A1 Telekom Austria Group

Compliance Management System of A1 Telekom Austria Group

CMS Description

A1 Telekom Austria Group Compliance

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1 Introduction

Compliance is firmly anchored in corporate governance as well as in the corporate culture and strategy of A1 Telekom Austria Group. Compliance defines the attitude and conduct of all managers and employees through a set of clear measures to promote good conduct. Maintaining and improving an externally audited[1] Compliance Management System (CMS) in line with best practice is an essential element of our corporate governance and ESG strategy, because impeccable conduct from an ethical and legal perspective is crucial for trustworthiness in the eyes of customers and other stakeholders. Regular reviews of the compliance management system's appropriateness and effectiveness aim to ascertain whether current compliance requirements are being met and where there still may be potential for improvement. The A1 Telekom Austria Group CMS follows a certain defined structure characterizing an integrated management system. This approach enables A1 Telekom Austria Group to reach the goals of compliance in an efficient, intelligent and resource effective way.

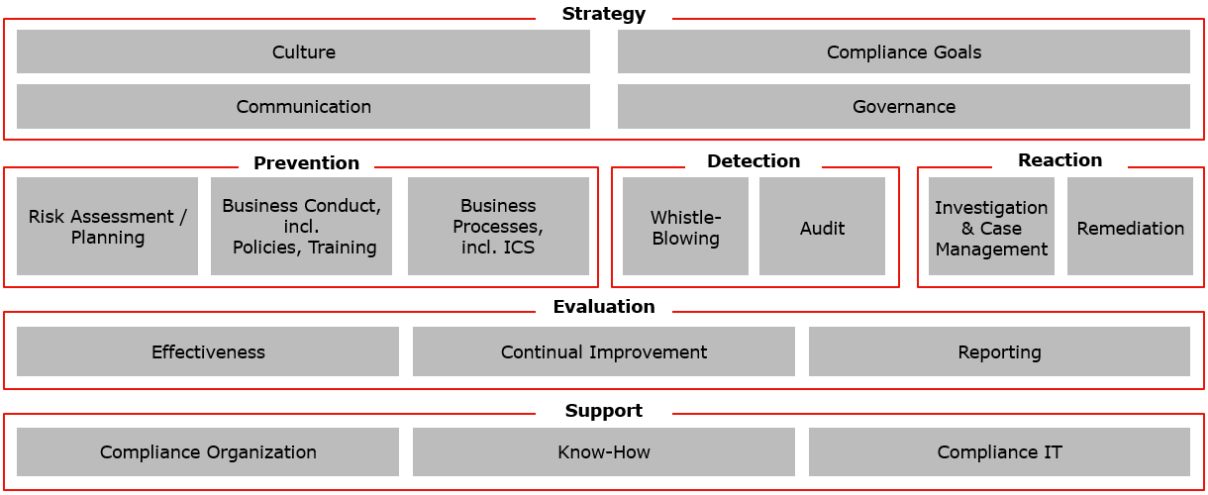

Figure 1 – Compliance Management System (CMS) – Overview

Compliance at A1 Telekom Austria Group is an ongoing process and the outcome of meeting its obligations such as relevant laws, industry standards, as well as standards of good corporate governance, best practices, ethical standards and community expectations. The A1 Telekom Austria Group CMS considers the size and complexity of our organization and basic principles, which form the basis of our relationship with internal and external stakeholders. Compliance at A1 Telekom Austria Group is made sustainable by embedding it in the culture and in the behavior and attitude of our managers and employees. While maintaining its independence, the CMS of A1 Telekom Austria Group is integrated with other management processes and its operational requirements and procedures.

As part of the CMS the Compliance Policy and the Compliance Strategy form the governance and basis for the operative management of compliance fostering integrity and a positive compliance culture. Together with our human rights engagement, our supplier engagement and the data privacy management system, the CMS is an essential part of the governance pillar of our ESG strategy "Empowering Digital Life".

2 Compliance Policy

A1 Telekom Austria Group, listed on the Vienna Stock Exchange, is a leading provider of digital services and communication solutions in Central and Eastern Europe offering communication, payment, and entertainment services as well as integrated business solutions to around 30 million customers. A1 Telekom Austria Group is currently operating in seven countries under the brand A1: Austria, Bulgaria, Croatia, Belarus, Slovenia, the Republic of North Macedonia, and the Republic of Serbia. Through A1 Digital, A1 Telekom Austria Group offers industry-specific solutions for business customers in its core markets as well as in Germany, Switzerland and Spain. As European unit of

[1] In 2023, the areas of anti-corruption and integrity, antitrust law, capital market compliance and sanctions have been audited in accordance with German auditing standard IDW PS 980.

América Móvil, one of the largest telecommunications companies in the world, A1 Telekom Austria Group is headquartered in Vienna and gives access to global solutions.

A1 Telekom Austria Group is operating in a dynamic environment and is constantly facing challenges, in particular more demanding markets, rising customer needs and expectations, the need to defend and expand our core business and to discover new growth opportunities. To keep pace with these dynamics we need to be adaptive and put humans in the center.

A1 Telekom Austria Group is committed to maintaining a high standard of integrity towards all its stakeholders. After all, only honest, fair and transparent actions will ensure the group's economic success and reputation in the long-term. In addition, respectful and appreciative interaction with one another is also an important component of our corporate culture. A1 Telekom Austria Group actively assumes its ecological and social responsibility by promoting more efficient, resource-conserving, and thus more sustainable ways of working and living.

Integrity is the basis of A1 Telekom Austria Group's business. For A1 Telekom Austria Group, it is not only important to achieve its goals; it is also important HOW the goals are achieved. Ethically and legally impeccable behavior is everybody’s responsibility in A1 Telekom Austria Group.

To ensure the effectiveness and transparency of the A1 Telekom Austria Group CMS this Compliance Policy[2] is formulated and communicated to our stakeholders on the company website. The compliance policy contains overarching principles and the organization's commitment to reach compliance.

A1 Telekom Austria Group has joined the UN Global Compact. The group has thus committed itself to implement fundamental requirements in the areas of human rights, labor, environment, and the fight against corruption. A1 Telekom Austria Group aligns its activities in order to support the United Nations Sustainable Development Goals.

A1 Telekom Austria Group maintains and constantly improves an externally certified best practice CMS to ensure integrity and trustworthiness within the Group. The CMS is suitable to conform to international legal requirements (including US Foreign Corrupt Practices Act (FCPA), EU Anti-Corruption Directive and the UK Bribery Act), and international standards (ISO 37301 Compliance Management System, ISO 37001 Anti-Bribery Management System, ISO 37002 Whistleblowing Management System, UN Global Compact, OECD guidelines for multinational enterprises) and is regularly externally audited, respective certified.

Acting with integrity in our daily business life is essential for the sustainable business success and the reputation of A1 Telekom Austria Group. Managers are primarily responsible for acting with integrity by setting the appropriate tone-at-the-top/middle. It is their responsibility to regularly address the importance of this conduct and to set an example through their own conduct. All A1 Leadership Team members annually sign a compliance commitment, which comprehensively describes their role and responsibilities within the CMS. However, this does not relieve employees of their own responsibility to act ethically and with integrity.

A materiality analysis of sustainability topics conducted regularly with internal and external stakeholders also covers important compliance aspects. The Sustainability Statement of A1 Telekom Austria Group shows the results of the materiality analysis and the measures taken in the areas covered, including compliance.

To avoid potential misconduct, A1 Telekom Austria Group has defined clear rules for ethical behavior and integrity in all its business relationships and has therefore implemented the A1 Telekom Austria Group Code of Conduct and the A1 Telekom Austria Group Compliance Policies and integrated appropriate controls into business processes. In order to sustainably embed the principle of integrity in A1 Telekom Austria Group, training courses optimized for the respective target groups are held regularly. In the consistent implementation of the relevant measures and tools within all business units, Group Compliance is supported by local Compliance Officers in the subsidiaries.

Misconduct and violations of conduct standards have serious personal consequences not only for the individual, but also for the entire company. For this reason, misconduct cannot be tolerated. Managers have a special role model function in this regard.

A1 Telekom Austria Group disciplines conscious, unlawful misconduct and violations of internal policies consistently, regardless of the rank or position of the person involved.

[2] A1 Telekom Austria Group pursues an integrated compliance management approach. Therefore, this compliance policy is also our anti-corruption policy and whistleblowing policy

To ensure sustained prevention and cover potential risks within A1 Telekom Austria Group, employees – but also external parties – have the opportunity to report information of possible misconduct via the tell.me whistleblowing portal of A1 Telekom Austria Group (A1 tell.me whistleblowing portal) – whereby they can remain fully anonymous, if they wish. Hints of employees can also be given to the direct superior or the responsible compliance officer. If a manager receives a whistleblower report, the compliance team must be notified of this report.

Signals from honest employees are one of the most effective ways of uncovering misconduct in the company and are therefore an appropriate measure for exposing serious risks at an early stage. Any employee, as well as any other person concerned, can report a violation or suspected violation of legal requirements, the Code of Conduct and internal policies or guidelines. Nothing negative will happen to honest whistleblowers who have provided information to the best of their knowledge. Whistleblowers' reports will be investigated and verified confidentially and by employees committed to confidentiality. Anyone who intentionally spreads false information about other employees or business partners is guilty of misconducting himself or herself.

3 Strategy

3.1 Culture of Integrity and Compliance

Compliance is an integral part of A1 Telekom Austria Group's corporate culture and strategy. Compliance is the result of an organization meeting its obligations to legal requirements. It is made sustainable by embedding it in the culture of A1 Telekom Austria Group and in the behavior and attitudes of people who work for it. Achieving this depends above all on leadership at all levels, as well as a commitment to and implementation of measures to promote compliant behavior. This requires the Management Board, the Leadership Teams and management throughout A1 Telekom Austria Group to demonstrate an active, visible, consistent, and sustained commitment to a common standard of behavior and conduct, to promote behavior that creates and supports compliance and to prevent and not tolerate behavior that jeopardizes compliance. An open culture of psychological safety in the workplace is important to promote compliance and support an open feedback culture.

The Code of Conduct gives guidance on how we operate our daily business in accordance with our high ethical standards and the law. Our customers, our business partners, our shareholders, our suppliers, our employees, and the public expect us to behave with integrity in our business relationships.

We aim to achieve ambitious business results by complying with our legal obligations, internal policies, respective guidelines, and business ethics. This is our commitment to compliance. For us, integrity is more important than short-term business success. In case of doubt, we would rather forego business than enter into transactions that conflict with our principles.

A1 Telekom Austria Group has clear rules about what is allowed and what is not allowed. We strictly adhere to the law and to our internal rules and regulations. The Code of Conduct constitutes the central behavioral guidelines of A1 Telekom Austria Group. It comprises the most important rules that apply to all of our managers and employees. Our complementary Compliance Policies provide detailed and concrete guidance on how to behave in important areas of business in our daily work.

Everyone knows that there is not necessarily a rule for every possible situation in which a decision has to be made. But how do we act in cases that have not been regulated in advance? The answer: Act ethically and with integrity, thus "honestly, fairly and transparently" or in other words we act the way we want to be treated ourselves!

Every employee of A1 Telekom Austria Group confirms regularly her/his commitment to compliance and confirms that

- she/he is responsible for her/his own actions and decisions;
- she/he is basing all decisions on compliance with the law and internal guidelines to maintain and strengthen trust;
- she/he discloses all conflicts of interest.

All Leadership Team members of A1 Telekom Austria Group sign an even stricter and more comprehensive Compliance Commitment each year.

To measure and evaluate its integrity and compliance culture, A1 Telekom Austria Group conducts compliance and integrity surveys and derives measures from them to foster business conduct and improve the compliance culture.

3.2 Compliance Goals

Acting with integrity and responsibility is an essential part of A1 Telekom Austria Group's corporate culture. We take responsibility for our behavior also beyond the financial implications, and we act honestly, fairly and transparently. A1 Telekom Austria Group does not act this way because we are forced to do so. We do so because we are deeply convinced that it is the right way. Our behavioral benchmarks are the law, internal guidelines, and high ethical standards.

Acting this way ensures that we protect our company from

- reputational damage,
- liability risks, and
- financial risks.

To achieve these goals, A1 Telekom Austria Group implements an efficient and effective compliance organization and follows a risk-oriented strategy on group level and in the operational companies (OpCos).

Within the defined scope and in accordance with our Compliance Policy, specific measurable compliance goals are set, e.g. how many training sessions per employee are conducted each year. The strategic goal is to maintain a best practice and externally audited or certified CMS to safeguard A1 Telekom Austria Group´s integrity and trustworthiness.

Measures to maintain a best practice CMS include:

- conducting an annual compliance risk assessment (CRA) and implementing additional risk mitigating measures (e.g. controls);
- continuous compliance communication (including tone-from-the-top) and compliance trainings;
- effective whistleblowing system and case management.

In addition, targets are set to ensure operation and maintenance of the CMS and mitigate identified risks, to which operative units are exposed.

The compliance targets set are monitored and reported in the quarterly compliance report, which is provided to top management. The performance is monitored through a defined set of KPIs, including the number of participants in compliance training, compliance cases, communication measures, and implemented risk mitigation measures.

As part of A1 Telekom Austria Group's risk assessment process, the following risk areas for the CMS were defined:

- anti-corruption,
- integrity,
- anti-trust,
- capital market compliance,
- trade compliance / sanctions.
- data privacy

The Legal department is responsible for the content of anti-trust. Data privacy is covered by dedicated departments throughout all OpCos.

Other important areas such as corporate governance, ESG, enterprise risk management, financial reporting, tax compliance, labor law, information security, etc. are covered by specific corporate functions.

A1 Telekom Austria Group also monitors compliance obligations arising from America Móvil.

All companies in A1 Telekom Austria Group are committed to ethical and legally impeccable conduct. Therefore, A1 Telekom Austria Group has implemented a group-wide state-of-the-art Compliance Management System in all its subsidiaries.

3.3 Compliance Communication

Behavior and communication shape our corporate culture. A strong culture of integrity is the key to successful compliance management. For this reason, A1 Telekom Austria Group relies on target group-oriented and sustainable compliance communication. To convey important compliance messages, e.g. about our Code of Conduct or our A1 tell.me whistleblowing portal, we employ all internal communication channels and all forms of communication. In particular, the internal communication platform "Viva Engage" plays an important role in communicating compliance messages.

Of particular importance for the effectiveness of A1 Telekom Austria Group CMS are tone-from-the-top and tone-from-the-middle compliance messages as well as information via the established channels for reporting misconduct and information on internal rules and procedures to promote good conduct.

Important information on the CMS of A1 Telekom Austria Group is also available to external stakeholders on our corporate website. In addition, A1 Telekom Austria Group regularly discloses information on its compliance activities in its Sustainability Statement and through various ESG ratings.

3.4 Compliance Governance

Sufficient resources are key to run the A1 Telekom Austria Group CMS with the defined goals and scope. The following roles are established and staffed:

- Group Compliance Director,
- Capital-Market Compliance Officer,
- local Compliance Officers in each leading operating company.

The Compliance organization and A1 Telekom Austria Group adhere to the principle that Compliance ensures to organize, build up and maintain sufficient CMS policies and processes, but is not solely responsible for ensuring compliance. Management is ultimately responsible for ensuring compliance. And it is the task and responsibility of all employees to set the right attitude to uphold our compliance culture.

The most effective way to achieve this is to establish, maintain, evaluate and constantly improve the CMS. To support management, the governance structure described below has been established in A1 Telekom Austria Group.

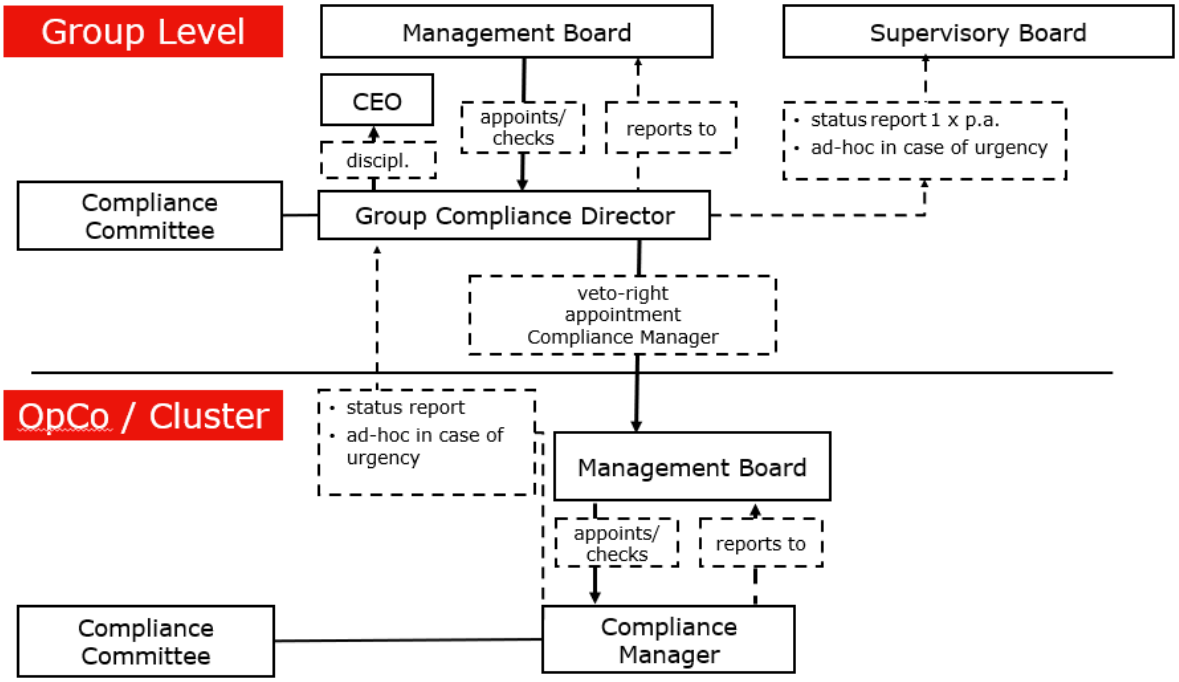

Figure 2 – Compliance governance

To ensure that management in the whole A1 Telekom Austria Group is able to fulfill its compliance obligations, it is necessary to establish compliance functions at the operational level as well. Equipped with the right competences and resources, the compliance managers with their team maintain the defined CMS structure and report the status of the compliance activities to the Management Board on a quarterly basis.

In order to effectively inform both the Supervisory Board and the Management Board of A1 Telekom Austria Group, the Group Compliance Director provides regular reports about the status of the CMS, KPIs and – if necessary, also ad-hoc – about relevant cases of non-compliance.

The compliance managers of the group companies report regularly to the local Management Board as well as to Group Compliance about the status of the CMS, KPIs and relevant cases in their companies.

3.4.1 A1 Group Management Board and Leadership Team

A1 Management Board / Leadership Team determines the Compliance Policy and compliance strategy and approves the measures defined during the annual assessment of compliance risks (CRA). Furthermore, the management (also the middle management) has many other responsibilities to maintain, monitor, evaluate and further develop the CMS:

- ensuring that the Compliance Policy and compliance objectives are established and are compatible and aligned with strategic direction resp. strategic goals of A1 Telekom Austria Group;
- ensuring the integration of the CMS requirements into the organization's business processes;
- allocating adequate and appropriate resources to establish, develop, implement, evaluate, maintain and improve the CMS;
- communicating the importance of effective compliance management and adherence to CMS requirements via own compliance messages (tone-from-the-top, tone-from-the-middle) and through continuous compliance communication and compliance training;
- ensuring that commitment and accountability for compliance is maintained and that appropriate action is taken in the event of non-compliance and non-compliant behavior;

- cooperating with and supporting the Compliance function and encouraging personnel to do the same;
- ensuring that the employees adhere to compliance obligations, policies, procedures and processes;
- ensuring that compliance performance is integrated into overall staff performance appraisals;
- identifying and communicating compliance risks and implementation of risk-mitigating measures in their operations;
- encouraging the employees to report cases of non-compliance, and precluding any form of retaliation;
- actively participating in the management and resolution of compliance incidents and issues as required.

3.4.2 Group Compliance Director

In promoting compliance and integrity, the management is supported by the Group Compliance Director (GCD), who

- reports to the entire A1 Group Management Board and in disciplinary terms to the A1 Group Board Member, who is organizationally responsible for compliance;
- manages the Group Compliance department;
- is chairman of the Group Compliance Committee.

The Group Compliance Director

- is responsible for supporting the management in establishing, operating and maintaining, evaluating, documenting and improving the CMS, which aims to ensure compliance with the company and promote integrity;
- evaluates the scoping of the CMS and adapts the scope accordingly;
- is responsible for aligning the CMS with compliance objectives;
- monitors and measures compliance performance;
- has a direct right of presentation to the entire A1 Group Management Board and the A1 Group Supervisory Board;
- is not bound by instructions from other divisions and departments in his activities, in particular when assessing compliance violations;
- has unrestricted right of access and inspection to all documents, books, records, systems, files and correspondence relevant to the performance of the duties assigned to him/her;
- has the right to request assistance from other departments, including but not limited to Human Resources, Legal, Data Privacy, and Internal Audit;
- shall participate in the appointment of local Compliance Managers and shall have veto power in this regard;
- is authorized to conduct audits to verify the effectiveness of the CMS in the subsidiaries, in coordination with the respective governance bodies;
- evaluates, in accordance with the governing bodies of the respective subsidiaries, the implementation and effectiveness of the CMS, and recommends measures to improve the performance, if necessary;
- establishes a regular compliance risk analysis to determine the main compliance risks (compliance risk assessment), initiates appropriate risk-mitigating measures and supports the subsidiaries in their own CRA;
- is responsible for supporting management in identifying and managing compliance risks;

- establishes a group-wide reporting about the compliance activities, important KPIs, on the status of the CMS and compliance violations;
- prepares group-wide policies (policy-authority), e.g. on anti-corruption / integrity, conflicts of interest;
- communicates guidelines and delivers training courses tailored to specific target groups;
- runs a helpdesk and the compliance-chatbot Compli to advise on compliance-related issues that arise;
- supports internal partners in creating and implementing guidelines, e.g. purchasing guidelines, the organization and implementation of trainings, and the introduction of appropriate processes and controls;
- is responsible for the establishment and operation of a group-wide reporting process for compliance-related violations (A1 tell.me whistleblowing portal);
- ensures a structured case management process;
- ensures the continual improvement of the CMS.

3.4.3 Further Supporting Functions and Bodies

The **A1 Group Compliance Committee** supports the Group Compliance Director and has responsibility for Telekom Austria AG and A1 Telekom Austria AG.

The Group Compliance Committee has the following tasks:

- advises the Group Compliance Director (GCD);
- supports the GCD in assessing the adequacy and effectiveness of the CMS and planned compliance measures;
- discusses the results of the annual compliance risk assessment and the compliance program;
- acts as an advisory body in compliance-related emergency situations.

The **Capital Market Compliance Office**r and the **Ad-Hoc Committee** supports the Management Board of A1 Telekom Austria Group in all matters relevant to the capital market and especially gives advice on the existence of an insider information. In insider relevant cases, the Capital-Market Compliance Officer has direct access to the A1 Group Management Board and the A1 Group Supervisory Board.

To ensure compliance with regard to sponsorships and donations the **A1 Group Sponsoring & Donation Board** has been established. It is chaired and organized by Marketing or the responsible department. Further members are Communications, Legal, Purchasing and Compliance. The A1 Group Sponsoring Board meets at least once a year to decide on all planned sponsorships and donations for the entire year. For ad-hoc sponsorships and donations, the approval of the members of the Sponsoring Board can be obtained by circulation.

In the event of suspected human rights violations, the Human Rights Officer supported by the **Human Rights Steering Committee** assesses the respective situation from the perspective of employees, customers and civil society and suggests appropriate corporate decisions taken by the Management Board.

In business units with special relevance for compliance a **Compliance Area Coordinator** can be nominated to support the management in the area of compliance.

3.4.4 Compliance Governance in Subsidiaries

In every leading company of A1 Telekom Austria Group, a local Compliance Manager is appointed to support the local management.

3.4.4.1 Local Compliance Manager

The local Compliance Manager

- is responsible for supporting the management in establishing, operating and maintaining, evaluating, documenting and improving the CMS, which aims to ensure compliance of the company and promote integrity, including roll-out of the A1 Telekom Austria Group CMS in local subsidiaries;
- has the right to directly address the local Management Board;
- is not bound by instructions from other departments, especially when assessing compliance violations;
- has unrestricted right of access and inspection to all documents, books, records, systems, files and correspondence relevant to the performance of the duties assigned to him/her;
- has the right to request assistance from other departments including, but not limited to, Human Resources, Legal, Data Privacy, and Internal Audit;
- reviews, in coordination with the local Management Board members and Group Compliance, the implementation and effectiveness of the CMS and recommends corrective or enhancement measures as necessary to strengthen its performance;
- reports to the local management and A1 Group Compliance;
- organizes and coordinates the annual compliance risk assessment;
- monitors the implementation of risk-mitigating measures;
- locally implements Group compliance policies;
- communicates compliance topics and performs and/or organizes trainings;
- runs a help desk to advise on compliance-related issues and the local compliance-chatbot Compli;
- supports internal partners, in creating and implementing relevant policies, resp. guidelines, e.g. purchasing guidelines, and the introduction of appropriate processes and controls;
- supports the establishment and operation of the group-wide reporting process for compliance-related violations (tell.me) on local level and implements, if necessary, an additional local reporting channel;
- ensures a structured local case management process.
- ensures local business partner checks and sanctions check according to the governance of A1 Telekom Austria Group.

3.4.4.2 Local Compliance Committee, Local Sponsoring Board, Local Compliance Area Coordinators

A local Compliance Committee supports the local Compliance Manager. The organization and tasks are defined locally based on those of the A1 Group Compliance Committee.

All local sponsoring activities and donations have to be checked by the local Sponsoring Board and to be reported to Group Compliance. Details are defined in the A1 Group Anti-Bribery, Anti-Corruption, and Conflict of Interest Policy.

Compliance Area Coordinators can be nominated in local business units to support compliance.

3.4.5 Responsibility of all Employees

All employees and managers shape the integrity and compliance culture of A1 Telekom Austria Group. They must ensure

- to read, understand and accept our Code of Conduct and other relevant compliance Policies;
- to adhere to our Code of Conduct and the relevant compliance Policies and act responsibly in daily business;
- to participate in all mandatory compliance training courses (trainer-led training sessions & e-learning courses);
- committing to report observed (alleged) misconduct through established whistleblower channels.

4 Prevention

4.1 Compliance Risk Assessment

Business success depends on integrity and compliance with laws and internal policies. Knowing our compliance risks is the foundation of an effective CMS.

A1 Telekom Austria Group is therefore identifying, analyzing and evaluating its compliance risks based upon a compliance risk assessment.

Based on our business (activities, products, services and relevant aspects of our operation) it is essential to identify and to understand the company`s compliance risks to be able to define the right counteractive measures. Consequently, our compliance risk assessment is conducted periodically, usually in our operational companies (OpCos) yearly or whenever material changes in circumstances or organizational context appear.

Conducting a compliance risk assessment and taking appropriate measures is the responsibility of the Management Board of A1 Telekom Austria Group and of each Leadership Team members of the companies of A1 Telekom Austria Group. Nevertheless, Group Compliance and the local compliance organization support the compliance risk assessment, e.g. by means of methodology, interviews/workshops, tools and reporting.

Compliance risks include legal, financial and reputational risks for A1 Telekom Austria Group within the scope of the Compliance Management System arising from potential violations of laws, regulations or internal policies by a manager or an employee or a representative, e.g. an agent. Misconduct without the involvement of a manager, an employee or a representative of A1 Telekom Austria Group are not in the scope of the compliance risk assessment. Obligations and risks arising through the law for vendor due diligence (e.g. EU regulation “CSDDD”) will be addressed by participating at the organization JAC (Joint Alliance for CSR for telecommunication companies) and by screening our business partners (for further details pls. refer to the CMS document “Business Partner Integrity”). JAC members are participating in joint audits and risk assessments of vendors in the telecommunication industry.

The CRA is not intended to detect specific instances of misconduct.

A1 Group's CMS currently covers the following scoping areas:

1. Anti-corruption / integrity,
2. Anti-trust,
3. Capital market,
4. Data privacy,
5. Trade compliance and sanctions.

Further risk areas may be included in each company, if required.

The results of the compliance risk assessment have to be approved by the local Management Board, resp. Leadership Team.

The outcomes of the local compliance risk assessments will be checked on plausibility and consolidated on group level by Group Compliance.

4.2 Foster Business Conduct

To prevent potential misconduct, A1 Telekom Austria Group has established clear rules for legally compliant and honest behavior in all business relationships and has integrated appropriate controls into the business processes. In addition to the Code of Conduct, detailed compliance policies provide guidance on specific topics. The top management´s role model effect as well as employees acting with a high degree of personal responsibility are thereby of particular importance.

4.2.1 Code of Conduct

Our Code of Conduct applies to all members of the A1 Group Management Board, all Leadership Team members, all managers, employees and members of the external workforce at all companies of A1 Telekom Austria Group and is available in English and in all national languages of our subsidiaries. The Management Board of A1 Telekom Austria Group approve the A1 Group Code of Conduct. All local Leadership Teams additionally set the A1 Group Code of Conduct into force.

The A1 Group Code of Conduct also provides A1's business partners with a framework for dealing fairly and with integrity. Through our terms and conditions, the A1 Telekom Austria Group works to ensure that our business partners are contractually obliged to comply with these behavioral requirements.

The Code of Conduct is available on the A1 Telekom Austria Group website (Code of Conduct) the group internal network and on all local intranets. The Code of Conduct is part of the regular compliance training.

4.2.2 Compliance Policies

For additional guidance, the following compliance policies apply throughout A1 Telekom Austria Group:

- A1 Group Anti-Bribery, Anti-Corruption & Conflict of Interests Policy,
- A1 Group Anti-Trust Policy and
- A1 Group Capital-Market Compliance Policy.

The A1 Telekom Austria Group Compliance Policies apply to all members of the A1 Group Management Board, Leadership Team member, managers, employees and members of the external workforce in all companies of A1 Telekom Austria Group. All group policies have been approved by the Management Board of A1 Telekom Austria Group and are available on the A1 Telekom Austria Group website (https://a1.com/compliance/clear-rules/) and on the group internal network.

The compliance policies shall be adopted and implemented in each company of A1 Telekom Austria Group, unless they conflict with mandatory local legal requirements or country-specific conventions. Any need for adaptation due to such a contradiction shall be agreed with Group Compliance in advance. Stricter national legal regulations must be observed and take precedence over these group policies.

The compliance policies are to be communicated and trained as part of the annual compliance communication and training plan. This is the responsibility of the local compliance manager who is supported by the internal communications department accordingly.

4.2.3 Compliance Training-Concept

A strong culture of integrity is key to a successful compliance management system. A company culture is primarily influenced by behavior and communication. A1 Telekom Austria Group therefore relies on targeted and sustainable compliance communication and compliance training. Properly designed and executed training can provide an effective way to communicate also previously unrecognized compliance risks to employees.

A1 Telekom Austria Group's compliance training concept pursues the following goals with its compliance training courses held as (virtual) trainer-led training sessions and / or as e-learning programs:

- raising awareness:

  Compliance awareness trainings primarily address managers. However, compliance awareness is also trained as part of unit-specific compliance training.

- knowledge transfer through risk-specific compliance training sessions:

  With specific compliance training courses, concrete compliance content is trained either for a specific occasion (new legislation, new guidelines) or on a regular basis as initial or follow-up training. The target groups are at least managers and employees in high-risk areas (risk-based training approach).

- broad participation in compliance e-learning programs:

  Compliance e-learning programs are becoming increasingly important according to our vision "Empowering digital life". The yearly compliance e-learning program, which is mandatory for all managers and employees in all OpCos, pursues both compliance-training objectives: raising awareness and communicating important business-specific compliance content throughout the whole Group. All compliance e-learning programs are hosted on the group-wide HR Tool, workday.

The content of compliance training should ensure that managers and employees, depending on their role in the company, understand,

- why compliance is important, the compliance risks and resulting consequences to which they and A1 Telekom Austria Group are exposed,
- the A1 Code of Conduct and the compliance policies,
- the compliance processes relevant to their role,
- any necessary preventive and reporting actions they need to take in regard to our compliance risks or suspected compliance violations.

The form and scope of the training depends on the size of the organization and the compliance risks. The Leadership Team and all persons exposed to a significant compliance risk should be trained face-to-face.

The content and target groups of the tailor-made compliance training are based on feedback from the previous year's compliance training sessions, requests to the compliance helpdesk, the results of the compliance risk assessment, specific measures taken due to detected misconduct, regulatory or legal requirements, and the professional assessment of the compliance managers.

The following training methods are used:

- compliance e-learning programs,
- trainer-led (virtual) compliance training (initial and follow-up),
- roadshows (e.g. regional trainer-led training for managers or sales people or for the local Leadership team),
- gamification
- lectures (e.g. at management events),
- coaching of executives,
- mailings, intranet and workplace postings.

Compliance training is designed, developed and delivered by experienced and qualified personnel and is conducted in local language and in some cases also in English.

4.2.4 Compliance Helpdesk

Compliance managers are available to answer individual, compliance-related questions, in person, by e-mail and telephone, and via the (local) ask.me mailbox. In addition, local compliance chatbots enable round-the-clock, quick and easy access to answers on compliance issues. The modern Compliance AI chat bot “Compli” is easy to access anytime and provides answers in real time.

The number of ask.me and Compli inquiries are monitored throughout the Group - as part of the compliance reporting.

4.2.5 Human Resources

To remain relevant in our markets, people working at A1 Telekom Austria Group are crucial to our success. "Human@Center" describes the way, how we would like to work together. Four areas describe the behaviors we aim to live at the workplace and the environment the company provides: "Take Ownership", "Learn & Innovate", "Team Up Beyond Limits" and "Consciously Care". We set ambitious goals and take responsibility in our circle of influence. We take ownership of our development, experiment and challenge the status quo. We look for opportunities to collaborate and share ideas and knowledge across silos. We care for people's needs – our own needs, the needs of our colleagues, customers and partners – and act sustainably towards environment and society.

Human Ressources (HR) establishes a process that provides for periodic review of performance targets, performance bonuses, and other incentives to verify that appropriate measures are in place to avoid encouraging non-compliance in achieving the ambitious business objectives. Employees and managers have to confirm that targets have been achieved in compliance with legal requirements and internal compliance guidelines.

HR is responsible for taking adequate disciplinary measures under labor law in case of any detected and verified misconduct.

HR supports the Compliance department in developing and rolling out compliance e-learning programs.

All employees and managers are called upon to avoid situations in which their personal or financial interests conflict or could conflict with the interests of A1 Telekom Austria Group. Employees inform their managers in advance about anything that could be regarded as a possible conflict of interest. The following conflicts of interest shall be reported in the SAP HR Portal (or comparable tool):

- gainful secondary employment and board functions in companies outside the Group,
- internal and external professional relationships with close relatives (children, siblings, parents, spouses, close relatives of spouses and persons living in the same household for at least 1 year),
- equity investments in business partners or competitors of more than 5% in the case of participation in the part of A1 in the business relationship.

4.2.6 Gifts and Invitations

Chapter 4 of our A1 Group Guidelines Anti-Bribery, Anti-Corruption & Conflict of Interest defines the internal limits and the approval requirements for accepting and giving gifts and invitations.

All invitations of business partners of A1 Telekom Austria Group to events with only partial or no business character over € 200 require the approval of the respective management board. Compliance carries out a public official check for all guests to events with only partial or no business character.

4.2.7 Sponsoring and Donations, Management Consulting and Lobbying

Special procedures as well as approval and reporting requirements are defined for transactions carrying inherently increased compliance risks, as sponsoring activities, donations, management consulting and lobbying in the A1 Group Guidelines Anti-Bribery, Anti-Corruption & Conflict of Interest.

4.3 Monitor Business Processes

4.3.1 Business Partner Integrity Management

A1 Telekom Austria Group places great importance on integrity in relationships to its business partners and also expects its business partners to act with integrity. Therefore, a risk-oriented multi-step approach was implemented, which mandates checks depending on the risk exposure of the business partner.

Within the respective frameworks of the suppliers and sales partners selection processes, integrity checks are carried out in co-operation of the relevant business units and Compliance. The questions are targeted to uncover alleged misconduct by analysis of common corruption schemes in the business relationship.

Employees of A1 Telekom Austria Group are not allowed to offer, promise or grant direct or indirect financial or other advantages to a business partner such as a consultant, agent, intermediary or other third party if circumstances point to the fact that this will be used to indulge in an illicit action or omission on the part of the recipient.

Particularly in this connection, A1 Telekom Austria Group has high demands on the integrity of business partners. These have also been included in contractual agreements. Cooperation is entered into with business partners who themselves or their agents were noted for acting without integrity or for illicit business conduct in the past, particularly corruption, only if measures have been established that ensure that business will be conducted with integrity and in a lawful manner.

4.3.2 Mergers & Acquisitions (M&A)

Acquisitions bear the risk that parties involved - e.g. the seller, the ultimate beneficial owner, the target company, their (senior) management or an intermediary - have been or are still involved in corruption.

The compliance cue diligence serves to

- identify corruption risks to be able to take adequate measures at an early stage;
- avoid civil and/or criminal liability;
- avoid financial damage, e.g. due to necessary reorganization of sales or procurements units, cost for forensic investigations, costs for legal proceedings, payment of penalties;
- protect corporate reputation.

The management boards of all newly acquired and consolidated companies have to approve and roll out the A1 Code of Conduct and all Group Compliance guidelines within 3 months after closing and implement risked-based all necessary compliance processes and controls in a timely manner.

The (further) appointments of the management board members of the new companies have to comply with the recruiting requirements of A1 Telekom Austria Group.

For bigger acquisitions, a rollout plan for compliance activities has to be part of the integration project and to be agreed between compliance and the responsible management.

The local compliance manager has to monitor the timely and proper implementation of all necessary compliance measures and to report about the progress to Group Compliance.

4.3.3 Internal Control System (ICS)

Compliance function has to make sure that business processes are performed in a controlled way with compliance risks mitigated to an acceptable level. Adhering to the general risk-based approach of our CMS; we have defined the relevant compliance risks and consequently the appropriate control objectives and controls to mitigate them.

Compliance-relevant controls are integrated in compliance-relevant business processes and documented within the internal control system (ICS) of A1 Telekom Austria Group. The controls are regularly checked for their effectiveness.

4.3.4 Trade Compliance - Sanctions

As part of A1 Telekom Austria Group`s CMS, it has to be ensured that the organization also complies with relevant governmental sanction programs. It also interfaces, where relevant, with e.g. business partner integrity checks established under the broader compliance framework.

The risk–based sanction compliance program

- Protect the company from possible fines and reputational damage by not violating imposed sanctions.

- Select the relevant sanction programs (based on the A1 footprint) to be constantly tracked based on their relevance for the operations of the company.
- Define the process of how and how often the updates of relevant sanction programs and sanction lists are checked.
- Define the process of how to proceed, when possible, match of business partners with entries in sanction lists are found.
- Define how the implementation and effectiveness of the SCP shall be controlled with internal controls.
- Define how employees are trained in the aspects of sanction programs.

A1 Telekom Austria Group monitors those sanction programs (e.g. EU sanction programs, US sanction programs) for which it is legally bound to comply or for which contractual partners need to comply with the sanctions regime (e.g. US vendors). Sanction programs are monitored and checked for matches with all business-partners that have an upstanding business relationship with A1 Telekom Austria Group and for new business partners.

If a business partner appears on a sanction list, the business relationship is checked if it complies with the applicable sanctions and, if necessary, amended accordingly for full compliance with the sanction provisions.

5 Detection

5.1 Whistleblowing

A1 Telekom Austria Group seeks to conduct fair and transparent business, foster integrity, and prevent misconduct of its employees and representatives. If misconduct occurs, it should be detected as soon as possible.

As part of the CMS, A1 Telekom Austria Group provides a variety of tip-off channels, accessible on group and on local level. First and foremost, concerns shall be raised on the spot. Employees should approach their direct manager for initial support. Managers shall guarantee the confidentiality of the signal raised by the employee, unless the employee agrees otherwise. In case compliance relevant issues are raised, the Compliance department shall be informed. Oral reports must be documented in the form of accurate minutes of the conversation.

Information provided by honest and upright employees is one of the most effective ways of exposing misconduct. The goal of the whistleblower procedure is to systematically use information for sustainable prevention and to detect misconduct within A1 Telekom Austria Group.

If an employee does not feel comfortable raising a concern with his direct manager, information can be provided through A1 Telekom Austria Group tell.me – whistleblowing portal (see QR Code) - a GDPR - compliant whistleblowing platform that enables also oral reports, ensures the highest standards of data protection, anonymity and a secure reporting environment. Alternatively, reports may be made directly to a Compliance Manager in person, by telephone, or via email. Any relevant oral report will be documented on the tell.me whistleblowing platform.

Figure 3 – QR-Code for the tell.me-whistleblowing portal

Any employee, but also external partners, can report a violation or suspicion of a violation against the legal framework and/or internal guidelines. A1 Telekom Austria Group encourages that misconduct be reported in good faith and on reasonable belief.

In accordance with the EU Directive 2019/1937 on whistleblower protection, A1 Telekom Austria Group prohibits whistleblower retaliation, encompassing any act or omission occurring in a work-related context and which causes a whistleblower detriment and protects those making reports in good faith, while ensuring that both this protection and a thorough investigation of the report apply even if the matter falls outside the formal scope of the directive. Reports will be assessed and appropriately investigated. Investigations are carried out by experts who have an obligation to maintain confidentiality. For details refer to chapter 4 Reaction.

Those who intentionally spread false information about other employees are guilty of misconduct themselves and may give rise to claims for damages and could be prosecuted in court or as an administrative offence.

Information about the whistleblowing procedure is part of regular compulsory e-learnings for all employees and of classroom compliance training sessions for managers and employees with high compliance exposure. These regular training courses include how to access the "tell.me" whistleblowing portal and the core principles of whistleblower protection, training for managers and supervisors on their responsibility to handle reports with empathy and strict confidentiality, and their duty to prevent any form of retaliation within their teams.

Whistleblower protection is explicitly not confined to the subjects legally stipulated but comprises all possible subjects that might be reported given the whistleblower is acting in good faith.

5.2 Audit

Independent audits are conducted by Internal Audit to provide information as to whether the respective A1 Telekom Austria Group company and its employees conform to the rules and procedures applicable and as to whether audited rules and procedures are effective and efficient.

If Internal Audit finds information relevant to compliance, Compliance will be informed to evaluate whether measures are needed to improve the performance of the CMS and to promote integrity.

6 Reaction

6.1 Investigation & Case Management

A1 Telekom Austria Group has implemented procedures to ensure professional and transparent proceedings in case of a violation or suspected violation of the legal framework and internal policies with the following principles.

Internal Investigations are allowed only in case an initial suspicion is supported by facts.

Internal Investigations shall

- conform with legal requirements, be fair, confidential and comprehensively documented;
- protect the personal rights of the accused person and avoid prejudgment.

For the collection, processing and storing of personal related data, the relevant laws of the European Union (GDPR) as well as national laws on data privacy and whistleblower protection apply and have to be specifically defined for every country where A1 Telekom Austria Group operates.

Personal data which are manifestly not relevant for the handling of a specific report shall not be collected or, if accidentally collected, shall be deleted without undue delay.

6.2 Remediation

A1 Telekom Austria Group reacts appropriately to every compliance incident:

- takes action to control, correct and manage the consequences;
- assesses the need for action to eliminate the root causes of the non-compliance so that it does not recur or occur elsewhere, by:
  - professionally investigating the incident;
  - identifying the causes of the incident;
  - examining whether similar incidents are present or might potentially occur;
- appropriately sanctions identified irregular behavior; depending on the severity of the misconduct sanction can be of a disciplinary, labor law (reprimands, termination, dismissal), civil law (assertion of claims for damages), administrative penal law or criminal law nature;
- reviews the effectiveness of any corrective action taken;
- makes changes to the compliance management system, if necessary.

In cases where no misconduct has been determined this information should also be used as basis to identify opportunities for improvement of the compliance management system.

7 Evaluation

7.1 Effectiveness

More challenging markets, rising customer expectations and the strategic focus on defending and growing our core business and explore new business opportunities characterize the dynamic environment of A1 Telekom Austria Group. Due to these challenges, the evaluation of the adequacy and effectiveness of A1 Telekom Austria Group´s CMS is essential to continually improve and evolve the CMS to remain fit for its purpose. Therefore, A1 Telekom Austria Group monitors and evaluates its compliance activities.

Key indicators for the performance and effectiveness of the CMS are, for example:

- allocation of resources;
- evaluation of the compliance culture through compliance & integrity surveys;
- evaluation of the strength of compliance related controls;
- status of the implementation of compliance-risk reducing measures;
- communication measures including tone-from-the-top;
- compliance training conducted;
- questions to the helpdesk and to the compliance-chatbot Compli;
- tip-offs/reports about non-compliance, including measures taken.

Changes in compliance obligations, especially local laws that could be relevant for the performance of the CMS, are monitored and regularly reported. For details, refer to chapter 5.3.

Regular internal and/or external audits are conducted to examine the effectiveness of the CMS and to provide recommendations for improvement of the CMS. Further sources of information for continual improvement can be the development of external compliance standards, the results of stakeholder surveys and reports of misconduct.

A1 Telekom Austria Group takes into account the dependency and the impact of changes in individual elements of the CMS on the effectiveness of the compliance management system as a whole in order to help ensuring that the integrity of the CMS and its effectiveness is retained. When making changes the implications for the CMS, its operations, the availability of resources, the compliance risk assessments, the organization’s compliance obligations and its continual improvement processes are considered.

Accurate records of the compliance activities of A1 Telekom Austria Group are maintained to assist in the monitoring and review process.

7.2 Management Review

The Management Board conducts a formal management review of the CMS at least once a year.

The input for this review includes aggregated

- compliance reports,
- audit results,
- status of goals and objectives,
- and changes in compliance obligations.

The output of the management review must include documented decisions regarding

- opportunities for continual improvement,
- any need for changes to the CMS,
- and resource allocations.

7.3 Continual Improvement

Continual improvement is an important element of A1 Telekom Austria Group's CMS to ensure its adequacy and effectiveness. A1 Telekom Austria Group´s internal and external environment and business changes and challenges, applicable compliance obligations, developments and trends in compliance management as well as internal and external knowledge and experience are considered as resource for the continuous improvement of A1 Telekom Austria Group´s CMS to ensure its suitability, adequacy and effectiveness.

In addition to local and international legal requirements in the individual areas of law (including the FCPA, the EU Anti-Corruption Directive and the UK Bribery Act) A1 Telekom Austria Group refers to

- UN Global Compact,
- OECD guidelines for multinational enterprises,
- ISO 37301 – compliance management systems – requirements with guidelines for application,
- ISO 37001 – anti-bribery management systems – requirements with guidelines for application
- ISO 37002 – whistleblowing management systems and

In order to improve the quality of the CMS yearly improvement goals are set and reported regularly to the management. The improvement goals are set according to the principles of the PDCA (Plan – Do – Check – Act; "Deming" circle).

- PLAN – yearly goals are set after an analysis of deficiencies in the CMS in the course of the yearly strategy planning,
- DO – realization of set improvement goals during the year,
- CHECK – check of reached status of set goals e.g. by surveys on the compliance culture,
- ACT – implementation of additional corrective measures based on the results of the previous step.

Based on the feedback of the compliance culture survey and feedback received from management in the compliance risk assessment interviews specific measures are elaborated.

Following sources are used for updating the CMS and for improvement measures:

- external audits of the CMS,
- internal surveys on the compliance culture,
- feedback received in the yearly compliance risk assessments,
- measures taken as a consequence from whistleblower cases,

- yearly strategic compliance workshops,
- exchange of ideas on A1 Group internal International Compliance Day.

For corrective actions as consequences of non-compliance, please refer to chapter 6.2.

7.4 Reporting

Accurate, up-to-date records of the organization's compliance activities are retained to ensure the accuracy and completeness of compliance reporting, to assist in the monitoring and review process and to demonstrate conformity with the compliance management system. Accurate and complete information is provided to the correct functions or areas of the organization to enable preventive, corrective and remedial action to be taken in a timely manner.

The Group Compliance Director of A1 Telekom Austria Group monitors and evaluates compliance activities and informs the A1 Group Management Board and the A1 Group Supervisory Board on a regular basis. Additionally, the Group Compliance Director informs the A1 Group Management Board and the A1 Group Supervisory Board in case of urgency.

The local compliance managers inform the local Management Boards and Group Compliance every calendar quarter on the status of compliance in the organizations under their responsibility. Additionally, the local compliance managers inform the local Management Boards and Group Compliance in case of urgency.

8 Support

8.1 Compliance Organization

To meet its compliance goals, A1 Telekom Austria Group provides the resources needed to establish, maintain, evaluate and continually improve the CMS. In promoting compliance and integrity, the management is supported by the Group Compliance Director, the Capital-Market Compliance Officer, the (Group) Compliance Committee, the (Group) Sponsoring Board, Compliance Area Coordinators in selected business units, local compliance managers and the employees of the compliance units.

For detailed information, see chapter 1.4 "Governance".

8.2 Know-How / Competences

Integrity is essential for all employees working for compliance. In addition, they need to understand the organization, the context of our business and understand the potential compliance risks.

Leadership, communication skills and analytic skills are necessary for compliance managers, along with basic knowledge of relevant laws and business administration, to support the management in achieving the compliance goals.

Constant learning is a fundamental principle in the entire A1 Telekom Austria Group. In order to stay up-to-date, relevant information is shared within the compliance community but also with interested parties from other departments. This is done mainly via the "Compliance News" Engage group, but also through regular meetings (e.g. "International Compliance Days") and MS Teams meetings, classroom training sessions, and e-learning sessions.

To ensure that only suitable local compliance managers are nominated, the Group Compliance Director is involved in their appointment.

Additionally, Compliance, Human Resources and other relevant business units provide hybrid-training sessions for A1 Telekom Austria Group employees to provide them with the competencies needed to achieve our compliance goals.

8.3 Compliance IT

Several IT tools are used to ensure effectiveness and efficiency of the A1 Telekom Austria Group compliance management system.

Group Compliance uses compliance databases for risk-adjusted business partner integrity checks as well as web search engines.

A1 Telekom Austria Group´s "tell.me", a whistleblowing portal, provides a means to provide information about potential misconduct directly and anonymously to Group Compliance.

The BAP-DMS system is used to monitor compliance relevant controls as part of the internal control system (ICS).

In addition, collaboration platforms, the Workday e-learning platform, websites, intranet-sites, Engage and Compli are used for collaboration, training, and communication.

9 Questions and Comments on this Document

Questions and comments on this description of the compliance management system can be addressed to A1 Telekom Austria Group Compliance: compliance@A1.group.

Detailed contact information can be found on our corporate website: contact list