	Requirements a.ii. covered			
GRI 404: Training and Education (2016)	**404-1**	Average Hours of Training per Year per Employee	Employee Training and Development				

GRI Standard	Disclosure Number	Disclosure Name Individual Requirements (‚a', ‚b', ‚c', etc.) are not listed here	Location of Disclosure	Note	Requirement(s) Omitted	Reason	Explanation
GRI 405: Diversity and Equal Opportunity (2016)	**405-1**	Diversity of Governance Bodies and Employees	Workforce Statistics, Diversity Statistics, Diversity of Highest Governance Body	Requirements a i.,ii. and b.i. covered			
GRI 406: Non-discrimination (2016)	**406-1**	Incidents of Discrimination and Corrective Actions Taken	Diversity	Requirement a. covered			
GRI 418: Customer Privacy (2016)	**418-1**	Substantiated Complaints Concerning Breaches of Customer Privacy and Losses of Customer Data	Data Protection and Processing of Personal Data				

10. Attachment

Number of full-time and part time employees in 2022

	Men	%	Women	%	Total
Full-time employees	2,259	62	1,381	38	3,640
Part-time employees	31	19	136	81	167
Temporary employees	27	39	42	61	69
Total	**2,317**	**60**	**1,559**	**40**	**3,876**

Note: FTE. Includes data for O2 CZ, Temporary employees includes agreement for the performance of work, employment agreement and part time.
Work performance agreement is counted as 0.2 FTE and employment agreement and part time as 0.5 FTE.

Number of full-time and part time employees in 2023

	Men	%	Women	%	Total
Full-time employees	2,253	62	1,366	38	3,618
Part-time employees	31	17	157	83	187
Temporary employees	22	38	36	62	58
Total	**2,306**	**60**	**1,559**	**40**	**3,865**

Note: FTE. Includes data for O2 CZ, Temporary employees includes agreement for the performance of work, employment agreement and part time.
Work performance agreement is counted as 0.2 FTE and employment agreement and part time as 0.5 FTE.

Age structure of employees in 2022

	Men	Women	Total
Up to 30 years	726	509	1,235
30 - 50 years	1,262	825	2,087
above 50	320	239	559
Total	**2,308**	**1,573**	**3,881**

Note: HC. Includes data for O2 CZ, includes full-time employees and part-time employees. Excludes agreements.

Age structure of employees in 2023

	Men	Women	Total
Up to 30 years	697	473	1,170
30 - 50 years	1,216	859	2,075
above 50	390	251	641
Total	**2,303**	**1,583**	**3,886**

Note: HC. Includes data for O2 CZ, includes full-time employees and part-time employees. Excludes agreements.

New employees by gender and age structure in 2022

	Men	Women	Total
Up to 30 years	308	251	559
30 - 50 years	118	124	242
above 50	11	10	21
Total	**437**	**385**	**822**
New hires rate	21%		

Note: HC. Includes data for O2 CZ, includes employees hired in 2022 and still were in the company at the end of the year. Included full-time and part-time employees, excluded temporary employees - agreement for the performance of work and employment agreement.

New employees by gender and age structure in 2023

	Men	Women	Total
Up to 30 years	226	174	400
30 - 50 years	96	114	210
above 50	8	13	21
Total	**330**	**301**	**631**
New hires rate	16%		

Note: HC. Includes data for O2 CZ, includes employees hired in 2022 and still were in the company at the end of the year. Included full-time and part-time employees, excluded temporary employees - agreement for the performance of work and employment agreement.

Employee turnover in 2022

	Men	Women	Total
Turnover rate	20%	23%	21%

Note: HC. Includes data for O2 CZ. Included full-time and part-time employees, excluded temporary employees - agreement for the performance of work and employment agreement.

Employee turnover in 2023

	Men	Women	Total
Turnover rate	20.8%	22.8%	21.6%

Note: HC. Includes data for O2 CZ. Included full-time and part-time employees, excluded temporary employees - agreement for the performance of work and employment agreement.

Employee structure by employee category in 2022

Employee category	Men	Women	Total
Sales	979	861	**1,840**
Management	348	155	**503**
Senior management	4	0	**4**
Specialist	959	501	**1,460**
Total	**2,290**	**1,517**	**3,807**

Note: Includes data for O2 CZ. Included full-time and part-time employees (FTE), excluded temporary employees - agreement for the performance of work and employment agreement.

Employee structure by employee category in 2023

Employee category	Men	Women	Total
Sales	954	834	**1,788**
Management	341	143	**484**
Senior management	7	0	**7**
Specialist	982	546	**1,528**
Total	**2,284**	**1,523**	**3,807**

Note: Includes data for O2 CZ. Included full-time and part-time employees (FTE), excluded temporary employees - agreement for the performance of work and employment agreement.

Parental leave in 2022

	Men	Women	Total
employees currently on parental leave	4	403	**407**
employees returned from parental leave	1	43	**44**

Note: Includes data for O2 CZ. Includes the total number of employees in 2022 who returned from off-registration for at least 1 day in that year, not counting the cooperation of the employee on the agreement, only returns from off-registration status, i.e. the actual end of the parental leave

Parental leave in 2023

	Men	Women	Total
employees currently on parental leave	3	411	**414**
employees returned from parental leave	0	54	**54**

Note: Includes data for O2 CZ. Includes the total number of employees in 2022 who returned from off-registration for at least 1 day in that year, not counting the cooperation of the employee on the agreement, only returns from off-registration status, i.e. the actual end of the parental leave

Total and average training hours by gender in 2022

	Male	Female
Total training hours	60,076	49,082
Average training hours per employee	23,9	28,0

Note: Includes data for O2 CZ. Calculation based on total number of employees in FTE. Includes full-time and part-time employees. Excludes agreements.

Total and average training hours by gender in 2023

	Male	Female
Total training hours	40,454	34,957
Average training hours per employee	17.5	21.3

Note: Includes data for O2 CZ. Calculation based on total number of employees in FTE. Includes full-time and part-time employees. Excludes agreements.

Total training hours by gender and employee category in 2022

	Total training hours		
Employee category	Male	Female	**All**
Call Centre	24,020	31,781	55,801
Care to Sales	75	258	333
Customer Service	102	110	212
Executive management	76	30	106
Middle management	1,542	430	1,972
Operat. management	3,934	1,820	5,754
Salesman	18,990	10,754	29,744
Senior management	10	0	10
Specialist	11,327	3,900	15,227
Total	**60,076**	**49,082**	**109,158**

Note: Includes data for O2 CZ.

Total training hours by gender and employee category in 2023

	Total training hours		
Employee category	Male	Female	**All**
Call Centre	12,675	20,994	55,801
Care to Sales	65	182	333
Customer Service	100	121	212
Executive management	313	56	106
Middle management	1,451	403	1,972
Operat. management	2,629	1,239	3,868
Salesman	13,700	7,654	21,354
Senior management	28	0	28
Specialist	9,493	4,308	13,801
Total	**40,454**	**34,957**	**75,411**

Note: Includes data for O2 CZ.

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