

Sistema's Sustainability Report for 2024

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Statement from the Chair of the Board of Directors

GRI 2-22

Dear colleagues and partners,

We are pleased to present to you Sistema's Sustainability Report for 2024. The Group has been publishing its non-financial reports since 2006 and keeps improving them in accordance with the regulators' recommendations, international standards and best practices.

In 2024, Sistema continued to consistently implement its sustainability strategy by integrating the ESG principles into all the aspects of its activities: from corporate governance to the operational processes of the Group companies. The Group's constant priorities include its commitments to reduce the impact on the environment, create comfortable and safe working conditions, develop the team's professional potential and facilitate progress in the regions of the Company's presence.

The Corporation is making an increasingly significant contribution to the country's economy: its net asset value totalled RUB 2.76tn, the total amount of the Group's investments into the Russian economy reached RUB 245bn, including RUB 189.3bn into fixed assets, with tax payments exceeding RUB 230.5bn. The geography of the Group's investments spans more than 20 industries, from telecommunications and digital economy to pharmaceuticals and agriculture.

The Corporation entered into three new agreements with Russia's regions, taking their total number to 17. In particular, the Corporation and the Republic of Mordovia have launched the creation of Sistema's first special economic zone in Saransk and the nearby Lyambir municipal district with a total area of 205 ha.

In the reporting year, Sistema demonstrated its commitment to both global and national sustainability priorities. Being guided by the UN Sustainable Development Goals, the Group transforms them into specific initiatives and supports national projects in order to achieve Russia's strategic development goals. By the end of 2024, Sistema was among the winners of the "Our Contribution" national award that assesses the contribution of companies and non-profits to the achievement of national goals and implementation of national projects. The Corporation ranked first in the "Large Business. Region" category. The Group's private healthcare and high-tech assets were awarded the status of a Partner of Russia's National Projects.

Sistema approved framework policies in the area of sustainable development, environment and human rights, which serve as a benchmark for portfolio companies. In 2024, seven companies of the Group implemented ESG strategies and 14 companies established dedicated functions for sustainability management. 12 companies of the Group adopted high-level sustainability policies.

As a co-founder and key participant of the National ESG Alliance, Sistema took part in the development and testing of the standard for disclosing the contribution of businesses to the achievement of Russia's national goals. This standard enables companies to measure their contribution by 77 key sustainability indicators and present this data in a standard form meeting the requirements of the market and regulators.

Sistema is dedicated to decreasing adverse climate impacts in accordance with best international practices. The Group also implements innovative solutions in order to achieve carbon neutrality. The timber asset restored 47,200 ha of forest. The agricultural asset switched to no-till farming as part of its consistent efforts to prevent soil erosion and decrease greenhouse gas emissions.

Sistema Group invests in Russian-made critical technologies aiming to decrease reliance on imported goods and develop localisation of production. The telecommunications asset started migration to Russian-made base stations, with 200 stations integrated by the end of 2024. The microelectronics asset with the support of the Industry Development Fund launched new chip module assembly and microchip packaging lines with a total capacity of up to 18 m items, making it possible to boost the capacity of Russian manufacturers of equipment and devices. For example, the production capacity of chip modules for the bank cards of the national payment system MIR doubled to 56 m units a year. Our plan for the future is to increase localisation of microcircuits for the car manufacturing industry to 80%.

One of the Group's achievements in 2024 was the initial public offering of its portfolio company – a major Russian microelectronics developer – which made it possible to attract additional investments to boost the production of the electronic component base and precision engineering. Furthermore, serial production of Russian electric vehicle charging stations was launched, with the network doubling in 2024 to over 750 points across 54 regions of Russia. Sistema also invested about RUB 1bn in R&D in the timber industry, residential property development, private healthcare, agriculture and pharmaceuticals.

Sistema is actively developing its foreign economic activities, with a particular focus on entering the markets of Asia and Africa. The e-commerce asset launched Russia's first customs and logistical centre in Blagoveshchensk on the border with China.

Development of human capital remains the Corporation's strategic priority. Direct social investments reached almost RUB 1.5bn including those made through the Sistema Charitable Foundation. The Foundation's educational and career guidance projects reached 25,000 people, 3,200 of whom took part in the competition for internships at the Group companies. Volunteering initiatives attracted 18,000 Sistema employees in 2024. These results confirm that systematic charity work creates real opportunities for development.

Recognition of our sustainability efforts has been reflected in national and international ratings: the company confirmed its leadership level “A” in the "Responsibility and Transparency" index by the Russian Union of Industrialists and Entrepreneurs (RUIE) and the Moscow Exchange, was recognised for "Advanced Corporate Governance Practice" according to the Russian Institute of Directors rating, and was included in the gold category of Forbes' rating of the best employers in Russia. The Corporation was assigned a low level of exposure to ESG risk in the Sustainalytics rating.

Sistema is proud of its achievements in 2024. The Corporation is sincerely grateful to all its employees, partners and stakeholders for their invaluable contribution, high professionalism and responsible attitude to tasks. All of this lays the groundwork for building a strong, sustainable and socially responsible business.

Chair of the Board of Directors

Chapter 1. Approach to sustainability management

1.1. Sustainability management system and responsible business conduct at the Group's assets

GRI 3-3
GRI 2-12
GRI 2-13
GRI 2-14

Sistema implements a comprehensive approach to sustainable development by integrating ESG principles into its business processes. The Corporation's assets participate in industry-wide initiatives aimed at promoting best practices in sustainable development, while also consistently enhancing anti-corruption compliance and corporate ethics standards.

Sustainable development activities constitute an integral part of Sistema's corporate governance system.

For more details about the governing principles of responsible business conduct, see Sistema's Annual Report for 2024 and Sistema's Sustainability Policy:
<https://sistema.com/upload/iblock/0b6/0b6ebeabe7c86c5ccb7f3bb96b76c45c.pdf>

Sustainability management structure

Sistema			Portfolio companies
Board of Directors			
Strategy and Sustainability Committee	Audit, Finance and Risk Committee	Nomination, Remuneration and Corporate Governance Committee	
President			
Functions and Departments	Managing Partners in charge of asset portfolios		
Sustainability Function		Boards of directors of portfolio companies Sustainability Committees	
			Sustainability functions or employees of various divisions performing these tasks in addition to other job duties
Sistema Charitable Foundation (SCF) is an operator and integrator of the Corporation's strategic social initiatives.			

In 2024, as many as 50% of members of the Strategy and Sustainability Committee of Sistema's Board of Directors were independent directors with vast professional knowledge in various areas and extensive experience of management and board work at leading international and Russian companies.

8+ (“Advanced corporate governance practice”) is Sistema's place in the National Corporate Governance Rating

7 companies of Sistema Group implemented ESG strategies that reflect their sustainability goals and methods for their achievement.

12 companies of Sistema Group adopted high-level documents establishing the main work streams and priorities in the area of sustainable development.

14 companies established dedicated functions that are responsible for sustainable development and ensure a systematic approach in this area.

Approach to sustainability management in portfolio assets

Sistema aims to integrate the principles of transparent and responsible business conduct into the strategies of all the Group companies.

In the reporting year, the **mineral water asset** became the first Russian company in the industry to publish a sustainability report. The company conducted an independent audit of the report, business processes and sustainability practices. The asset also developed an ESG map, where it determined the key UN sustainable development goals that are critical for the asset's development in the next eight years.

At the beginning of 2025, the **residential property development asset** updated its ESG policy that sets out five key goals: good health and welfare, industrialisation, innovations and infrastructure, sustainable cities and villages, responsible consumption and production, and fighting climate change.

In 2024, the **telecommunications asset** continued integrating the principles of sustainable development into its business processes. Considering key national trends, the company placed emphasis on social responsibility, as reflected in the structuring of two areas within its ESG strategy: "Development of the digital community" and "Responsibility towards employees."

In the **fintech arm of the telecommunications asset**, which went public in 2024, an ESG strategy has been developed and adopted, encompassing four key areas: digital development of financial services, community support, ensuring decent working conditions and equal opportunities for employee development, and monitoring environmental impact. An annual roadmap for ESG initiatives is developed, and corresponding KPIs are established. The progress of these initiatives and key sustainability issues are reviewed at the meetings of the Management Board. An ESG centre has been established within the Banking Business Strategy Department to develop and implement sustainability programmes.

The **timber asset** operates under a Sustainability Strategy until 2025, which was approved by the Board of Directors in 2021 and subsequently updated to reflect new circumstances. The changes include expanded commitments to sustainable forest management, incorporating the implementation of multi-level supply chain control systems and the execution of forest management works using digital technologies. In 2024, to enhance the flexibility and efficiency of sustainability management and to adapt to internal and external changes, a cross-functional working group on charitable activities was established under the President. The working group joined forces with the existing ESG group. Both working groups take decisions on the implementation of social, environmental and governance initiatives, plan corporate social responsibility in the regions and respond to the requests of stakeholders.

The **agricultural asset** adopted a Sustainability Strategy until 2030. This strategy sets out the company's main priorities: facilitating the innovative development of the agricultural sector, developing climate-smart agriculture, ensuring well-being of employees and improving living standards in the regions of operation, as well as building a responsible supply chain. The strategy also provides for the use of a no-till

technology which protects the soil from water and wind erosion and prevents the emission of greenhouse gases contained in the soil.

The **high-tech asset** adopted a Sustainability Strategy until 2025 that focuses on eight most important areas, one of them being protection of the environment. The company is actively implementing green technologies, including projects for introduction of electric ground and water transport, electric vehicle charging infrastructure and production of electric passenger boats. Personnel training and development programme is another important part of the asset's sustainable development effort.

In 2021, the **e-commerce asset** introduced a sustainable development programme that reflects the company's mission, objectives and business goals and aims at ensuring compliance with regulatory requirements and increasing business sustainability.

Sustainable development practices at Sistema and portfolio companies¹

**GRI 3-3
SASB FN-
AC-510a.1**

	Sistema	Telecom municati ons	Timber industry	Agricultu re	Private health care	Pharmac euticals	Resident ial property develop ment	Hos pitali ty	Power grid servic es	High technology	Commercial property management	E-commerce	Natural and organic cosmetics	Mineral water producti on
ESG strategy	+	+	+	+					+	+				+
Top-level documents on sustainable development	+	+	+	+	+		+	+	+		+	+	+	+
Bodies in charge of sustainable development	+	+	+	+	+	+	+	+	+	+	+	+	+	+
Non- financial/integrated annual report	+	+	+		+		+		+			+		+
Independent audit/Public assurance of reporting	+	+												+

¹ The + sign shows that sustainability policy is in place.

Ethics and anticorruption efforts

Business ethics in relations with shareholders, investors, government authorities, business partners and employees have always been on top of Sistema's priorities.

The Code of Ethics defines the key norms, rules, requirements and principles aimed at setting uniform ethical standards for the operations of the Corporation and its employees with regard to the key business processes, as well as in relations with government officials, business partners, shareholders and mass media.

Sistema's President is responsible for organising all activities aimed at implementing the principles and requirements of this Code, including the appointment of persons in charge of developing, implementing and monitoring anticorruption procedures. The principles and requirements of the policy apply to the Corporation's counterparties and representatives, portfolio companies, members of their governance bodies and employees.

The functions of overseeing compliance with ethical standards and regulatory requirements, including anticorruption efforts, fall within the remit of the Audit, Finance and Risk Committee of the Board of Directors.

Organisational structure

Board of Directors	
Audit, Finance and Risk Committee	
- Assisting with the process of preparation and audit of the Corporation's financial reports and supervising it - Facilitating interactions with the Corporation's external auditors - Facilitating the evolution of the Corporation's risk management and internal control systems - Facilitating the budgeting process and financial modelling of the Corporation - Facilitating the evolution of the internal audit function - Facilitating compliance with ethical standards and regulatory requirements - Facilitating the design, development and implementation of the Corporation's investor relations strategy, including its dividend policy - Appraising related party transactions and major transactions - Managing anticorruption activities	President Chair of Management Board
	Management Board
	- Monitoring compliance with employment law, internal regulations and decisions passed by Sistema's governance bodies - Developing judgements on whether there are grounds for disciplinary sanctions for violations of human rights, ethical and anticorruption requirements, etc.

The Corporation is implementing a number of organisational and practical anti-corruption measures. Corruption risks are assessed on a regular basis, the effectiveness of anti-corruption procedures is monitored. In order to collect information about corruption incidents Sistema established a Single Whistleblowing Hotline.

For more details about corruption prevention, see Sistema's Annual Report for 2024.

Ethics assessment and conflicts of interest

Issues related to conflicts of interest are regulated by law and the Corporation's Code of Ethics. The Corporation has an ethics assessment procedure: all top managers must complete Ethics and Conflict of Interest Declarations annually or as conflicts of interest arise. All new employees are introduced to the requirements of the Code of Ethics and the procedure for completion of Declarations and are required to report relevant conflicts of interest (if any) before starting to perform their responsibilities.

93,084 employees participated in ethics assessment in 2024

Development of compliance standards

In 2024, the **telecommunications asset** entered into an agreement for development of anti-corruption compliance standards with the Moscow Directorate of Transport Service. The cooperation provides for mutual exchange of knowledge, competences and advanced compliance practices in the area of education, science and business. Special attention is paid to the implementation of anti-corruption standards, the development and exchange of best practices in methodological support, the creation of local anti-corruption regulations, and participation in legal awareness initiatives.

Sistema considers it mandatory to comply with the requirements of national legislation and international law in order to create an ethical business environment and ensure stable and mutually beneficial relationships with partners.

The total amount of fines for Sistema Group in 2024 stood at RUB 900.4m. The increased amount of fines in the reporting year is related to the inclusion of a greater number of portfolio companies into the reporting perimeter.

For more details, see Annex 5.1, section "Quantitative indicators of sustainability"

1.2. Business model

Capital creation	Type of resources (capital)	2024	2023	Activity		Results	2024	2023	UN sustainable development goals
Financial capital • Raising • Allocating • Increasing the value of assets • Monetising • Reinvesting in new promising projects / developing current portfolio companies • Ensuring returns for shareholders in the form of dividends / distribution of profits from the sale (full or partial) or IPO/SPO of assets	Aggregate asset value, RUB tn	2.76	2.4	Strategic focus		Dividends paid, RUB bn (GRI 201-1)	—	3,956.6	8 DECENT WORK AND ECONOMIC GROWTH 
				Growing businesses worth USD 1bn+	Generation of value in existing assets, including through the adoption of advanced technologies and digital solutions	Revenue, RUB bn	1,231.6	1,045.9	
						Operating income, RUB bn	167.0	116.3	
				Continuous improvement of the corporate governance system					
Human capital • Building management teams in portfolio	Average headcount, FTEs (GRI 2-7)	242,060	182,590	Reinvestment		Average labour productivity, RUB m / FTE	5.6	4.9	

- companies - Engagement, training and professional development of employees - Health and well-being of employees - Investments in education and human resource development for various industries	Share of female workers across Sistema Group, % (GRI 405-1)	48	46	Allocation of capital	Average hours of training per year per employee (GRI 404-1)	22.72	38.21	3 GOOD HEALTH AND WELL-BEING 4 QUALITY EDUCATION 5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH
	Average ratio of entry-level wage to statutory living wage (GRI 202-1)	2.3	1.9	Search for investment opportunities				
				Growth of equity value				
				Monetising				
Social and reputation capital - Development in important social fields - Stakeholder engagement - Investments in communities, charity and volunteering				Key ESG aspects	Work-related injuries (GRI 403-9)	70	85	
				Accessibil ity and quality				
				Smart environm ent				
				Well- being				
				Integration of ESG factors at all stages of the investment process				
	Number of consumers, m	150+	150+		Taxes paid to budgets of all levels (social insurance funds included), RUB bn (GRI 201-1)	230.68	211.02	4 QUALITY EDUCATION
	Number of agreements signed with regional administrations	17	16		Social investments in communities, RUB bn (GRI 203-1)	1.46	1.75	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
	Number of individual charity beneficiaries	500,000+	500,000+ ²		Proportion of positive media stories reflecting the Corporation's strategic goals, %	65	62	10 REDUCED INEQUALITIES

² Including online participants

								16 PEACE, JUSTICE AND STRONG INSTITUTIONS  17 PARTNERSHIPS FOR THE GOALS 
Production capital - Modernisation of production facilities - Investment programmes of portfolio companies	Number of industries	20+	20+		Total investment in fixed assets, RUB bn (GRI 203-1)	189.3	149.3	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE  11 SUSTAINABLE CITIES AND COMMUNITIES  12 RESPONSIBLE CONSUMPTION AND PRODUCTION 
Intellectual capital - Innovations, new technologies and R&D - VC investments in tech start-ups	Number of new agreements signed with research institutes	15	16		Number of registered intellectual property assets	426	387	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 
	Spending on IT, RUB bn	40.23	27.31		Number of patent & trademark applications	481	241	

• Natural capital • Environmental compliance and protection • Green tech and resource efficiency • Climate change risk management	Environmental protection expenditures, RUB m	1,629	1,127		Greenhouse gas emissions, m t (GRI 305-1)	0.83	0.78	3 GOOD HEALTH AND WELL-BEING 6 CLEAN WATER AND SANITATION 7 AFFORDABLE AND CLEAN ENERGY 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION 15 LIFE ON LAND
	Energy consumed, m GJ (GRI 302-1)	57.9	49.6		Water discharge, cu m (GRI 303-4)	57.6	51.5	
	Water withdrawal, cu m (GRI 303-3)	67.3	56.2		Energy intensity of consolidated revenue, GJ/RUB m	46.97	47.5	

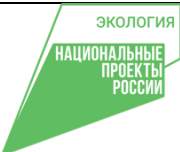
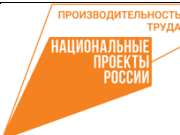
1.3. Contribution to the achievement of the UN Sustainable Development Goals and implementation of national goals and projects

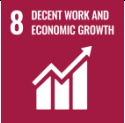
By focusing on global and local priorities, the Corporation plays an important role in addressing key social, economic and environmental challenges, laying the foundation for a sustainable future for new generations. The Corporation is consistently integrating the UN Sustainable Development Goals into its corporate strategy and operations. Sistema is participating in the implementation of national projects as part of its support for the national strategic benchmarks.

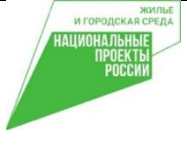
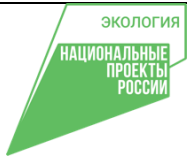
National projects of the Russian Federation	UN SDGs	UN SDG targets	The Corporation's contribution to the achievement of the goals in 2024 ³
		1.2 Reduce at least by half the proportion of men, women and children living in poverty.	• The average entry-level wage across the Group was 2.3 times higher than the minimum wage in 2024 (GRI 202-1).  • Social investments exceeded RUB 1.46bn in 2024 (UNCTAD A.3.2). 
		1.3 Implement appropriate social protection systems and measures.	• About RUB 230bn was paid in taxes and payments to social insurance funds in 2024 (GRI 207-4; UNCTAD A.2.1). 
		2.3 Double the agricultural productivity and incomes of small-scale food producers.	• 220,000 t is the gross milk output of the agricultural asset. 
		2.4 Ensure sustainable food production systems and implement agricultural practices that increase productivity and production.	• 578,000 ha of total land holdings, of which 70% is cultivated using the no-till soil conservation technology. 

³ Data is presented for 2024, the arrow sign shows positive or negative dynamics compared to 2023. The contribution indicators were selected based on the following documents: [Guidance on Core Indicators for Entity Reporting on Contribution Towards Implementation of the Sustainable Development Goals](#); [Linking the SDGs and the GRI Standards](#); [Global indicator framework for the Sustainable Development Goals and targets of the 2030 Agenda for Sustainable Development](#).

		2.a. Increase investment in rural infrastructure, agricultural research and extension services, and technology development.	● RUB 6.85bn was spent in capital expenditures by the agricultural asset in 2024. ↑
		3.4 Reduce by one third premature mortality from non-communicable diseases through prevention, treatment and promotion of mental health and well-being.	● 3 cases of occupational illness among the Group's employees (GRI 403-10). ↑
		3.8 Achieve universal health coverage and access to essential medicines and vaccines for all.	● 1.8 m unique patients visited the private healthcare asset's clinics in 2024. ↑ ● 145 clinics located in Russia. ↑ ● RUB 1.7bn spent on occupational health and safety (UNCTAD A.3.1). ↓
		3.b. Support the research and development of vaccines and medicines for all.	● RUB 3bn+ spent on voluntary health insurance and social programmes by the Group's companies in 2024. ↑
		3.c. Substantially increase health financing and the recruitment, development, training and retention of the health workforce.	● 19,900+ employees in the private healthcare and pharmaceutical industries. ↑
		4.3 Ensure equal access to affordable and quality technical, vocational and tertiary education, including university.	● 22.72 hours of training per employee on average at Sistema Group (GRI 404-1; UNCTAD C.2.1). ↓
		4.a. Build and upgrade education facilities that are child, disability and gender sensitive and provide safe, non-violent, inclusive and effective learning environments for all.	● 48 people from across Russia received scholarships from the Lift to the Future educational project.
		5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making.	● 48% of the Group's employees in 2024 were women. ↑ ● 10% was the average share of women on the boards of directors of Sistema's key assets in 2024 (UNCTAD D.1.2). ↓ ● Basic salaries of women and men for work of equal value do not differ at Sistema Group's assets (GRI 405-2).
		6.3 Improve water quality by reducing pollution, halving the proportion of untreated wastewater	● 57.6 m cu m was the total water discharge at Sistema's assets (GRI 303-4 2018). ↑

		and substantially increasing recycling and safe reuse globally.	● 9.1m cu m of water delivered for treatment (GRI 303-4 2018). ↓ ● RUB 0.6bn spent on wastewater collection and treatment ↑ ● 8.2m cu m of water was withdrawn from third-party organisations ↑
		6.4 Substantially increase water-use efficiency.	● 67.3m cu m was the total water withdrawal by the Group's companies in 2024 (GRI 303-3 2018). ↑
		6.6 Protect and restore water-related ecosystems.	● 20% of the proceeds from the sale of eco-friendly household chemicals on the e-commerce asset were allocated to support the volunteers of the "Ecodesant" project run by the "My Baikal" environmental organisation.
		7.1 Ensure universal access to affordable, reliable and modern energy services.	● In 2024, the power grid asset connected to grids over 7,800 new consumers ↑ and 7,600 benefit-entitled users ↓
		7.2. Increase substantially the share of renewable energy in the global energy mix.	● 17,000+ t of biofuel was supplied to the domestic market by the timber asset.
		7.3 Double the global rate of improvement in energy efficiency.	● 2.08% was the level of grid losses in the transmission networks of the power grid asset in 2024 (GRI EU 12). ↓ ● 6.94% was the level of grid losses in the distribution networks of the power grid asset in 2024 (GRI EU 12). ↑ ● 46.97 GJ/RUB m was energy intensity across the Group (GRI 302-3). ↓ ● 40,000 smart electric meters were installed by the power grid asset.
		7.a. Enhance international cooperation to facilitate access to clean energy research and technology, including renewable energy, energy efficiency and advanced and cleaner fossil-fuel technology, and promote investment in energy infrastructure and clean energy technology.	● The timber asset launched a project to equip production sites in the Vologda region with Russian-made solar panels.
		8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation.	● 242,000+ employees work at the Group companies (GRI 2-7). ↑ ● 53,770+ new employees were hired in 2024 (GRI 401-1). ↓ ● 60+ leaders completed training at the Sistema Training and Development Centre.

		8.5 Ensure full and productive employment and decent work, including for young people and persons with disabilities, and equal pay for work of equal value.	● 11% was the employee turnover at Sistema in 2024 (GRI 401-1).  ● 1,087 people with disabilities are employed by the Group. 
		8.8 Protect labour rights and promote safe and secure working environments for all workers.	● 24.25% of employees are covered by collective bargaining agreements. 
 		9.4 Upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes.	● 0.67 t CO₂eq/RUB m of consolidated revenue is GHG emissions intensity. 
		9.5 Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, including encouraging innovation and substantially increasing the number of R&D workers and R&D spending.	● RUB 0.97bn was invested by Sistema in R&D in the timber industry, residential property development, agriculture and pharmaceuticals. 
		9.c. Significantly increase access to information and communications technology and strive to provide universal and affordable access to the Internet.	● The telecommunications asset expanded its presence in tourist destinations in 40 regions of Russia.
		10.2 Empower and promote the social, economic and political inclusion of all.	● 30 companies of the Group became participants in the Group's charity programmes. ● 18,000+ employees of the Group took part in the events of Sistema Charitable Foundation  ● 298 volunteer events were organised by Sistema Charitable Foundation.  ● 3,720 + employees of the Group took part in the corporate run #ZaLes aiming to promote a healthy lifestyle and protect the environment.

		11.6 Reduce the adverse per capita environmental impact of cities, paying special attention to air quality and municipal and other waste management.	● 8,588.7 t (25.3%) was the amount of particulate matter emissions. 
		12.4 Achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimise their adverse impacts on human health and the environment.	● 0.14% was the share of hazardous waste at Sistema Group.  ● 1,630,440.8 t of non-hazardous waste was produced by the companies of Sistema Group. 
		12.5 Substantially reduce waste generation through prevention, reduction, recycling and reuse.	● The timber asset is implementing the concept of zero waste manufacturing at its plywood and pulp and paper mills.
		12.6 Adopt sustainable practices and integrate sustainability information into reporting cycle.	● 8 companies of the Group have sustainability reporting, including as part of annual reports.
		13.2 Integrate climate change measures into national policies, strategies and planning.	● Greenhouse gas emissions by Sistema Group companies totalled 0.83m t in 2024 (GRI 305-1; UNCTAD B.3.1). 
		15.1 Ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services.	● The timber asset reforested 47,200 ha of woodland in 2024.  ● 35,000 seedlings of coniferous species were transferred to the public environmental movement "Volunteers of the Forest". ● RUB 782m was spent by the timber asset on reforestation works, forest maintenance and fire prevention measures (UNCTAD A.3.1). 
		15.b. Mobilise significant resources to finance sustainable forest management, including for conservation and reforestation.	● RUB 1.629bn was spent by the Group on environmental protection (UNCTAD A.3.1). 

	16.5 Substantially reduce corruption and bribery in all their forms.	● 208 incidents of corruption were identified at the Group companies (GRI 205-3). ↓ ● 66.1+ thsd employees of Sistema Group companies completed anticorruption training (GRI 205-2) ↓
	16.6 Develop effective, accountable and transparent institutions at all levels.	● 11 meetings of the Board of Directors of Sistema (UNCTAD D.1.1). ↑ ● 12 meetings of the Audit, Finance and Risk Committee of Sistema (UNCTAD D.1.4). ↓
	17.1 Strengthen domestic resource mobilisation to improve domestic capacity for tax and other revenue collection.	● RUB 154.96bn was paid in taxes to the federal and regional budgets (GRI 207-4; UNCTAD A.2.1). ↓ ● RUB 68.62bn was the amount of social security contributions. ↑

1.4. Stakeholder engagement

GRI 2-29

Sistema considers enhancement of transparency and openness of information about its activities an important tool for developing efficient and mutually beneficial cooperation with a broad range of stakeholders. Open exchange of information fosters trust and long-term partner relations. The documents governing interaction with stakeholders include:

- Code of Ethics;
- Corporate Social Responsibility Policy;
- Sustainability Policy;
- Charity Policy;
- HR Management Code.

Communication with key groups of stakeholders in 2024

Interests	Communication mechanism	Examples of communication and results
Shareholders and investors		
• Growth of equity value and stable dividend income; • Enhancing transparency of non-public assets • A dividend policy.	• Annual meetings of shareholders and meetings of the Board of Directors; • Participation in investment conferences; • Disclosure of financial results and material non-financial information; • Conference calls; • Individual and group meetings of investors and shareholders with the top management.	• The Annual General Meeting of shareholders was held on 28 June 2024; • 11 meetings of the Board of Directors were held; • the Board of Directors formulated key focus areas for the corporate year 2024-2025. <i>For more details, see Sistema's Annual Report for 2024 and the "Investors and Shareholders" section of the corporate website.</i>
Customers, consumers, clients		
• High quality of products and services; • Responsible business conduct.	• Direct interaction on the premises of Group companies; • Improving customer service; • Response to requests.	• The e-commerce asset and a domestic social network have implemented the first seamless integration, allowing sellers' products to be available for ordering directly within the social network; • The telecommunications asset introduced an AI assistant for corporate online communications, which automatically highlights key points from correspondences and online meetings, prepares summaries and helps locate necessary information. <i>For more details, see section "Accessibility and quality of products and services".</i>
The Corporation's management, employees of Sistema Group companies and trade unions		
• High quality of corporate governance; • Economic efficiency; • Adequate working conditions and wages; • Occupational safety;	• Management decision-making; • Holding annual strategy sessions; • Shaping a corporate culture; • Implementation of an HR and	• The timber asset has a mentorship movement in place and is implementing the "School of Masters" project, through which specialists learn the specifics of production and acquire knowledge

• Social support; • Development of the human resources potential; • Corporate volunteering; • Achievement of strategic goals.	• social policy; • Volunteering opportunities for employees of the Corporation and the Group companies in existing projects; • Posting information on Sistema's corporate resources; • Interaction with trade unions; • Organising professional competitions and corporate contests.	• and skills for rapid immersion into work; • The power grid asset signed a new collective agreement that expands social support for employees. For more details, see Sistema's Annual Report for 2024 and section "<i>Human Capital</i>" of this Report.
Non-profit social and environmental organisations and charities		
• Reducing negative impact on the environment; • Participation in the global environmental agenda; • Restoring the environment and natural habitats; • Implementation of social and charity projects.	• Transparency in terms of environmental impact; • Introduction of sustainable technologies and a responsible production model; • Membership in trustee boards of non-profit organisations; • Donations to charities.	• 18,000 Sistema's employees took part in volunteering activities in 2024; • 14 partner companies joined the Green System eco project that attracted 9,200 participants in 11 cities of the country. As much as 16.8 t of recyclables were collected as a result; • 3,700 employees of Sistema Group companies from more than 80 regions of the country participated in the #ZaLes charitable race, which resulted in the planting of 10,500 trees; • The timber asset launched the "Clean Quarter" project in Krasnoyarsk, aimed at reducing atmospheric air pollution and modernising the heating system. For more details, see Sistema's Annual Report for 2024 and section "Smart, efficient and safe environment" of this Report.
Federal and regional bodies of executive power and state supervisory bodies		
• Contribution to national projects; • Reducing negative impact on the environment; • Import substitution and technological sovereignty; • Implementation of social and investment projects; • Environment protection; • Creating jobs and a comfortable social environment; • Taxes; • Compliance;	• Participation in discussions of legislative initiatives; • Participation of the Corporation's representatives in the meetings of committees, commissions and hearings of the Russian parliament; • Support to government policies; • Signing agreements with regional governments; • Corporate programmes for support and development of social infrastructure; • Submitting reports to controlling and supervisory bodies and information on mergers and acquisitions to the Federal Antimonopoly Service.	• Three agreements with governments of Russian regions were signed in 2024. As of the end of 2024, the Group had a total of 17 agreements with regions. • In 2024, the high-tech asset entered into a cooperation agreement with the Moscow Department of Investment and Industrial Policy to provide training in the area of information security as part of the Moscow Engineering School project. For more details, see Sistema's Annual Report for 2024 and section "<i>Human Capital</i>" of this Report.
Research and educational facilities		
• Innovative activities; • Digitalisation;	• Nation-wide Lift to the Future vocational guidance and	• 13 agreements were signed with Sistema's portfolio companies and

• Participation in the development of secondary and higher education; • Joint educational programmes; • Occupational training and assistance in finding employment for graduates.	• training programme; • Joint projects with research and development organisations; • Development of human resources and scientific potential; • Membership in the trustee boards of colleges and universities; • Offering internships to students; • Participation in the development of smart campus infrastructure;	• higher education institutions; • More than 18,000 people applied for participation in the Lift to the Future mentorship and internship programme; For more details, see Sistema's Annual Report for 2024.
Professional associations, expert community		
• Creating a transparent and competitive business environment; • Compliance with high standards of business ethics; • Joint work on industry-specific and public initiatives.	• Participation in the work of business unions; • Factoring in interests of the business community in government policies; • Participation in forming national risk management standards.	• In 2024, the timber asset joined the Russian Union of Builders. For more details, see "Socio-economic development of local communities" of this Report.
Local communities and population in regions of operation		
• Security; • Jobs; • Social infrastructure; • Development of local business (SME); • Implementation of social and charity projects.	• Expansion of local labour markets (creating jobs); • Participation in regional social, environmental and charity projects.	• In August 2024, the timber asset, together with volunteers from the Vologda Region, collected and sent 85 t of humanitarian aid to the flood-affected Kursk Region; • In 2024, with the support of the telecommunications asset, the federal educational programme "A Woman Can" was implemented. • In 2024, 13 clinics of various formats were opened in Moscow, the Moscow region and other regions of Russia, including 4 under a franchise. For more details, see section "Socio-economic development of local communities" of this Report and SCF's website.
Business partners, suppliers and contractors		
• Accessibility, transparency and competitiveness of procurement procedures; • Fulfilment of contractual obligations.	• Development of strategic partnerships; • Implementation of advanced procurement management practices at portfolio companies; • Holding business meetings.	• In 2024, the residential property development asset approved a new procurement regulation and codes of ethics for contractors and suppliers, aimed at increasing transparency and adhering to sustainable development principles; • The mineral water asset updated its procurement regulations in 2024 to include a procurement process map and FIFO/FEFO principles. • The power grid asset adopted the

		"Regulation on the procurement of goods, works and services" in 2024. Procurement activities are carried out through a centralised system with automated business processes in 1C. • A specialised reverse engineering unit was established within the timber asset in 2024 to produce key components at Russian plants. For more details, see section "Sustainable supply chain. Localisation and import substitution" of this Report.
Mass media		
• Comprehensive coverage of the Corporation's activities; • Informing the public about social projects.	• Posts in social networks and on the websites of Sistema Group companies.	In 2024, there were 31,128 publications about Sistema Group, out of which 3.2% were about the Corporation's social responsibility. For more details about social projects, see section "Press Centre" on SCF's website and the "Sistema Charity" digests.

Chapter 2. Wellbeing of employees, customers and local communities



The UN Global Compact principles

- Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.
- Principle 2: Businesses should make sure that they are not complicit in human rights abuses.
- Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.
- Principle 4: Businesses should uphold the elimination of all forms of forced and compulsory labour.
- Principle 5: Businesses should uphold the effective abolition of child labour.
- Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation.

2.1. Human capital

GRI 3-3

The crucial factor for Sistema's efficiency is a team of professionals able to manage change, master new technology and work successfully in a digital economy. Sistema's HR Department develops the methodology and general principles of personnel management, ensuring transparent recruitment, motivation and organisational development. Sistema's activities in the area of HR management are regulated by the HR Management Code, the Code of Ethics and other regulatory documents. Sistema strictly complies with labour laws and business ethics in the regions of operation.

Personnel

GRI 2-7

Sistema Group is a large employer and offers a great number of jobs in every region where its facilities and enterprises are present. The Group's total headcount in 2024 was approximately 242,000 people.⁵

⁴ The data is provided for Sistema and its assets operating in the sectors of telecommunications, e-commerce, timber industry, property development, private healthcare, agriculture, pharmaceuticals, commercial property management, power grid services, hospitality, high technology, mineral water production, natural and organic cosmetics and others.

⁵ The data is provided for Sistema and its assets operating in the sectors of telecommunications, e-commerce, timber industry, property development, private healthcare, agriculture, pharmaceuticals, commercial property management, power grid services, hospitality, high technology, mineral water production, natural and organic cosmetics and others.

0.33% of the total workforce in the Russian Federation is employed by Sistema Group

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Sistema provides equal opportunities to all employees irrespective of their sex, age, ethnic origin and other factors. Only professional qualities and competences are taken into consideration when making employment decisions.

The portfolio companies of Sistema provide equal access to employment for all candidates, including persons with disabilities, and adapt workplaces to accommodate their needs and capabilities.

In 2024, the Group had 1,087 employees with special needs, or 0.45% of the average headcount.⁶

For more details about personnel, see Annex 5.1, section "Quantitative indicators of sustainability".

Recruitment and adaptation of new employees

Sistema pays special attention to attracting and developing young specialists by creating educational programmes and participating in career events.

For more details about recruitment and personnel turnover, see Annex 5.1, section "Quantitative indicators of sustainability".

53,774 people were hired by Sistema Group in 2024⁷

19.04% was the average level of voluntary personnel turnover at Sistema's portfolio companies in 2024⁸

GRI 401-1

Mentorship within the Group Companies

In 2024, the companies of Sistema Group continued to develop mentorship practices aimed at the adaptation and development of new employees.

The **timber asset** has a mentorship movement in place and is implementing the "School of Masters" project, through which specialists learn the specifics of production and acquire knowledge and skills for rapid immersion into work. Programme participants master production processes, while mentors receive motivational bonuses based on performance evaluations—measured by probation period completion rates, trainees'

⁶ The data is provided for assets operating in the sectors of telecommunications (including a fintech arm), timber industry, property development, private healthcare, agriculture, commercial property management, power grid services, hospitality, high technology, mineral water production, natural and organic cosmetics and others.

⁷ The data is provided for assets operating in the sectors of telecommunications (including a fintech arm), timber industry, property development, agriculture, commercial property management, power grid services, hospitality, high technology, mineral water production, natural and organic cosmetics and others.

⁸ The data is provided for assets operating in the sectors of telecommunications (including a fintech arm), timber industry, property development, private healthcare, agriculture, commercial property management, power grid services, hospitality, high technology, mineral water production, natural and organic cosmetics and others.

skills improvement and reduced staff turnover. In 2024, the asset was recognised as one of the leaders in the regional "Best Mentoring Practices of the Republic of Karelia" competition.

In 2024, the **power grid asset** held competitions for the best mentor across its ten territorial grid production departments. The winners trained new employees and were awarded bonuses and letters of appreciation.

Incentives and remuneration

GRI 2-19

The companies of Sistema Group offer competitive salaries. The average minimum salary of entry-level employees across Sistema Group is about RUB 43,960, which is more than 2.3 times higher than the minimum statutory wage in Russia in 2024.⁹

GRI 2-20
GRI 2-21
UNCTAD
D.1.5

For more details about remuneration, see Annex 5.1, section "Quantitative indicators of sustainability".

Employee social security

Sistema's social support projects are aimed not only at strengthening internal corporate culture but also at creating comfortable living and working conditions for employees. For instance, the Group assets have collective agreements, voluntary medical insurance (VMI), pension programmes and more.

24.25% of Sistema Group's employees are covered by collective bargaining agreements.¹⁰

For more details about social security, see Annex 5.1, section "Quantitative indicators of sustainability".

Corporate culture and volunteering

In 2024, the employees of the Group's assets participated in initiatives aimed at assisting socially vulnerable groups, addressing pressing issues in local communities and implementing environmentally significant projects.

For more details about the results of the SCF Corporate Volunteer Centre, see Annex 5.1, section "Quantitative indicators of sustainability".

Employee training and development at the Group's assets

Sistema implements a comprehensive training and development programme for its employees.

⁹ The data is provided for assets operating in the sectors of telecommunications, timber industry, property development, private healthcare, agriculture, commercial property management, power grid services, hospitality, high technology, mineral water production, natural and organic cosmetics and others.

¹⁰ The data is provided for assets operating in the sectors of telecommunications, timber industry, agriculture, power grid services and hospitality.

In 2024, Sistema's Training and Development Centre, in collaboration with experts from the Corporation's portfolio assets, launched a corporate educational programme for managers titled "Production Leaders: Production Management," which will run until May 2025. The training covered seven thematic modules, including strategic management, finance, human resource management and innovation.

The **timber asset** is focused on developing active forms of personnel engagement, including promoting training on the corporate online university platform. Employees were offered courses such as "Doing Business in MENA Countries" and a new leadership course. Additionally, in 2024, 17 employees of the timber asset passed certification by the Federal Forestry Agency and were entered into the state register of specialists for forest allotment and timber surveying.

More than **60 leaders** from **10 industry companies** completed training at Sistema's Knowledge Centre under the "Production Leaders: Production Management" programme.

~**RUB 200m** was invested by the Group in employee training and development in 2024.¹¹

For more details about employee training and development, see Annex 5.1, section "Quantitative indicators of sustainability".

Succession pool

In the companies of Sistema Group, the talent pool is regarded as an important tool for ensuring continuity and stable development. The formation of the talent pool is aimed at identifying, supporting and training promising employees capable of assuming key positions in the future. Development programmes include training, mentoring and job rotation, which help enhance professional competencies and prepare candidates for new challenges.

For more details about the succession pool, see Annex 5.1, section "Quantitative indicators of sustainability".

Employee training and development at universities and colleges

As part of the national project "Labour Productivity," the employees of the **power grid asset** underwent practical training at the Regional Competence Centre's "Process Factory," where they practised production processes in near-real conditions. The training helped improve the quality of products and decrease the number of defects.

The **timber asset** organised training for driver personnel in the Irkutsk region. 60 employees obtained a "CE" licence category and were subsequently transferred to positions as timber truck drivers. The training included theoretical and practical sessions aimed at mastering the specifics of working in the forestry industry and the safe operation of specialised equipment.

¹¹ The data is provided for assets operating in the sectors of telecommunications (including a fintech arm), timber industry, property development, agriculture, commercial property management, power grid services, high technology, mineral water production, natural and organic cosmetics and others.

Specialists from the environmental division of the timber asset completed a professional advanced training programme "Ensuring environmental safety by the managers and specialists of environmental services and environmental control systems in industry" at the Integral Institute in St. Petersburg. The training covered current changes in environmental legislation, methods for calculating greenhouse gas emissions and requirements for environmental reporting. Upon completion of the programme, the employees successfully passed the certification.

Agreements with educational institutions

Asset	Educational institution	Cooperation area
Sistema	Tomsk State University	An agreement to establish a university-based R&D centre for joint research in the field of agricultural biotechnology and the development of new types of food products, as well as for the implementation of scientific and investment projects and the organisation of conferences.
Telecommunications asset	Kazan Federal University	An agreement on the joint training of qualified personnel for the IT industry. The partnership includes plans to implement educational activities, scientific research, internship programmes, and provide assistance in student employment.
	Kazan State Medical University	An agreement on the training of qualified specialists for the medical industry. The partnership includes conducting educational events, implementing joint projects and research, as well as training students in digital solutions to enhance the efficiency of medical services.
Residential property development asset	Novosibirsk State University of Architecture, Design and Arts n.a. Kryachkov	An agreement on development of students' educational activities and assistance with their employment.
Power grid asset	National Research University "Moscow Power Engineering Institute"	An agreement on personnel training, development of methodological materials, professional development and internships of students.
Hospitality asset	Russian State University of Tourism and Service	An agreement on the development and implementation of a master's programme "System Management of the Hotel and Restaurant Complex". The programme includes internships for students and lecturers at the facilities of the hospitality asset.
High-tech asset	Tomsk State University	An agreement on testing and implementing digital solutions in the inter-university campus in Tomsk. As part of the partnership, the creation of the "Regional Scientific and Technical Centre for Digital Technology Development" Association is planned. Key areas of cooperation: • development and commercialisation of the research and scientific potential in the Tomsk region; • testing of technological solutions based on Tomsk State University; • attracting investments to the region through the development of science-

		intensive business and technologies; development of technological solutions for the digitalisation of state and municipal governance, urban environment and housing and communal services, transportation system and environmental safety system.
	Innopolis University	An agreement on the development and promotion of geospatial solutions using data from orbital constellation spacecraft for addressing territorial management tasks and monitoring facilities in the transport, energy and engineering sectors.
Sistema Charitable Foundation	Smolensk State University	An agreement on development of students' educational, research and innovative activities and assistance with their employment.
	Tomsk Polytechnic University	An agreement on the development of educational and scientific activities for students and support in their employment, including grant and scholarship programmes, competitions, tours and internships at high-tech enterprises. As part of the partnership, the university's scientific library received sets of the historical and documentary publication "Pages of Soviet and Russian History. 1917–2017," consisting of the first 34 books of the project.
	Timiryazev Russian State Agricultural University	An agreement on development of students' educational, research and innovative activities and assistance with their employment. As part of the partnership, a "University Shift" programme was held for schoolchildren interested in working in the agro-industrial sector. Over ten days, the participants completed a career guidance programme and took part in workshops on selection, biotechnologies, veterinary medicine, digital technologies and other fields.
	Gzhel State University	An agreement to support talented students and develop folk arts and crafts. The partnership includes providing scholarships, organizing competitions, arranging internships and facilitating knowledge exchange to train qualified professionals. As part of the agreement, a visit to Jingdezhen Ceramic University took place to develop international cooperation.
	Eurasian Scientific and Educational Centre	An agreement to develop educational, scientific, technical and innovative activities for students.
	Innopraktika Non-State Development Institute	A cooperation agreement aimed at developing joint activities to apply new knowledge for solving technological, economic and social challenges.
	Russian Biotechnology University	An agreement on development of students' educational, research and innovative activities and assistance with their employment.

2.2. Health and safety

Sistema Group companies consistently work to create a safe and comfortable working environment for their employees. Systematic monitoring and analysis of occupational safety activities help identify and address issues and violations, ensuring compliance with labour safety laws and regulations while improving occupational health and industrial safety processes.

GRI 3-3
GRI 403-1
GRI 403-2
GRI 403-3

Approach to occupational safety and health management

The key principles of Sistema's activities in the area of occupational health and safety are described in the Sustainability Policy and in HR management regulations. At the Group's portfolio companies, the health and safety rules are set out in local regulations and collective agreements with due consideration given to the production specifics.

Sistema Group companies ensure optimal working conditions for their employees, so that the impact of harmful and/or hazardous production factors is either negligible or within the limits set by the existing health and safety regulations.

GRI 403-4

The employees of Sistema Group are involved in managing occupational safety matters through participation in health and safety committee meetings.

GRI 403-7

The Group companies control the observance of health and safety norms by contractors, especially on production sites:

- when hiring contractors, the Group companies make sure their contracts contain labour safety clauses formulated specifically for the type of work to be done and equipment to be used;
- the Group companies regularly monitor the observance of workplace and fire safety rules by contractors;
- they also check that the contractors' staff uses personal protection equipment;
- and require contractor employees to have passed a medical check-up and completed a labour safety training before they are admitted to work.

GRI 403-10

Occupational health and safety results

In 2024, the number of accidents at the Group companies decreased by 17.7%, totalling 70 accidents, including one fatal case. Each case was followed up by a thorough internal investigation, the causes of the accidents were determined and measures were taken to prevent similar accidents in the future.

In 2024, three cases of ¹² occupational diseases were identified among the Group's employees.

¹² The data for 2024 is provided for the fintech arm of the telecommunications asset and the Group's assets operating in the sectors, timber industry, property development, private healthcare, agriculture, commercial property management, power grid services, hospitality, high technology, mineral water production, natural and organic cosmetics and others.

RUB 1.7bn was spent by the Group on occupational safety in 2024.¹³

For more details about occupational injuries, see Annex 5.1, section "Quantitative indicators of sustainability".

Occupational health and safety

The **timber asset** aims to completely eliminate fatalities and consistently improve health and safety for its employees and contractors. In accordance with this strategy the company developed and adopted regulations that set out requirements and control procedures in the area of occupational health and safety. Responsibility for occupational health and safety at the asset lies with the Comprehensive Security Directorate.

The timber asset remains among industry leaders for LTIFR (lost time injury frequency rate). In 2024, LTIFR was 1.88, a decrease compared to 1.93 in 2023, with the average industry indicator of 3.6.

To ensure feedback on occupational safety, anonymous mail boxes are available at the production facilities, as well as the option to contact the occupational safety department or the security service directly, with anonymity guaranteed. Opinion polls on working conditions are carried out on a regular basis. In 2023, the asset invested RUB 415m in occupational health and safety.

There were no fatal injuries at the timber asset and its contractors in 2024
The number of severe injury cases decreased from **5** to **3** in 2024

The timber asset has a standard for requirements imposed on contractor organisations, which are obligated to comply with the provisions of the asset's internal regulations in the areas of occupational health and industrial safety. The company's employees investigate all cases of violation of safety procedures by personnel of contractors. After inspections, measures are taken to prevent such incidents in the future. In certain cases, legal entities are penalised.

The **telecommunications asset** has a two-tier system for managing occupational health; it is focused on creating safe working conditions, preventing industrial injuries and organising safety training for personnel. There is also an annual assessment of the system's efficiency based on quantitative indicators.

The asset operates an occupational health and safety management system certified to GOST R ISO 45001-2020 (ISO 45001:2018).

To ensure safe working conditions, the **residential property development asset** operates under the Occupational Health and Safety Management System Regulation and the Occupational Health and Safety Policy, which were approved in 2021 and updated in early 2025. In 2024, the requirements for organisations conducting special assessments of working conditions were updated: when selecting contractors,

¹³ The data for 2024 is provided for assets operating in the sectors of telecommunications (including a fintech arm), timber industry, residential property development, private healthcare, agriculture, pharmaceuticals, commercial property management, power grid services, hospitality, high technology, mineral water production, natural and organic cosmetics and others.

compliance with criteria confirming their competence in this field is taken into consideration.

Management in this area is carried out through a comprehensive system of occupational health and industrial safety, headed by the President of the asset and implemented through the Vice President for Construction.

The company developed a special tool to identify the level of occupational health and safety at construction sites based on information modelling technology, a safety index. The asset regularly organises independent assessment of the safety index of individual properties and construction sites. There were no work-related fatalities among employees in 2024.

83% is the average safety index on construction sites in 2024, which is 3 p.p. higher than the target level.

There were no fatal injuries at the residential property development asset in 2024.

The **power grid asset** performs its occupational health and safety activities in accordance with the legislative requirements, regulatory documents and by-laws that establish the protection of lives and health of employees as the main priority. Portfolio companies have introduced Regulations on Occupational Health and Safety Management System and adopted Occupational Health and Safety Policies accordingly.

To reduce workplace injuries, a systematic procedure for assessing occupational risks is implemented at the enterprises, including through a four-stage control system and the observance of Occupational Safety Weeks and Safety Days.

In 2024, the asset completed automation of its occupational safety business processes, putting the following modules into industrial operation:

- "Organisation of knowledge testing and certification";
- "Organisation of medical examinations";
- "Investigation and recording of accidents";
- "Organisation of special assessment of working conditions."

In the reporting year, the implementation of the project "Organisation of a video recording, data storage and processing system for performing works on electrical units" was completed. The project made it possible to tighten discipline, decrease the probability of accidents and ensure supervision over occupational safety briefings.

The **private healthcare asset's** efforts in the area of occupational health and safety are fully in line with the requirements of Russian labour laws and ISO 45001:2018 ("Occupational health and safety management systems"). In 2024, the asset passed the second stage of the certification audit for the ISO 45001 system, confirming that its occupational health and safety management system complies with international standards. In the reporting period, 100% of employees underwent mandatory medical check-ups.

0.08 was the injury rate coefficient in the private healthcare asset in 2024, a 71% decrease compared to 2023

The **e-commerce asset** has a Regulation on the Occupational Health and Safety Management System. Its requirements are mandatory for all company employees, as well as the representatives of contractors.

The asset places increased emphasis on fire safety due to the significant volume of flammable materials in its fulfilment centres and sorting centres. Logistics facilities are equipped with modern fire protection systems, which undergo monthly operational checks and evacuation drills; the technical serviceability of fire extinguishers is also monitored.

In 2022, the **commercial property management asset** introduced a Regulation on the Occupational Health and Safety Management System and an Employer's Occupational Health and Safety Policy. In 2024, the asset updated its local regulatory framework for the issuance of personal protective equipment

No cases of injuries or occupational illnesses were registered in the reporting year. These results were achieved through strict adherence to labour standards and systematic work on managing occupational risks in the workplace. In 2025, it is planned to conduct occupational safety training for personnel, as well as hold meetings of the commission for systematic measures to manage occupational risks in the workplace.

The **agricultural asset** operates in accordance with current occupational health and safety legislation, including implementing a proactive approach to hazard prevention and minimising harm to employees' health. In 2024, amendments were made to the first aid instructions, and the procedure for documenting an industrial accident in the event of an extended investigation was updated.

The company has developed risk management procedures: identification, assessment, response, monitoring and control. The results of investigations and the recommendations of the occupational safety committee are communicated to responsible persons for corrective actions, analysis of system effectiveness and continuous improvement.

The **mineral water asset** operates under an Occupational Health and Safety Policy and an Occupational Health and Safety Management System. In 2024, an "Incident Management Regulation" was developed, and a "Standard on Managing Contractor Organisations in the area of Occupational Health and Industrial Safety" was approved. In the reporting year, the implementation of process automation using the 1C software product was launched: "Occupational Health and Safety" and "Training".

GRI 403-5

Training in occupational health and safety

As part of the Group's commitment to ensuring the health and safety of its employees and improving working conditions, particular attention is given to training, information and awareness-raising activities. The implementation of comprehensive measures, including regular drills, the introduction of digital monitoring systems and continuous personnel training, helps to minimise production risks and maintain high safety standards across all companies of Sistema Group.

In 2024, the **timber asset** carried out fire-tactical drills involving the Ministry of Emergency Situations at its enterprise in Lesosibirsk. The training sessions focused on practicing personnel response in the event of a fire, the use of primary firefighting equipment and the organisation of evacuation.

The **residential property development asset** introduced a health and safety training course for personnel, which includes knowledge tests carried out by special commissions. Employees undergo training and take exams at specialised training centres under the Federal Service for Environmental, Technological and Nuclear Supervision (Rostekhnadzor) and the Electric Inspection Service (Energonadzor). The

asset also organises employee training at specialised training centres and conducts briefings and trainings at construction sites for the employees of contractors.

In 2024, the residential property development asset held lectures on time series forecasting for occupational safety. Working with real cases, the participants analysed AR/VR models and 3D building data, which enhanced employee qualifications and fostered the integration of digital technologies into the safety sphere.

The **e-commerce asset**'s occupational safety training system is fully compliant with all legislative and regulatory requirements. Employees have access to occupational safety training materials on the corporate web portal, including first aid fundamentals, electrical safety tests and other training courses.

100% employees of the e-commerce asset received occupational health and safety training in 2024

The **power grid asset** consistently works on occupational health and safety issues. Employee training includes the study of current legislation, corporate regulatory documents and occupational health and safety instructions. Workers are also informed through the display of visual materials on information boards and the publication of regulatory information on the corporate website.

In 2024, the company conducted drills aimed at practicing skills for eliminating the consequences of emergency situations: personnel actions in the event of fires were practiced, and readiness for actions to restore power supply to consumers during emergencies and civil defence operations was tested. Furthermore, professional skills competitions were held between structural subdivisions.

In the reporting year, the **mineral water asset** approved the "Regulations on Informing Employees about Occupational Health and Safety, their Labour Rights and Working Conditions at Their Workplaces." Employees underwent training in providing first aid to victims and practiced procedures for critical situations. To enhance the competencies of the management team, training was also conducted under the "Safety Culture within the Occupational Health and Safety Management System" programme.

GRI 403-6

Corporate culture and promotion of a healthy lifestyle

Sistema successfully held the VII Winter Sports Games, which brought together almost 3,000 people. In addition to traditional disciplines, the competition programme was supplemented with new sports and included family events. The Winter Sports Games were recognised as the "Best Corporate Sports Games of 2024." The anniversary XX Summer Sports Games of Sistema turned into a true sports "Movement Festival" and united teams and families of employees from leading Russian companies.

The **Sistema Charitable Foundation** organised the #OnSkis sports charity initiative: for every 5 km covered on skis by participants, the foundation pledged to plant one tree. The event involved 770 employees from the Group companies across 80 regions of Russia, who collectively covered 49,100 km. As a result of the initiative, 3,600 trees were planted.

In May 2024, employees from 13 of the Group's assets took part in the all-Russian amateur half-marathon "Zabeg.RF". A total of 435 people from the Group ran in the half-marathon.

Health and safety of stakeholders

Sistema implements initiatives aimed at safeguarding the health and safety of various groups of stakeholders.

The **telecommunications asset** and the Republic of Sakha rescue service conducted a test of the system for locating missing persons in forested areas. During the rescue operations, autonomous rapid-deployment radio communication equipment was used, providing connectivity for rescue teams based on Private LTE and Digital Mobile Radio (DMR) technologies; the accuracy of locating a person reaches 50 meters.

The **private healthcare asset** is carrying out systematic work on cancer prevention, combining awareness-raising events with diagnostics. The unit participated in the international "Pink October" campaign, during which its mammologists-oncologists and obstetrician-gynecologists held consultations and lectures. As part of a Health Day event, the medical unit also provided free cancer screenings for the residents of the Shcholkovo urban district.

The **e-commerce asset**, in cooperation with the Ministry of Emergency Situations launched an initiative to improve public fire safety awareness. When purchasing fire extinguishers and pyrotechnics, the users of the marketplace receive email memos with usage recommendations and instructions on what to do in case of a fire.

Children's health and safety

The **telecommunications asset** launched a customisable geofencing feature in its "Kto/Gde" (Who/Where) service. The application allows parents to receive timely information about their children's movements and provides location tracking even when the GPS signal is disabled or unstable. The new feature enables users to set up geofences¹⁴ and sends notifications when children cross pre-defined boundaries, such as when entering school or returning home. Furthermore, the service utilises a proprietary algorithm based on machine learning methods to enhance location accuracy, which improves the precision of GPS coordinates by 28%.

As part of the "Do as I Do!" volunteer initiative, employees from the **power grid asset** conducted 1,200 extracurricular classes on preventing electrical injuries and on the basics of electrical safety at 91 schools in the Republic of Bashkortostan. Under the "Safe Childhood" project, the power grid asset performed theatrical plays about electrical safety rules in the village of Tolbazy, and the cities of Davlekanovo, Ufa and Beloretsk. The project also includes a computer game with a free mobile version, a video blog for teenagers and video lessons for use in schools.

2.3. Confidentiality and personal data protection

Sistema Group sees confidentiality and protection of personal data as one of its priorities. With the increasing volume of data and expansion of digital services, the companies of the Group are actively enhancing their information security systems to protect both their infrastructure and customer data. Particular attention is paid to preventing fraudulent activities and raising employee awareness in the field of safe information handling.

The policy on the processing and protection of personal data at Sistema PJSC is available for review on the official website.

There were no data leaks identified in 2024.

¹⁴ Geofences are virtual perimeters set within specific boundaries on a map.

Complaints about privacy breaches and loss of personal data can be made through the Corporation's single hotline and through the whistleblowing channels of Sistema Group companies

Protection of assets' information infrastructure

The technological development of the Group's companies is inextricably linked to ensuring information security. The Group's companies have accumulated significant experience in countering cyberattacks of varying complexity levels.

In 2024, the **telecommunications asset** strengthened measures to protect its own cloud infrastructure from cyber threats. Over the year, nearly 130,000 cyberattacks were repelled, including over 68,500 anomalous traffic events targeting customer¹⁵ web resources, of which almost 26,000 attacks were classified as highly critical¹⁶.

130,000 cyberattacks were repelled by the telecommunications asset over the year

5X increase in the number of specialists on the telecommunications asset's information security team

In 2024, the **telecommunications asset** ranked first in the rating of the largest Russian ecosystems and telecom operators by J'son & Partners Consulting, based on a comprehensive analysis of the functionality and richness of digital security services for subscribers and users.

Information security solutions

In 2024, the **telecommunications asset** launched the "GOST VPN" service with certified encryption for data protection. The service includes equipment configuration, traffic filtering and round-the-clock monitoring. The asset also developed a web application security service that is resistant to attacks and can handle high loads. To combat cyberattacks, monitoring centres have been opened in Chelyabinsk, Kazan and Izhevsk. The asset also offers the "Security Analysis" suite with 12 services, including training, vulnerability detection and incident investigation. The asset implemented cloud call verification for telecom operators, reducing fraud risks. It also received state accreditation for biometric authentication, enabling it to provide services to commercial organisations.

2.4. Socio-economic development of local communities

¹⁵ Traffic anomalies refer to various attacks that are mitigated by Anti-DDoS and WAF solutions. DDoS (Distributed Denial of Service) is a hacker attack where malicious actors use multiple computers or devices to overload a target server or network, making it unavailable to users. WAF (Web Application Firewall) refers to attempts to bypass the protection provided by a web application firewall. A WAF is designed to protect web applications from various attacks, such as SQL injections, XSS attacks and others, by filtering traffic.

¹⁶ Highly critical incidents are attacks that, if successful, could have led to prolonged disruption of critical business processes and/or caused damage exceeding RUB 1m.

GRI 413-2

Social and economic partnerships with local administrations

For more details about the Group's agreements with regions and the priorities of regional development, see Sistema's Annual Report for 2024.

GRI 3-3
GRI 201-4
GRI 207-1
GRI 207-2
GRI 207-3
GRI 207-4
UNCTAD
A.2.1

Tax payments

RUB 230.68bn – aggregate amount of taxes paid by the Group companies
44% of all tax payments made by Sistema in 2024 went toward regional budgets

For more details about tax management and taxation, see Sistema's Annual Report for 2024.

GRI 203-1
GRI 203-2

Improvement of infrastructure in regions of operation

In 2024, the **agricultural asset** launched the "Working People" programme aimed at the development of rural areas in the Rostov, Krasnodar and Stavropol regions. The programme, which reached over 4 m residents, included initiatives for area improvement and large-scale tree planting campaigns.

Throughout 2024, the agricultural asset implemented a range of infrastructure and social projects in the rural districts of the Rostov, Stavropol and Krasnodar regions. In the Rostov region, works were completed to repair an artesian well, install street lighting and renovate two educational institutions and a memorial complex. In the Stavropol region, the construction of a church in the village of Beshpagir was completed and repairs were made to a motocross track. In the Krasnodar region, the central district library was provided with modern equipment, and a sports school was supplied with inventory.

In 2024, the **timber asset** installed five modern children's play complexes in the town of Segezha. Sports and play equipment was installed, and a recreation area was arranged at the rehabilitation centre for children and adolescents. Furthermore, as part of the programme, a certificate for RUB 500,000 was donated to the children's republican hospital in Petrozavodsk for the installation of a playground.

GRI 3-3
UNCTAD
A.3.2
GRI 203-1

Social and charity activities

For more details about the key social projects of SCF and the key indicators in the area of social and charity activities, see Sistema's Annual Report for 2024.

RUB 1.46bn was spent by Sistema in 2024 in direct social investment, which equals 0.12% of the Group's total consolidated revenue

RUB 360.4m was contributed by the Group companies to SCF in 2024 for general corporate initiatives

RUB 401.3m was spent in total on financing SCF programmes in 2024

For more details about the assets' contribution to the Group's consolidated charity budget, see Annex 5.1, section "Quantitative indicators of sustainability".

2.5. Sustainable supply chain. Localisation and import substitution

Approach to procurement management

Sistema's interaction with its counterparties is based on the principles of openness, trust and mutually beneficial cooperation. Procurement is performed on a competitive basis, which makes it possible to select reliable suppliers and contractors, ensure efficiency and create a solid foundation for a long-term partnership.

For more details about the management of portfolio assets, see Sistema's Annual Report for 2024.

Procurement at portfolio companies

GRI 3-3
GRI 308-1
GRI 308-2
GRI 414-2

In 2024, the **residential property development asset** approved a new procurement regulation and codes of ethics for contractors and suppliers, aimed at increasing transparency and adhering to sustainable development principles. The new Regulation provides for prevention of breaches in antimonopoly laws and unscrupulous competition, and oversight over the selection of suppliers of materials, works and services. In 2024, a new unit was established—the Directorate for Business Ethics and Compliance—and an anonymous hotline was launched. A vendor list was created within the procurement management system, and a category management department was set up to develop procurement strategies. Over 95% of requests were transitioned to a digital platform, tender procedures and electronic document flow with key counterparties were automated, and a Telegram bot was developed.

In 2024, the **mineral water asset** revised its procurement regulations to include a procurement process map and FIFO¹⁷/FEFO¹⁸ principles. Efforts to manage inventory were strengthened through the implementation of ABC analysis and contingency action plans.¹⁹

The **commercial property management asset** adopted a Procurement Code and a Regulation for the "Counterparty Information Review" process. Mandatory requirements for procurement participants include adherence to the ethical standards of open and honest business practices and zero tolerance for corruption.

The **power grid asset** adopted the "Regulation on the Procurement of Goods, Works and Services" in 2024. Procurement activities are carried out through a centralised system with automated business processes in 1C. The company implemented the practice of EPS rating for procurement participants.²⁰ The results of this rating are taken into consideration when summarising the outcomes of procurement procedures.

The **telecommunications asset** operates under Procurement Rules and the Counterparty Code of Conduct. During the reporting year, work was carried out to digitise regulatory documents for procurement and logistics activities on the Confluence

¹⁷ FIFO (First-In, First-Out) — (First-In, First-Out) is a principle of data handling or goods movement where the first goods to arrive are also the first to leave the queue or warehouse.

¹⁸ FEFO (First-Expired, First-Out) is an inventory management principle where goods with the nearest expiration date are used or sold first, regardless of when they were received.

¹⁹ ABC Analysis is a method of classifying and managing inventory, goods, customers or other items based on their significance (value, volume, turnover) to the company.

²⁰ EPS rating is a domestic system for assessing the business reputation of entrepreneurial entities, built on the principles of "Environment - Personnel - State".

platform, and the implementation of an SRM system was launched.²¹ This system will ensure centralised management of procurement procedures and interaction with suppliers and internal customers.

A specialised reverse engineering unit was established within the **timber asset** in 2024 to produce key components at Russian plants. The company continued developing its corporate procurement system based on a CRM system to systematise and consolidate reporting from request to delivery.

In 2024, the **high-tech asset** established alternative equipment procurement channels through parallel import mechanisms. Automatic task status reports were implemented for operational control of procurement activities, along with a unified request submission tool via the electronic document management system featuring an automated approval chain for procurement documentation.

For more details about procurement activities, see Annex 5.1, section "Quantitative indicators of sustainability".

Rebuilding logistical processes, new transport corridors.

Amid the transformation of the global economy, companies within Sistema Group are not only optimising existing transportation routes but also establishing new international corridors.

The **timber asset** of Sistema expanded its logistics routes through the port of Novorossiysk and the land crossings at Dostyk/Altynkol, increasing the share of supplies to China from 2% to 25%. In 2024, the asset shipped 424 containers of plywood, 1,800 containers of sawn timber and over 300 containers of paper.

The company diversified its transportation corridors by conducting test shipments along the "North-South" route and the Northern Sea Route. The first containerised shipments of plywood and sawn timber along these new directions took place in March and September 2024.

Rail transportation has also been optimised, with the length of trains carrying raw timber increased to 57 conventional wagons. Route-based shipments from Karelia, Arkhangelsk and Vologda regions were expanded.

The **e-commerce asset** entered into an agreement with an automotive company to jointly develop logistical routes utilising high-speed roads. This partnership aims to reduce delivery times and increase transportation volumes.

Plans for 2025

Mineral water production	• Revision of regulations regarding digitalisation, including the use of e-commerce platforms (ECP). • Development of category strategies for product nomenclature to enhance procurement manageability and strategic transparency.
Timber industry	• Creation of an integrated marketplace for the procurement of low-cost items. • Organisation of cross-functional collaboration among all departments — from financial and production units to the IT unit. • Improvement of fuel efficiency and safety for the asset's business units. • Advancement of reverse engineering in cooperation with a design institute.
Power grid services	• Implementation of dashboards displaying key stages of procurement and supply business processes.

²¹ SRM systems are information systems and methodologies designed for the comprehensive management of all aspects of a company's interactions with its suppliers

	• Expansion of EPS rating usage when reviewing procurement participation requests. • Application of the practice of concluding two-year contracts with suppliers to enhance resilience and stability in procurement processes.
Agriculture	• Extension of procurement activities to new subsidiaries and affiliated companies, including procedure adaptation, integration into a unified procurement system, configuration of digital tools and staff training • Implementation of an e-store to automate the selection, approval and processing of procurement for standard goods and services, with integration into internal accounting systems.
Residential property development	• Implementation of an end-to-end procurement process via the 1C resource, fully integrated into the electronic document management system and the company's website, to digitalise the procurement cycle and enhance transparency at all stages.

2.6. Development of domestic tourism

Sistema invests in the development of tourism, enhances the accessibility of infrastructure and the quality of tourist services. The tourism industry plays a significant role in the economy, contributing to regional development, improving the population's standard of living and enhancing the country's international reputation.

Development of tourist infrastructure

In 2024, the **hospitality asset** continued to expand its hotel network and geographical presence, contributing to the growth of the tourism appeal of Russian regions.

5 new hotels opened in 2024
38 hotels in 23 Russian cities comprised the Corporation's hotel portfolio by the end of 2024
10,000 rooms in hotels under the management of the hospitality asset

In September 2024, the **private healthcare asset** signed an agreement with the Russian House in the Republic of Iraq to develop medical tourism. The cooperation includes organising online consultations and medical tours for Iraqi citizens, encompassing diagnosis, comprehensive examination and treatment within the Russian Federation.

Development of tourist services

In 2024, the tourist service of the **telecommunications asset** entered into partnership with an international booking system. Travel agencies gained access to the service's database, which includes over 70,000 accommodation facilities in Russia and CIS countries. Additionally, the sale of airline, railway and bus tickets was launched on the tourism platform of the digital ecosystem. Users now have access to routes across Russia and more than 30 other countries, including flights from nearly 350 airlines.

The digital ecosystem introduced the sale of virtual SIM cards for travellers with prepaid internet data for trips abroad. The service covers over 200 countries and regions.

The travel service of the **e-commerce asset** was integrated into the loyalty programme. Discounts of up to 20% became available for purchasing flight tickets and hotels when paying with the bank card of the asset. In the future, the programme will be extended to include railway ticket purchases.

Chapter 3. Accessibility and quality of products and services

4

QUALITY EDUCATION

8

DECENT WORK AND ECONOMIC GROWTH

9

INDUSTRY, INNOVATION AND INFRASTRUCTURE

10

REDUCED INEQUALITIES

12

RESPONSIBLE CONSUMPTION AND PRODUCTION

150+ m people are the customers of Sistema Group companies

20+ industries Sistema Group companies operate in

The UN Global Compact principles

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights

Principle 2: Businesses should make sure that they are not complicit in human rights abuses

Principle 7: Businesses should support a precautionary approach to environmental challenges.

3.1. Access to products, services and information

GRI 3-3

Ensuring free and equitable access to products, services and information is an integral element of business strategy in the context of digital transformation and the growing importance of sustainable development. Sistema Group is also actively expanding its operations in both CIS markets and countries across Asia and Africa, developing e-commerce, increasing product exports and optimising financial operations.

Development of digital services

Sistema is actively enhancing its digital services and offerings that represent a key focus area in accordance with current market demands.

In 2024, the **telecommunications asset** launched a new platform that reduces product launch labour costs by 40% and accelerates time-to-market by 75%, with full implementation expected by 2025.

The company opened a digital services store on a classified platform, becoming the first major provider in the IT services category. Its portfolio includes a virtual assistant, business tariffs with unlimited options, IP telephony and cloud solutions.

The telecommunications asset introduced an AI-powered women's health tracking application. Within its first year, the app was downloaded by over 350,000 users. Future development plans include incorporating a nutrition diary, water tracker and recommendation system.

The **e-commerce asset** completed its integration with a domestic social network, enabling customers to place orders without switching platforms.

Project "Made in Russia"

In 2024, the e-commerce asset continued to scale the "Made in Russia" showcase, which features products from local manufacturers across various regions of the country.

- Products from **21 regions** are featured on the showcase
- The showcase's product range expanded to **2.1 m items** in 2024 — an increase of nearly one-third
- The number of brands **doubled**
- The number of active sellers grew almost **fourfold** — **to 3,600 people**

In 2024, **14 new regional showcases** were launched: Arkhangelsk region, Karelia, Chuvashia, Bashkortostan, the city of Saratov, the city of Rostov-on-Don, the city of St. Petersburg, the Mari El Republic, Samara region, Moscow region, Udmurtia, Ulyanovsk region, Sakhalin and Khabarovsk regions.

Accessibility of medical infrastructure

In 2024, the **private healthcare asset** expanded its footprint by opening 8 new clinics across major Russian cities, including Moscow, Krasnogorsk, Volgograd, Ufa and Tyumen. These facilities include: primary and specialised care centres, family clinics and SMART clinics. Collectively, these new clinics enhance the asset's annual capacity to over 800,000 patients.

Enhancement of drug safety

The **biotech asset's** R&D laboratory secured a patent for four unique modulator drugs with no analogues in Russia. The medications are designed to correct age-related changes, improve cognitive functions, enhance fertility and control stress levels. Clinical trials involving 100 volunteers showed a reduction in key aging markers by an average of 30%, which decreases the manifestations of age-related diseases by 20–40%.

In 2024, the **pharmaceutical asset** began modernizing its production facility in Zelenograd by launching a new line for manufacturing medications in suppository form. The pharmaceutical asset also plans to open new production lines for in-demand medications, including genetically engineered products. In particular, 2024 saw the completion of design work for a section dedicated to producing monoclonal antibodies used in cancer therapy.

Expansion of presence in the CIS

In 2024, the **e-commerce asset** expanded its logistics infrastructure in the CIS countries by launching a 20,000 sq. m fulfilment centre in Kazakhstan, creating 3,000 jobs with plans to double its capacity by 2026. In Uzbekistan, the e-commerce asset opened a 1,000 sq. m sorting centre with prospects for expansion to 5,000 sq. m and the creation of three additional centres.

The e-commerce asset launched operations in Georgia, offering 50 m products, and in Azerbaijan with a range of 30 m products, while planning to develop its logistics network. In Armenia, a 2,500 sq. m fulfilment centre was launched, capable of processing 2,000 orders daily and equipped with its own courier service.

The e-commerce asset signed memorandums with the Ministry of Investments of Uzbekistan to support small businesses and with the Chamber of Commerce and Industry of Kyrgyzstan to promote local products.

The power grid asset signed an agreement with a specialised research centre in Belarus for joint energy projects and reached an agreement to modernise grids in Uzbekistan.

The **mineral water asset** increased exports by 35%, shipping 750 m litres to 19 countries, including Uzbekistan, Azerbaijan and Kazakhstan.

Entry to Asian markets

Sistema is actively developing its foreign economic activities, with a particular focus on entering the markets of Asia and Africa.

In March 2024, the **e-commerce asset** opened Russia's first customs and logistics centre in Blagoveshchensk, spanning 4,000 sq. m and capable of processing up to 1.5 m shipments monthly. The project created 200 jobs and doubled the turnover of local sellers.

The e-commerce asset registered a legal entity to engage in foreign economic activity, which will enable it to independently process Chinese cargo through its warehouse in Blagoveshchensk. This move reduces intermediary costs and increases delivery transparency.

In May 2024, the e-commerce asset signed an agreement with a customs and logistics terminal in the Amur Region, leasing 2,000 sq. m of warehouse space to develop freight transportation between Russia and China. The project strengthens the region's position as a key logistics hub.

The e-commerce asset expanded its sales geography by launching delivery of Chinese goods to Belarus and Kazakhstan.

3.2. Customer experience

GRI 3-3

In 2024, the portfolio companies of Sistema Group implemented a series of initiatives aimed at enhancing the convenience of digital and offline services and creating an inclusive environment.

Services to improve customer interaction quality

In 2024, the **telecommunications asset** introduced an AI assistant for corporate online communications, which automatically highlights key points from correspondences and online meetings, prepares summaries and helps locate necessary information.

The telecommunications asset also developed a digital voice assistant for one of Russia's leading banks, integrated with an Interactive Voice Response (IVR) system²². The new assistant automated processes such as collecting feedback, measuring customer loyalty indices, activating corporate clients and managing debt.

The efficiency of outbound calls for activating corporate clients of the bank **doubled** thanks to the voice assistant developed by Sistema's telecommunications asset. 30% of retail clients timely paid their debt upon receiving reminders from the voice assistant.

The telecommunications asset also launched the "Authorised Call" service, which allows subscribers to see the name and brand of a company when receiving an incoming call.

In 2024, the **microelectronics asset** launched an online customer technical support service. The service allows customers to receive prompt responses from engineers and developers on product application questions, including software adaptation and technical specifications.

Improving customer experience

²² Interactive Voice Response (IVR) is a system of pre-recorded voice messages that routes calls efficiently.

The **e-commerce asset** introduced a pick-up service for oversized goods from 37 sorting centres in Moscow, St. Petersburg and the regions of the Far East, Volga, Southern and Central Federal Districts.

In November 2024, the e-commerce asset launched a pilot project to sell insurance products for individuals through 150 pick-up points.

The **telecommunications asset** introduced an AI-driven recommendation platform based on artificial intelligence and big data analytics. The service suggests personalised leisure scenarios, including events, music, movies and restaurants, with plans to integrate ticket and service sales.

Development of accessibility and inclusion

In 2024, the **telecommunications asset** held the All-Russian Inclusive Festival "We Will Hear," which was awarded the HR IMPACT 2025 prize for the best ESG strategy. The festival featured an innovative project competition, a job fair and charity film screenings in 11 cities.

The telecommunications asset expanded the inclusive library of its online cinema by adding 14 films with Russian Sign Language interpretation. The content is available with subtitles and sign language translation, including children's video plays.

The telecommunications asset adapted its video conferencing service for visually impaired users by integrating it with screen reader programmes. Compliance with accessibility requirements is confirmed by its entry in the Russian software registry.

The **development company**, with the support of the **Sistema Charitable Foundation**, held the "Exemplary City 2024" competition for creating an accessible environment. The winners presented projects for mechanical lifts, tactile paving and mobile applications for people with limited mobility.

3.3. Product stewardship

Sistema Group consistently works to improve the quality and safety of its goods and services. The company implements modern control and monitoring methods and regularly undergoes certifications and audits that confirm compliance with international and national standards.

Product certification

In October 2024, the federal Agency on Technical Regulating and Methodology (Rosstandart) approved a national GOST standard for NB-IoT, developed with the participation of the **telecommunications asset**. The standard establishes unified technical requirements for devices and telecom operators in the fields of industry, agriculture, healthcare and transportation.

The telecommunications asset developed an Online Charging System certified by the Federal Service for State Registration (RosReyestr). The solution provides real-time charging, balance management and fraud protection in GSM, 4G and 5G networks.

The **pharmaceutical asset** registered 22 drugs in 11 countries, including Azerbaijan, Belarus and Kazakhstan, in accordance with EAEU requirements.

The pharmaceutical asset's plant in Kurgan received a GMP²³ certificate from the Uzbek regulator, confirming compliance with international quality standards. The production facilities in Obninsk and Stavropol also passed GMP inspections, expanding export capabilities to the EAEU and CIS.

²³ Good manufacturing practices (GMP) are the rules establishing requirements for organisation of production and quality assurance of drugs for medical and veterinary use.

The **timber asset** confirmed compliance with ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 standards for 16 of its enterprises. The audit covered quality management, environmental safety, and occupational health and safety processes.

The clinical and diagnostic centre of the **private healthcare asset** was certified under the ISO 7101:2023 standard, which regulates quality management in healthcare.

The clinical and diagnostic centre of the **private healthcare asset** became the first private clinic in Russia recommended for the ISO 7101:2023 certificate and the third clinic in Russia to obtain it.

The **high-tech asset** certified its shipboard technical equipment management system with the Russian Maritime Register of Shipping, confirming compliance with safety requirements.

The **mineral water asset** received a Euro certificate for supplies to the EU and a Halal certificate for export to Arab countries.

The organic farms of the **organic cosmetics asset** were certified under European Regulation 834/2007, confirming the ecological purity of their raw materials.

The **organic cosmetics asset's** farm in Khakassia became the first organic farm in Russia to successfully undergo certification according to GOST 33980-2016 "Products of Organic Production."

Accreditations and inclusion in official registries

In January 2024, the **telecommunications asset** received state accreditation in the field of biometric authentication. This accreditation enables it to independently work with users' biometric data within the Unified Biometric System and provide commercial organisations with services for identity verification, remote servicing and fraud protection.

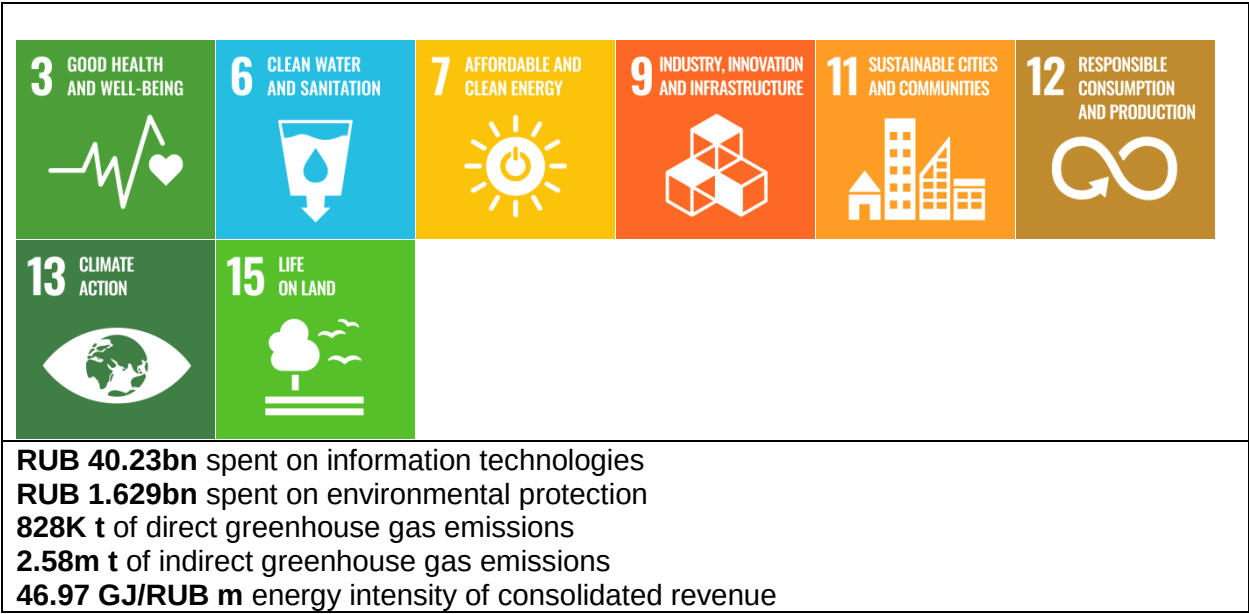
The telecommunications asset became the **first mobile operator** in Russia to receive state accreditation in the field of biometric authentication.

In 2024, the telecommunications asset's platform for creating online courses and organising training, and its corporate messenger were included in the unified register of domestic software in the categories of educational solutions and instant messaging programmes.

In 2024, several digital products of the **high-tech asset** were added to the register of Russian software maintained by the Russian Ministry of Digital Development:

- A digital territory management platform;
- A technical equipment management system for sea and river vessels;
- A logistics management platform;
- Software for control and correction stations;
- A digital healthcare management platform;
- An information and analytical system for the oil and gas industry;
- A programme for automated data analysis.

Chapter 4. Smart, efficient and safe environment



The UN Global Compact principles

Principle 7: Businesses should support a precautionary approach to environmental challenges.

Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility

Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies

4.1. Contribution to building the digital economy: smart cities, smart homes and smart manufacturing

Sistema Group is actively supporting the creation of innovative solutions that contribute to the formation of a stable digital economy.

GRI 203-1

GRI 203-1
GRI 203-2
UNCTAD
A.3.3

Sistema's investments in R&D and information technologies

~RUB 1bn invested by Sistema in R&D in the timber industry, property development, agriculture and pharmaceuticals in 2024. RUB 40.2bn+ Sistema Group's investments in information technologies in 2024²⁴

Support to start-ups and innovation contests

The **telecommunications asset** carries out programmes aimed at searching for and supporting start-ups on a regular basis. In March 2024, a selection process for technology projects in the field of customer service was launched. Selected start-ups received the opportunity to run a pilot project with the asset's ecosystem and receive

²⁴ The data for 2024 is provided for assets operating in the sectors of e-commerce, agriculture, residential property development, pharmaceuticals, power grid services, mineral water production.

cost reimbursement of up to RUB 1m. In August 2024, the company launched an accelerator for travel start-ups with further investments totalling RUB 500m.

In 2024, the **private healthcare asset** became a partner of an international accelerator for technology start-ups. As part of the collaboration, the asset's experts formulated requirements for start-ups, participated in the evaluation and selection of promising projects and provided mentorship support. The best projects were given the opportunity to pilot their technologies at the asset's base.

Registered patents

The **telecommunications asset** obtained a patent for an energy consumption analysis system designed to detect losses and theft in power grids, built on artificial intelligence and machine learning. The hardware and software complex enables real-time detection of subscriber metering devices with underreported readings, as well as identification of grid sections used for mining. Suspicious subscribers are displayed on a map.

In the reporting year, the **biotech asset** received patents for four modulator drugs aimed at slowing aging processes, improving cognitive functions, enhancing fertility and controlling stress hormone levels. Production will be localised in Russia using domestic raw materials.

In total, 426 intellectual property items were registered in 2024.

For more details about the intellectual property of the Group companies, see Annex 5.1, section "Quantitative indicators of sustainability"

Smart cities

Smart City is an automated system of urban infrastructure management, which is based on the data from the city's information and communication technologies.

Electric vehicles Charging stations for cars and buses
Telemedicine Remote access to healthcare services
Electric vessels
Smart utilities Water and energy management
Smart garbage Waste management
Security Ensuring security for people
Green City Controlling pollution and noise, creating "green" neighbourhoods, landscaping
E-government Participation of residents in city management
Communications Digitalisation, secure communications, comfortable environment for person-to-person interactions and data exchange
Mobility More efficient road use by both private cars and public transport; smart transport and smart parking lots

Smart solutions for urban and utility infrastructure

In January 2024, the **telecommunications asset** started implementing smart meters for monitoring heating networks in Yaroslavl. These devices enable remote monitoring of the network's condition, identifying potential malfunctions. In case of

deviations from average indicators, the IoT devices²⁵ send alerts to dispatchers' smartphones, and in the event of a network failure, they allow for quick identification of the damage location and prompt leak elimination. By the end of the year, the asset extended this experience to the Moscow region, installing similar sensors in 42 cities of the region and connecting hundreds of boiler houses to the project.

Digitalisation project in the St. Petersburg region

In 2024, the **high-tech asset** implemented a Digital Territory Management Platform in the Gatchina municipality, which serves as a situational centre for managing a settlement, city, or entire region. Analytical information is collected in the personal account of the territory's leader. Video analytics are used to monitor the quality of road surfaces, lighting and waste removal. In case of deviations, an incident is created on the platform, and a task is promptly assigned for resolution. Additionally, a chatbot was created as part of the project, which accelerated the process of interaction with people.

Digitalisation of transport systems

In the reporting year, the **telecommunications asset** implemented Russia's first system for the automatic detection of traffic violations by the users of electric scooters using an artificial intelligence technology. City surveillance cameras record violations, after which the user receives a notification from the service.

The company also introduced digital technologies in public transport in the cities of Naberezhnye Chelny, Nizhnekamsk and Bavly, equipping 50 buses with an automated passenger counting system, cashless payment terminals, surveillance cameras and digital route displays.

The **high-tech asset** implemented Russia's first comprehensive project for the deployment of dispatching systems for electric charging stations and electric buses in St. Petersburg. The systems enable efficient management of the charging process, account for power limitations and ensure the timely deployment of buses to their routes.

Digitalisation of management in medical institutions

In the reporting year, the **high-tech asset** implemented a healthcare management platform at the Gatchina Clinical Interdistrict Hospital. The system ensures the collection, storage and monitoring of data, including inpatient bed occupancy, appointment scheduling and the operation of diagnostic services. The implementation of the project resulted in an 8% reduction in the hospital's expenses, a 20% reduction in decision-making time and a 10% increase in patient loyalty.

Smart homes

Sistema Group's assets continue to develop the concept of the smart home, a technology designed to automate the management of various systems within a living space. The system maintains an optimal indoor climate, provides the capability for remote monitoring of lighting, ventilation, power supply and household appliances, and promptly sends notifications to the owners upon detecting motion or unauthorized access.

Electricity

²⁵ The Internet of Things (IoT) is a system that integrates devices into a computer network, allowing them to collect, analyse, process and transmit data to other objects via software, applications, or technical devices.

Lighting
Climate control
Central heating, heat convectors, ventilation, air conditioning, underfloor heating, air humidity
Fire safety
Leak prevention
Security
Home appliances
Voice assistant

In 2024, the **telecommunications asset** and the **residential property development asset** signed a strategic partnership agreement to develop joint digital solutions for the creation and operation of smart homes. This project, which is new to the Russian market, will enhance security inside and outside residential properties and elevate their class.

During the reporting year, the telecommunications asset digitized more than 30 residential complexes in the Moscow region and the cities of Vladivostok, Oryol, Stavropol, Omsk, Petropavlovsk-Kamchatsky, among others. The asset also created a universal application for managing the entire infrastructure of "smart" real estate and the customer experience. Its core functionality includes IP video intercoms, video cameras, access control systems, smart locks, equipment monitoring and security sensors, smart lighting and resource metering. The mobile application, used monthly by over 400,000 residents, helps form resident communities, remotely manage building systems, automate the submission of meter readings, service requests and payments, and allows users to call for in-home specialist visits. Plans for 2025 include connecting over 50 more residential complexes.

Separately, specialists from the telecommunications asset implemented a comprehensive electricity metering system in the city of Gorno-Altaysk. Smart electricity meters transmit data on energy consumption via a secure NB-IoT network to an automated metering system.²⁶ This solution improves billing accuracy and reduces the requirement for maintenance resources by a factor of three.

The telecommunications asset digitized **more than 30 residential complexes**

Smart production

The Corporation focuses on increasing the effectiveness of production and business processes by implementing digital technologies.

Smart machines and robots	Interacting with one another and capable of troubleshooting while operating
Internet of Things	Devices and technology keep all machines within a production system interconnected through the Internet
Cloud services	Providing convenient and continuous network access to a common pool of configurable computing resources
Big data	Structuring, search and analysis of large data sets
Augmented reality	Learning, prototype simulations, troubleshooting and controlling industrial equipment
Artificial intelligence	Optimising business processes

²⁶ NB-IoT (Narrowband Internet of Things) is a standard of two-way cellular communication for data transmission from various devices (such as sensors and meters), designed primarily for machine-to-machine interaction.

Telecommunications and fintech

In the reporting year, the **telecommunications asset** enhanced the operational efficiency of its fintech division by shifting from the robotisation of individual tasks to the automation of end-to-end processes.

In 2024, the telecommunications asset integrated a Russian platform for optimising B2B sales and customer interaction into its corporate IT infrastructure. The company established a unified digital space for 20 departments involved in customer service, enabling the use of voice robots and allowing for business case calculations for any product. The capability to obtain stage-by-stage analytics and smart contract routing was also implemented. As a result of these innovations, customer onboarding times were cut in half, and request processing speed increased tenfold. Additionally, a proprietary AI system was implemented to analyse documents, fill out forms, and extract data and key information. By the end of 2025, the system's functionality will enable 1,600 internal users to automate over 350 processes.

500,000 hours of manual labour and **RUB 150m** were saved through the robotisation of the fintech arm of the telecommunications asset

Agriculture

In the reporting year, the **agricultural asset** implemented an automatic equipment recognition system. This system prevents unauthorised grain unloading by blocking access to unfamiliar vehicles. It also allows for monitoring the combine harvester's speed, ensuring optimal equipment operation and rapid response to malfunctions.

In 2024, the asset's specialists, together with domestic partners, created an innovative hardware and software complex that reduces the agricultural product weighing process by four times — the procedure now takes just a few seconds while maintaining measurement accuracy.

Microelectronics

At the end of 2024, the **microelectronics asset**, in collaboration with the St. Petersburg State Electrotechnical University "LETI" and with the support of the Russian Ministry of Science and Higher Education, launched a power electronics design centre. This centre is dedicated to the design and diagnostics of electronic devices based on silicon carbide, which are planned for mass production.

This technology surpasses traditional silicon-based analogues in data transmission speed and can be used in new-generation telecommunication networks, as well as in radar and navigation systems. The domestic production of ultra-high-frequency generators based on photonics integrated circuits will reduce dependence on foreign technologies.

Ship navigation

The **high-tech asset** introduced a domestic cloud-based solution for monitoring shipping. Real-time data is fed into the system thanks to its own constellation of satellites equipped with Automatic Identification System (AIS) receivers. The service is designed to provide the state, shipping companies and vessel owners with up-to-date navigation data. It contains information on 10,000 seaports worldwide and 570,000 vessels, based on data from its own satellites. Key features include a notification system for the movement of specific vessels and port situations, the

generation of analytical shipping maps and support for a catalogue of navigational aids. In total, there were 24 proprietary AIS satellites in orbit in 2024, with plans for further expansion of the orbital constellation.

The asset also developed and supplied 60 hardware-and-software complexes with an electronic chart display and information system to equip vessels on the Volga-Baltic Basin of inland waterways. The system, which is registered in the Ministry of Digital Development's domestic software registry, provides route planning, vessel monitoring and navigational information support.

Additionally, the high-tech asset developed an information and analytical system for managing passenger flow and providing real-time information, which has been implemented on the river routes in Moscow. The system monitors passenger numbers, records unpaid entries, and prevents vehicle overload. This solution is also included in the domestic software registry.

The cloud service of the high-tech asset's database contained information on **570,000 vessels** and **10,000 ports** in 2024

Development of space technologies

In 2024, Sistema Group strengthened its position in the field of space technologies by implementing a large-scale programme to develop its orbital constellation, digital solutions and import-substituting technologies. During the reporting year, three space launches were carried out, placing 51 satellites into orbit.

Another key technological achievement in 2024 was the creation, in collaboration with the Korolev Samara University, of Russia's first nanosatellite with a hyperspectrometer.²⁷ The instrument provides a resolution of 7 meters/pixel, enabling environmental monitoring and the detection of changes invisible in the standard spectrum.

50+ private satellites launched into orbit in 2024

Implementation of smart video surveillance, monitoring and analytics systems at industrial facilities

In 2024, the **high-tech asset** deployed an intelligent video analytics system at two chemical plants. The system, based on the asset's proprietary platform, includes 500 video cameras installed in production shops and parking areas. It enables monitoring of personnel presence, use of personal protective equipment, fire detection, status of evacuation routes and vehicle placement in parking zones.

The **microelectronics asset** developed an RFID solution for tracking the status and movement of firefighting equipment at industrial facilities. Each fire extinguisher, previously accounted for manually, was equipped with an RFID tag with a unique number manufactured in-house. The system automatically identifies devices requiring repair or replacement and monitors their movement within the enterprise.

The **residential property development asset** drew up a programme that accelerates housing handover to customers and improves construction quality. The application helps record defects, track their rectification and prepare properties for buyer

²⁷ Hyperspectral imaging is a method where a special sensor on a satellite captures images of the Earth in several dozen or even hundreds of narrow spectral bands. This is an extremely powerful tool for gathering more accurate information about the condition and type of objects on the surface.

viewings, enhancing collaboration among process participants. A database of defects attributed to each contractor is automatically generated, serving as a valuable tool for developers to select reliable partners.

Another project implemented by the asset was the expert review of project documentation based on a Building Information Modelling (BIM) digital model. In August of the reporting year, for the first time in Russia, construction was approved for a residential building in Yekaterinburg, designed by a development company solely using a BIM digital model without 2D drawings. This model allows for verifying whether design solutions comply with technical regulations and the design brief.

In the reporting year, the **telecommunications asset** implemented a smart vehicle location and condition monitoring system for a petroleum supply company. The system tracks vehicle position, speed, sensor status, and sends alerts to dispatchers in the event of non-standard situations. The new technology ensures efficient and reliable fuel delivery even to the most remote and inaccessible regions.

In 2024, the company also provided digital infrastructure for a solar power plant in the village of Samashki, Achkhoy-Martan District, the Chechen Republic. The new solar power plant was equipped with a remote monitoring system, sensors and video surveillance. The panels are fitted with a solar tracking system. They adjust their position to capture more sunlight, resulting in a 25% increase in energy generation. This technology was used in Russia for the first time.

In 2024, the residential property development asset received Russia's **first construction permit for a building** designed using BIM without 2D drawings

500 smart video cameras installed by the high-tech asset at two chemical plants

4.2. Operational environmental efficiency and biodiversity

GRI 3-3

Sistema recognises the importance of global environmental challenges and the extent of its assets' impact on the environment. Consequently, the Corporation's assets are taking measures to control and minimise this impact. Key priorities include implementing environmental standards in portfolio companies and regularly monitoring their activities.

Sistema's approach to managing environmental impact is outlined in the following documents:

- Corporate Governance Code;
- Sustainability Policy;
- Environmental Policy.

The Environmental Policy applies to Sistema PJSFC and is recommended for adoption and compliance by Sistema Group companies. The Corporation expects its business partners, including suppliers and contractors, to also adhere to the high standards of environmental responsibility stipulated by the Environmental Policy.

Managing environmental impact across the Group

The **telecommunications asset** has a uniform environmental management system that ensures compliance with environmental regulations. The asset's approach to managing the environmental aspects of its activities is also reflected in the ESG strategy. The environmental initiatives are implemented through cross-functional

working groups. The ESG Centre prepares non-financial reporting for the Board of Directors' ESG Committee and the Carbon Management Working Group on a regular basis. The asset conducts its operations in accordance with the internal Environmental Policy. The management of environmental risks is regulated by the compliance programme "Environment".

In 2024, the telecommunications asset revised a standard titled "Management of production and consumption waste" and elaborated on the procedures for handling new types of waste. The company also approved a strategy for managing greenhouse gas emissions and a road map for its implementation.

The **timber asset** operates in accordance with its environmental security strategy for 2021-2025. The key goals of the strategy:

- 1) minimising environmental impact,
- 2) preventing consequences resulting from the realisation of environmental risks;
- 3) implementing the principles of a circular economy based on resource renewal;
- 4) reducing greenhouse gas emissions across the value chain.

The company also implemented an integrated management system (IMS) compliant with ISO/GOST 9001, 14001 and 45001 standards. In 2024, key environmental aspects and management measures were updated based on the IMS performance. Plans for 2025 include preparing for the introduction of the Bank of Russia's sustainability reporting with data automation and integration; developing an environmental declaration for CLT panels to obtain international certification and reduce their carbon footprint; and formulating a new Sustainable Development Strategy focused on climate risks and low-carbon technologies.

The environmental aspects of the **e-commerce asset's** operations are within the purview of its Environmental Safety Department. This department ensures compliance with Russian environmental legislation, manages environmental risks and monitors the effectiveness of the company's environmental initiatives. In 2024, measures for internal environmental audits of the company's facilities were strengthened. Simultaneously, control over procurement procedures for waste management was enhanced by introducing mandatory environmental expert reviews for such contracts.

The **residential property development asset's** sustainability efforts are governed by an updated ESG Policy (revised in February 2025) and a number of corporate documents. In each region where the company operates, specialised units—Technical Directorates—have been established to carry out environmental control. In addition, the asset established a quality assurance department that identifies the criteria of safe construction and carries out measures aimed at protection of the environment, among other things.

In 2023, the **power grid asset** approved its Quality and Environmental Policy and its Integrated Management System Regulation. In 2024, target environmental indicators and comprehensive registers of environmental aspects were established under this Policy. In 2024, the company renewed its certifications for compliance with the quality management system (GOST R ISO 9001-2015/ISO 9001:2015) and environmental management system (GOST R ISO 14001-2016/ISO 14001:2015) standards. In 2024, the asset conducted internal audits of the quality management system and environmental management system across its structural divisions. Corrective actions were developed and corrective measures were planned based on the audit findings.

In 2024, the **organic cosmetics asset** approved its Environmental Policy. The Environmental Safety Department, which is part of the Quality Management Systems Directorate, is responsible for managing environmental impact. To minimise its

environmental footprint, the asset is developing the principles of Extended Producer Responsibility (EPR) and integrating them into its business strategy.

Environmental footprint of Sistema Group companies

	Energy	Water	Biodiversity	Emissions	Effluents and Waste
High technology	+				+
Hospitality	+	+			+
Timber industry	+	+	+	+	+
Private healthcare	+	+			+
Commercial property management	+			+	+
Residential property development	+	+	+	+	+
Agriculture	+	+	+	+	+
Telecommunications	+			+	+
Pharmaceuticals	+	+		+	+
E-commerce	+			+	+
Power grid services	+	+	+	+	+
Natural and organic cosmetics	+	+	+	+	+
Mineral water production	+	+		+	+

UNCTAD
A.3.1

Environmental protection achievements in 2024

In 2024, Sistema Group spent RUB 1.629bn on the protection of the environment.²⁸

For more details about the protection of the environment, see Annex 5.1, section "Quantitative indicators of sustainability".

RUB 1.6bn+

Sistema Group's spending on environmental protection in 2024

For more details about non-compliance with environmental laws, see Annex 5.1, section "Quantitative indicators of sustainability".

Protection of the atmosphere

Minimisation of air pollution is a priority for Sistema Group. In 2024, the volume of air pollutant emissions amounted to 33,951.27 t²⁹, up 27% from 2023.³⁰ This was caused by the growth in the number of portfolio companies forming part of the sample for the indicator's calculation.

In 2024, the **timber asset** launched the "Clean Quarter" project in Krasnoyarsk, aimed at reducing atmospheric air pollution and modernising the heating system. The

²⁸ The data for 2024 is provided for Sistema and its assets operating in the sectors of telecommunications, e-commerce, timber industry, residential property development, private healthcare, agriculture, pharmaceuticals, commercial property management, power grid services, hospitality, high technology, natural and organic cosmetics and mineral water production.

²⁹ The data for 2024 is provided for assets operating in the sectors of e-commerce, timber industry, residential property development, agriculture, pharmaceuticals, power grid services, hospitality, high technology and natural and organic cosmetics.

³⁰ The increase in emission volume compared to 2023 is attributed to a rise in emissions from the timber asset.

project involves switching 1.8 thsd residential buildings to an eco-friendly heating type—pellet-based biofuel—by 2026, which will reduce atmospheric emissions. At the initial stage in 2024, modern pellet boilers were installed in four households in the city's private sector. In 2025, plans are in place to convert up to 200 homes to biofuel, as well as two coal-fired boiler houses in the city of Lesosibirsk.

For more details about the contribution of the "Clean Quarter" project in Krasnoyarsk to the development of bioenergy, see the "Waste management and circular economy" section.

For more details about the protection of the environment, see Annex 5.1, section "Quantitative indicators of sustainability".

GRI 3-3
GRI 304-2
GRI 304-3

Preservation of biodiversity

The companies of Sistema Group implement comprehensive programmes aimed at preserving biodiversity in the regions where they operate.

In 2024, the **telecommunications asset** conducted an analysis of its existing biodiversity impact assessment system and began developing approaches for setting specific goals and measures in this area. Future plans include accounting for the asset's impact on biodiversity in its regions of operation, improving existing practices and assessing the potential impact of biodiversity loss on its operational activities. As part of its approach to biodiversity conservation, the asset is:

- developing and implementing comprehensive digital services and solutions to reduce negative environmental impact (environmental monitoring of soil, water and air);
- launching digital educational programmes on the conservation of rare animal species and the application of digital technologies in ecology;
- complying with environmental legislation in the design and construction of facilities.

The **residential property development asset** is implementing the principles of "green" construction with a focus on preserving natural ecosystems and biodiversity. In its landscaping projects, the asset prioritises plant species adapted to local climatic conditions, which helps preserve and restore local biodiversity. During the implementation of a residential complex in Kazan, the asset consulted with experts from the Institute of Ecology and Environmental Management at Kazan Federal University to assess the impact on the ecosystem of the Kazanka River floodplain. Based on the consultations, a decision was made to reduce the development area, preserve valuable natural areas and create a nature trail in the buffer zone.

In 2024, the power grid asset installed **7,702 bird protection devices** in the Republic of Bashkortostan, which is 13 times more than in 2023.

Use of water resources

GRI 3-3

In 2024, the Group companies consumed 67.3 m cubic metres of water, an increase of 20% from 2023.³¹ This is caused by the growth in the number of portfolio companies forming part of the sample for the indicator's calculation. The main sources of water withdrawal were municipal water supply systems and natural sources. In 2024, freshwater intake amounted to 59.2 m cubic meters.³² The volume of water discharged by the Group's companies in 2024 was approximately 57.6 m cubic meters.³³ The volume of water consumed internally within the Group totalled 7.71 m cubic meters.³⁴

For more details about water consumption by the Group's assets, see Annex 5.1, section "Quantitative indicators of sustainability".

Water conservation projects

In 2024, the **telecommunications asset** entered into a cooperation agreement with Perm State National Research University in the field of water body monitoring. This agreement is aimed at joint efforts to improve the environmental situation in the Kizel Coal Basin. The asset's specialists organised a real-time water quality monitoring system, which helps track the quality of the aquatic environment, as well as the volume and composition of pollutant discharges.

Combating the Aftermath of the Black Sea Environmental Disaster

In 2024, the **telecommunications asset** implemented an initiative to support the mitigation of the environmental disaster in the Black Sea. Using a charity service within a mobile application, customers of the fintech arm of the telecommunications asset donated RUB 500,000 to the "Beautiful Children in a Beautiful World" foundation. The funds raised helped provide volunteers with personal protective equipment and tools for collecting petroleum products.

Forest protection and reforestation

Adhering to the principles of responsible forest management, the **timber asset** replants 100% of the forest areas where harvesting and timber transportation have occurred under its lease agreements. Its own forest nurseries reduce the costs of artificial reforestation, eliminate dependence on third-party suppliers and improve the

³¹ The data for 2024 is provided for Sistema and its assets operating in the sectors of telecommunications (including a fintech arm), e-commerce, timber industry, residential property development, private healthcare, agriculture, pharmaceuticals, commercial property management, power grid services, hospitality, high technology, natural and organic cosmetics and mineral water production.

³² Fresh water here means water from surface and underground sources, rainwater and water received from third parties under water supply contracts. The data is provided for assets operating in the sectors of timber industry, residential property development, agriculture, pharmaceuticals, power grid services, high technology and natural and organic cosmetics.

³³ The data for 2024 is provided for Sistema and its assets operating in the sectors of telecommunications (including a fintech arm), e-commerce, timber industry, residential property development, private healthcare, agriculture, pharmaceuticals, commercial property management, power grid services, hospitality, high technology, natural and organic cosmetics and mineral water production.

³⁴ Water consumption is calculated using the following formula: Water consumption= Total water withdrawal – Total water discharge. The data for 2024 is provided for assets operating in the sectors of telecommunications, timber industry, residential property development, private healthcare, agriculture, pharmaceuticals, power grid services, high technology and natural and organic cosmetics.

survival rate of forest crops by reducing the transportation time for seedlings from greenhouses to forest sites. The planting of seedlings with a closed root system during artificial and combined reforestation accounts for approximately 40%, which exceeds the requirements of Russian legislation.

In total, reforestation work was carried out across 47.2 thsd hectares in 2024 throughout the seven regions where the timber asset operates. Comprehensive measures to preserve young growth and mineralise the soil are also being implemented in all regions of the asset's presence.

47,000+ ha is the area of reforestation work in 2024

Area of reforestation in 2024

Region	Reforestation area, k ha
Krasnoyarsk region	16.7
Irkutsk region	7.7
Republic of Karelia	7
Vologda region	6.2
Arkhangelsk region	4.8
Kostroma region	2.3
Kirov region	2.5

Soil preservation and remediation

In the reporting year, the **agricultural asset** continued implementing a project to establish protective forest belts in the Rostov region. In the spring of 2024, an additional 50 thsd trees were planted in the Zimovnikovsky district. The project aims to prevent wind and water soil erosion and to retain moisture, which is expected to increase crop yields by 10% over five years. At the International "Green Eurasia" Climate Competition, the forest belt project won third place in the nomination "Agriculture and Forestry in New Climate Conditions."

Environmental monitoring

In 2024, the **telecommunications asset** implemented a number of environmental monitoring projects.

In the Yamalo-Nenets Autonomous District, in the city of Salekhard and near the settlements of Yamburg and Zapolyarny, the asset's specialists installed over one hundred intelligent devices with embedded SIM chips to monitor the state of the permafrost. The sensors are installed beneath residential buildings, social infrastructure facilities, and in open areas. The equipment operates on the Internet of Things (IoT) technology. Based on the data obtained, specialists are building predictive models.

The company has commenced work on the digital monitoring of environmental quality in the Nizhny Novgorod region. This is a comprehensive IoT-based solution that includes hardware and software, a cloud IoT platform, secure communication channels, as well as system installation and maintenance. The IT platform collects real-time environmental data.

In 2024, the telecommunications asset became the first Russian telecom operator to receive a licence from the Federal Service for Hydrometeorology and Environmental Monitoring (Roshydromet) to determine the level of chemical contamination in soil, atmospheric air and water bodies, as well as to assess hydrological and hydrobiological characteristics. This licence allows for the official

collection, processing, storage and publication of environmental data that meets statutory standards.

4.3. Waste management and circular economy

GRI 3-3
GRI 306-1

Waste management in the Group's companies

The companies of Sistema Group are systematically developing sustainable waste management practices by integrating the principles of responsible consumption and circular economy into their operational activities.

In the **telecommunications asset**, the approach to waste management is outlined in its ESG Strategy and the "Environmental Safety and Protection at Administrative Facilities" Policy. A responsible approach to resource use is embedded in the "Management of Industrial and Consumer Waste" Standard. According to this document, waste reduction activities within the asset include:

- maintaining a rational approach to the use of natural resources;
- implementing the separate collection of secondary resources and transferring them to partners for recycling using the best available techniques;
- promoting responsible waste management attitudes across the asset.

The **e-commerce asset** is minimising waste volumes and increasing recycling rates through a dedicated programme. Separate waste collection is a mandatory requirement for all employees and contractors, as stipulated in the environmental section of the marketplace's "Golden Safety Rules." In 2024, measures for internal environmental audits of the company's facilities, as well as environmental expert reviews for procuring waste management services, were strengthened. In 2025, the asset plans to approve a revised Regulation on the Procedure for Managing Industrial and Consumer Waste, which will align the company's processes with current environmental standards.

The **timber asset** operates under an Environmental Safety Strategy for 2021–2025, which includes implementing the principles of a resource-renewing circular economy.

The **mineral water asset** developed an ESG Strategy and a Roadmap of initiatives, which incorporate a waste management system. To control environmental impact, waste accounting is maintained, separate collection is implemented and reporting is carried out in accordance with the existing laws. Each production facility appoints a person responsible for environmental oversight.

Waste management results in 2024

The portfolio companies of Sistema are committed to using waste-free technologies, enhancing their environmental performance through the use of recycled materials and reducing the generation of hazardous waste. The majority of waste generated by the Group's assets falls into low-hazard or non-hazardous categories.

In 2024, 99.86% of all the Group's waste was classified as hazard classes IV-V (non-hazardous waste). The total waste volume amounted to approximately 1.633 m t.³⁵ More than half of the waste generated (61.62%) was recycled.

For more details about the volume of waste and waste disposal methods, see Annex 5.1, section "Quantitative indicators of sustainability".

³⁵ The data for 2024 is provided for Sistema and its assets operating in the sectors of telecommunications (including a fintech arm), e-commerce, timber industry, residential property development, private healthcare, agriculture, pharmaceuticals, commercial property management, power grid services, high technology, natural and organic cosmetics and mineral water production.

Hazardous waste management and utilisation are invariably in compliance with applicable laws and regulations.

Circular economy and bioenergy

The companies of Sistema Group are actively implementing advanced bioenergy technologies and the principles of circular economy, making it possible to optimise production processes and minimise their impact on the environment.

In 2024, the **timber asset** continued its systematic work to integrate circular economy principles and develop bioenergy at its enterprises. A key focus was the production of pellets, which enabled the efficient utilisation of sawmill and woodworking waste. In 2024, the timber asset's enterprises in the Krasnoyarsk region supplied about 17,000 t of biofuel to the domestic market. This figure is more than six times higher than the corresponding figure for 2023. The asset's enterprise in the Vologda region supplied 14.5 t of pellets and 534 t of fuel briquettes to the domestic market.

17,000+ t of biofuel supplied to the domestic market in 2024 by the timber asset's enterprises in the Krasnoyarsk region.
6x increase in biofuel supply volume from 2023.
14.5 t of pellets and 534 t of fuel briquettes supplied to the domestic market by the timber asset's enterprise in the Vologda region.

In January 2024, a cooperation agreement was signed between the timber asset and the Government of the Krasnoyarsk region in the field of bioenergy, which will be implemented as part of the "Clean Air" federal project of the national "Ecology" project. Coal-fired boiler houses will be converted to biofuel: pellets produced by the asset itself.

For more details about the contribution of the "Clean Quarter" project in Krasnoyarsk to the protection of the atmosphere, see the "Waste management and circular economy" section.

Since 2020, the **telecommunications asset** has been implementing the "Lifecycle Laboratory" project, aimed at consistently integrating circular economy principles and responsible resource management into business processes. The project promotes the implementation of a separate waste collection system across the asset's divisions. In 2024, 22 offices across 11 regions were covered by the separate waste collection system.

Particular attention is given to handling electronic waste: a system for the disposal of telecommunication equipment was created with cross-functional groups managing the disposal process.

22 offices in 11 regions implemented a separate waste collection system across the telecommunications operations in 2024

Paper consumption

The companies of the Group are carefully monitoring the use and consumption of paper as part of their activities. In 2024, total paper consumption at Sistema Group stood at 1,153.31 thsd t,³⁶ which is 9.6% lower than in 2023

For more details about paper consumption by the Group's assets, see Annex 5.1, section "Quantitative indicators of sustainability"

4.4. Climate change

Carbon management and climate risk management at the Group companies

The companies of Sistema Group are forming carbon management systems and integrating climate risk reporting with their activities, taking into consideration the industry specifics.

The **timber asset** implements a systematic approach to managing its climate agenda, covering strategic planning, accounting and reporting, risk management and engagement with regulatory bodies. The foundation of its activities is the Decarbonisation Strategy concept, aimed at achieving carbon neutrality for direct (Scope 1) and indirect (Scope 2) greenhouse gas emissions, taking into account the carbon sequestration effect of wood products. Since 2020, the asset has been calculating its direct and indirect emissions based on international and national methodologies (GHG Protocol, IPCC), applying its own climate reporting system. In 2023, the first carbon reporting of the asset's enterprises was accepted by the Russian Ministry of Economic Development in accordance with Decree No. 707.

Climate risks are integrated into the environmental management system and operational planning: physical threats, including wildfires, are tracked at the enterprise level and the data is reported up to the management level.

In 2024, the asset began developing an Environmental Product Declaration (EPD) for CLT panels in accordance with ISO and GOST standards. This document reflects the environmental impact of CLT panels throughout the production lifecycle and contains data on resource consumption, energy use, carbon footprint and an assessment of environmental impact during use. In 2025, the asset plans to verify the EPD for CLT panels, draft a decarbonisation strategy for a pilot division and develop a methodology for prioritising and assessing physical climate risks.

The asset also continues to support its clients in calculating climate projects using carbon-sequestering products, recycled materials and low-carbon fuel.

The **telecommunications asset** is also building a comprehensive approach to managing its carbon footprint and climate risks within the framework of its corporate documents—the ESG Strategy and the Sustainability Policy. Climate agenda issues are embedded into the corporate governance system and are reviewed at four levels:

ESG Committee of the Board of Directors
Approval of strategic development areas
ESG Centre
Coordination and operational control
Ecology functional group
- Implementation of key initiatives and technical control - Climate reporting

³⁶ The data for 2024 is provided for Sistema and its assets operating in the sectors of telecommunications (including a fintech arm), private healthcare, agriculture, pharmaceuticals, power grid services and high technology.

Working group on environment and responsible financing
• Shaping a single climate strategy of the telecommunications asset • Developing a climate risk map • Implementing carbon reduction initiatives that require cross-functional collaboration

In 2024, the asset approved a Greenhouse Gas Emissions Management Strategy, with a key goal of reducing carbon intensity by 60% by 2030 compared to 2021. The strategy was developed considering the specifics of the telecommunications and IT sectors and is being implemented using international emissions calculation methodologies. The asset regularly discloses data on its direct and indirect emissions, as well as on resource usage.

In 2024, the asset also began work on the qualitative and quantitative assessment of climate risks. Climate scenarios and assessment horizons were defined: 2028 (short-term), 2031 (medium-term) and 2050 (long-term). An analysis of the sensitivity of its infrastructure and business processes was conducted, and a risk register was compiled.

In 2025, it is planned to conduct a qualitative assessment of the probability of occurrence and impact intensity, a quantitative assessment of potential financial damage from climate risks and to compile a risk matrix.

The **agricultural asset** manages its climate agenda within the framework of its Sustainable Development Strategy until 2030. This document includes provisions on climate-smart agriculture, greenhouse gas (GHG) emission reduction targets, climate change adaptation, enhancing the resilience of production processes and reducing negative environmental impact.

The agricultural asset has formed a special commission to assess the risks associated with global climate change. The Audit, Finance and Risk committee of the Board of Directors is responsible for managing risks related to sustainable development and climate. Climate risk management is integrated into the overall risk management system. Regular assessments are conducted for risks related to global climate change, including droughts, heavy rains, fires, soil frost kill, plant diseases and other threats. Risk management tools include insurance, equipment modernisation and the adaptation of agricultural technologies.

The management of climate agenda issues falls under the purview of the asset's agronomic and production services. These services are responsible for adapting crop varieties and production processes to account for climatic conditions, introducing advanced eco-technologies, improving yield resilience and developing cattle feeding practices to minimise climate impact.

In the **power grid asset**, climate agenda management is the responsibility of the Occupational Health and Environmental Protection service. This service carries out activities to improve energy efficiency, monitors pollution sources and compliance with harmful emission standards and develops measures to reduce environmental risks during operational activities. Climate risk management includes the identification and assessment of risks based on data about pollutant emissions, as well as systematic monitoring of changes through industrial environmental monitoring. The company has an insurance policy that covers climate risks, including fire damage (including lightning strikes), and the consequences of natural disasters: hurricanes, storms, tornadoes, strong winds, hail, floods, snow adhesion, wildfires, landslides and other natural phenomena.

In the **residential property development asset**, responsibility for the operational management of risks and the formation of climate-related goals and vision is assigned to the Corporate Finance function. The coordination of non-financial data collection, including data on atmospheric emissions, and the development of an

approach to calculating the carbon footprint, is handled by the Investor Relations and Sustainability Service, which operates within the Economics and Finance Directorate.

Climate goals and targets of Sistema Group's assets

Asset	Climate goals
Telecommunications	Reduce the carbon intensity of services by 60% by 2030 compared to 2021
Agriculture	Develop climate-smart agriculture
	Use innovative agricultural technologies to minimise environmental impact
	Restore soil fertility, implement forest reclamation, and restore forest shelterbelts
Timber industry	Climate-oriented forest management and production
	Develop and implement a decarbonisation strategy based on a science-based approach
	Structure a system for assessing and reporting on key climate risks
Residential property development	Reduce the carbon footprint and increase resilience to climate change
	Increase the number of energy-efficient buildings in the asset's project portfolio
E-commerce	Reduce the carbon footprint of products
	Reduce indirect greenhouse gas emissions by increasing the waste recycling share to 70% by 2026
High technology	Reduce energy consumption and greenhouse gas emissions
	Improve the energy efficiency of internal processes and manufactured products
	Create products that help combat global climate change.
Hospitality	Optimise resource consumption

Greenhouse gas emissions

Sistema Group companies are recording and monitoring greenhouse gas emissions. In 2024, direct greenhouse gas emissions stood at 828,358 t of CO₂eq.³⁷

For more details about greenhouse gas emissions, see Annex 5.1, section "Quantitative indicators of sustainability".

In 2024, indirect emissions amounted to 2,576,829 t of CO₂eq.³⁸

1,003,801³⁹ t of CO₂eq in other indirect greenhouse gas emissions (Scope 3) in 2024

³⁷ The data for 2024 is provided for assets operating in the sectors of telecommunications (including a fintech arm), residential property development, agriculture, pharmaceuticals, power grid services, hospitality, high technology and mineral water production.

³⁸ The data for 2024 is provided for Sistema and its assets operating in the sectors of telecommunications (including a fintech arm), e-commerce, timber industry, residential property development, private healthcare, agriculture, pharmaceuticals, commercial property management, power grid services, hospitality, high technology, natural and organic cosmetics and mineral water production.

³⁹ The data for 2024 is provided for Sistema and its assets operating in the sectors of telecommunications (including a fintech arm), private healthcare, hospitality, mineral water production.

Minimising carbon footprint

The **timber asset** is committed to reducing the carbon footprint of its products across the entire supply chain. Particular emphasis is placed on the development of "green construction" and the use of biofuel derived from the timber industry waste. The asset also produces climate-neutral construction materials such as CLT panels, LVL and plywood.

In the **residential property development asset**, establishing a business process for monitoring the carbon footprint is one of the strategic directions for optimising and improving the energy efficiency metrics of projects at all implementation stages.

In the initial design phases of a number of facilities, the asset utilises Computational Fluid Dynamics (CFD) technology, which predicts key parameters necessary for ensuring a comfortable internal living environment and creating eco-friendly, energy-efficient spaces with an optimal microclimate. Furthermore, Building Information Modeling (BIM) technologies are employed at all project stages. These technologies enhance energy consumption efficiency and optimise emissions, raw material use and other metrics, particularly during the construction and operational phases.

The **agricultural asset** is implementing measures to reduce greenhouse gas emissions, modernise machinery, introduce moisture-conservation technologies (including No-till), agroforestry and soil-protective farming. In 2024, projects were completed to establish sanitary protection zones, protective forest plantations, upgrade equipment and train personnel.

In 2025, the asset plans to:

- modernise enterprise infrastructure to reduce specific greenhouse gas emission intensity;
- increase the area of arable land cultivated using a No-till technology in the Rostov and Stavropol clusters;
- conduct research initiatives in cattle feeding aimed at minimising impact on the climate and environment.

Fighting forest fires

In 2024, the **telecommunications asset** continued the implementation of a video monitoring project for forested areas aimed at detecting, preventing and rapidly suppressing fires. In the Republic of Buryatia, 12 cameras with a 360° view and 4K resolution were installed on antenna-mast structures, covering key areas of the region and the city of Ulan-Ude. The system provides automatic smoke and fire detection at distances of up to 35 km, transmitting precise coordinates of fire hotspots in real-time to the dispatch centre, forestry departments and the Ministry of Emergency Situations (EMERCOM) via the "Lesokhranitel" (Forest Guardian) platform. This significantly improves response speed and prevents the spread of fires. In the Perm region, 30 cameras were installed, covering 2 m hectares of forest in high fire threat areas. Video surveillance enables early detection of smoke and helps to promptly eliminate 95% of fires within the first 24 hours.

During the reporting year, the **timber asset** equipped 296 special recreation zones for forest visitors, installed 836 fire safety warning signs, laid and renewed 5,000 km of mineralised protective strips (firebreaks) and constructed 278 km of fire access roads. Furthermore, the asset organised volunteer fire brigades comprising over 900 people for rapid deployment to detected hotspots and initial fire suppression efforts. Asset employees conducted patrols within the boundaries of leased forest plots along 89 routes with a total length of over 2,800 km.

Over 900 people in the timber asset's volunteer fire brigades
836 fire safety warning signs installed.
5,000 km mineralised protective strips laid and renewed.

4.5. Energy management

Management approach

GRI 3-3

The environmental strategy of Sistema focuses on energy conservation and the introduction of innovative solutions: improving consumption efficiency, adopting alternative and renewable energy sources, as well as analysing risks associated with energy capacity shortages in its regions of operation. The Group's portfolio companies certify the energy management systems of their enterprises to ISO 50001.

In 2023, the **agricultural asset** approved its energy efficiency policy, the main objective of which is to use energy resources rationally and increase energy saving at enterprises. The policy will be implemented in three areas: inspection and modernisation of the energy infrastructure of buildings, staff training and optimisation of production processes. The document stipulates increasing the share of renewable energy in the asset's energy balance to 7% by 2030 and reducing average energy consumption per unit of output by approximately 10%.

As part of the Decarbonisation Strategy Roadmap until 2030, the **timber asset** **aims** to implement best energy management practices, modern energy-saving technologies and the best available techniques. The asset is implementing measures to enhance energy efficiency by developing internal energy generation sources.

The **power grid asset** is implementing the Energy Saving and Energy Efficiency Improvement Programme for 2021-2026 in accordance with the requirements of the applicable legislation on energy saving and energy efficiency.

The **telecommunications asset** is guided in its activities by the provisions of the Energy Saving and Energy Efficiency Strategy, an internal corporate document aimed at limiting growth and reducing specific electricity consumption.

7% — the target share of renewable energy in the timber asset's energy balance by 2030
10% — the target reduction in average energy consumption per unit of output by 2030

Energy consumption and enhancement of energy efficiency

GRI 302-4
GRI 302-5

In 2024, the total consumption of fuel and energy resources stood at approximately 59.8m GJ.⁴⁰ Energy intensity across Sistema Group stood at 46.97 GJ/RUB m, which is 1.03% lower than in 2023. Higher energy consumption in 2024 is due to a greater number of portfolio companies included in the calculation perimeter.

The Group's companies are using various types of fuel and energy. Electricity accounts for approximately 41.62% of total energy consumption, boiler/furnace and motor fuel for 55.42%, and thermal energy in the form of hot water and steam for 2.96%. The timber asset is the largest consumer of fuel due to the nature of its operations, the growing scale of production and the availability of its own boiler plants, including those powered by sawmill waste.

For more details about energy consumption by the Group's assets, see Annex 5.1, section "Quantitative indicators of sustainability".

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B.5.1

Energy saving and development of alternative energy

In the reporting period, the **timber asset** launched a project to equip production sites in the Vologda region with Russian-made solar panels. 200-watt solar modules were installed at the checkpoints located at the enterprise's rental base collection points. These provide 24/7 power to the facilities, including internal and external lighting, modems and printers. The use of solar energy replaced previously used gasoline generators, which allowed for a reduction in fuel consumption, CO₂ emissions and noise pollution.

In 2025, an expansion of the project is planned: 50 remote power supply points will be equipped with solar batteries, including checkpoints, logging complexes and road-building machinery.

In 2024, the power grid asset continued its programme of installing smart electricity meters to reduce energy losses and improve consumption accounting efficiency. As part of this programme, the asset deployed over 40,000 new devices in the Republic of Bashkortostan in the reporting year.

Expansion of the network of electric charging stations

In 2024, the **high-tech asset** continued to develop charging infrastructure in Russia. Over the course of 2024, 690 electric charging stations (ECS) were installed. The number of users of the electric charging infrastructure operator's mobile app (which can be used to find the nearest ECS and plot a route to it) grew 1.5 times over the year, reaching over 38,000 users. By the end of 2024, the electric charging station network was operational in 48 regions of Russia and comprised over 750 ECS.

In Moscow, the **residential property development asset** is incorporating the possibility of ECS installation at the design stage of residential complexes. In a residential complex in Moscow's Alekseyevsky district, the high-tech asset installed its first fast ECS capable of charging two electric vehicles simultaneously. A total of seven charging stations are planned for installation across the complex's residential and commercial buildings.

The electric charging infrastructure operator of Sistema comprised **over 750 charging stations** by the end of 2024.

Electric charging stations for public transport

In 2024, the **high-tech asset** installed charging and ultra-fast charging (UFCS) stations for electric buses in Moscow, St. Petersburg, Obninsk, Rostov-on-Don, Taganrog and Volgograd. The company produces "city-type" and "park-type" stations. The former are designed to connect one electric bus, the latter to connect six electric buses simultaneously. All UFCS are equipped with proprietary software featuring a dynamic power balancing system. This system efficiently distributes available power across charging stations and charging points depending on the selected mode. For example, in daytime mode, an electric bus charges up to 80% in 30 minutes.

147 ultra-fast charging stations for electric buses installed by the high-tech asset in 11 regions of Russia.

Development of eco-friendly water transport

In 2024, the shipbuilding enterprise of Sistema PJSFC, together with the Government of St. Petersburg, developed a project for a modernised electric version of the diesel vessel "Moika". The model is 90% composed of domestically produced components and is intended for use on tourist intra-city routes. Passenger transportation will begin in 2025, with the production of two more vessels of this model also planned for the next navigation season.

With the launch of the river electric transport, around 1.5 m people living in 18 districts of Moscow gained alternative travel options.

Annex

5.1 Quantitative indicators of sustainability

Environment

Environmental expenses and fines

Sistema's environmental protection expenditures, RUB thsd

2024 ⁴¹	2023 ⁴²	2022 ⁴³
1,628,839 ⁴⁴	1,127,828	887,130

Sistema Group's spending on environmental protection by segment, %

	2024	2023	2022 ⁴⁵
Air protection and climate change prevention	9.22	11.72	14.27
Wastewater collection and treatment	33.81	48.39	51.56
Waste treatment	37.21	29.58	23.65
Conservation of biodiversity and protection of natural habitats	2.08	4.48	5.33
Other segments	17.67	5.83	5.09

Fines for non-compliance with environmental laws and regulations in 2024 by asset, RUB thsd

	Amount, RUB thsd	%
Residential property development	25	12.2
Agriculture	50	24.4
Timber industry	130	63.4
TOTAL	205	100

Total environmental expenditure in 2024 by asset, %

Private healthcare	1.97
Timber industry	42.25
Residential property development	11.19
Pharmaceuticals	7.32
E-commerce	10.38
Power grid services	3.11

⁴¹ The data for 2024 is provided for Sistema and its assets operating in the sectors of telecommunications, e-commerce, timber industry, residential property development, private healthcare, agriculture, pharmaceuticals, commercial property management, power grid services, hospitality, high technology, natural and organic cosmetics and mineral water production.

⁴² The data for 2023 is provided for Sistema and its assets operating in the sectors of telecommunications, e-commerce, timber industry, residential property development, private healthcare, agriculture, pharmaceuticals, commercial property management, power grid services, high technology and natural and organic cosmetics.

⁴³ The data for 2022 is provided for Sistema and its assets operating in the sectors of e-commerce, timber industry, private healthcare, agriculture, pharmaceuticals, commercial property management, power grid services, hospitality and high technology.

⁴⁴ The increase in expenses for the protection of the environment compared to 2023 is due to including a greater number of portfolio companies in the calculation perimeter.

⁴⁵ The data for 2022 is provided for Sistema and its assets operating in the sectors of e-commerce, timber industry, private healthcare, agriculture, pharmaceuticals, commercial property management, power grid services, hospitality and high technology.

Agriculture	2.45
Telecommunications	16.64
Hospitality	2.58
Other	2.13

Water consumption

GRI 303-3

Water withdrawal by the Group by source, thsd cu m

	2024 ⁴⁶	2023 ⁴⁷	2022 ⁴⁸
Water service companies	8,234.10	7,413.90	11,362.50
Natural sources	57,079.10	48,787.00	55,479.60
Other sources	2.67	0	3.22
Total	67,337.25	56,200.90	66,845.32

Water withdrawal in 2024 by company, %

Assets	%
Timber industry	86.79
Agriculture	6.96
Pharmaceuticals	1.76
Hospitality	2.49
Other	1.99

GRI 303-4
UNCTAD
B.1.1

Water discharge by the Group, thsd cu m

	2024 ⁴⁹	2023 ⁵⁰	2022 ⁵¹
Discharged for treatment	9,038.57	9,041.42	9,629.40
Treated	42,087.19	37,138.44	39,628.70
Discharged to water bodies untreated	6,469.66	5,297.09	6,304.00
Other	—	—	—
Total	57,595.42	51,476.95	55,562.10

⁴⁶ The data for 2024 is provided for Sistema and its assets operating in the sectors of telecommunications, e-commerce, timber industry, residential property development, private healthcare, agriculture, pharmaceuticals, commercial property management, power grid services, hospitality, high technology, natural and organic cosmetics and mineral water production.

⁴⁷ The data for 2023 is provided for Sistema and its assets operating in the sectors of telecommunications, timber industry, residential property development, private healthcare, agriculture, pharmaceuticals, commercial property management, power grid services, hospitality and high technology.

⁴⁸ The data for 2022 is provided for Sistema and its assets operating in the sectors of telecommunications, timber industry, residential property development, private healthcare, agriculture, commercial property management, power grid services, hospitality and high technology.

⁴⁹ The data for 2024 is provided for Sistema and its assets operating in the sectors of telecommunications, e-commerce, timber industry, residential property development, private healthcare, agriculture, pharmaceuticals, commercial property management, power grid services, hospitality, high technology, natural and organic cosmetics and mineral water production.

⁵⁰ The data for 2023 is provided for Sistema and its assets operating in the sectors of telecommunications, timber industry, residential property development, private healthcare, agriculture, pharmaceuticals, commercial property management, power grid services, hospitality and high technology.

⁵¹ The data for 2022 is provided for Sistema and its assets operating in the sectors of telecommunications, timber industry, residential property development, private healthcare, agriculture, commercial property management, power grid services, hospitality and high technology.

Water discharge in 2024 by company, %

Timber industry	90.25
Residential property development	1.05
Agriculture	1.84
Pharmaceuticals	1.98
Hospitality	2.83
Other	2.05

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B.1.2

Specific water consumption of the Group in 2024, thsd cu m /RUB m

2024	2023	2022
0.0063	0.0045	0.0108

Waste treatment

GRI 306-3
UNCTAD
B.2.3

Total waste of Sistema Group by Russian waste hazard class, t

Types of emissions	2024 ⁵²	2023 ⁵³	2022 ⁵⁴
Hazardous, including:	2,325.79⁵⁵	549.29	627.80
Class 1	258.12	4.76	3.30
Class 2	68.52	48.25	51.50
Class 3	1,999.15	496.28	573.00
Non-hazardous, including:	1,630,440.84	2,109,251.93	2,505,396.60
Class 4	171,493.40	359,594.92	333,331.80
Class 5	1,458,947.44	1,749,657.01	2,172,064.80
Total	1,632,766.63⁵⁶	2,109,801.22	2,506,024.40

Waste generated in 2024 by company, %

Timber industry	38.59
Residential property development	30.27
E-commerce	8.57
Agriculture	20.73
Other	1.84

GRI 306-4

⁵² The data is provided for Sistema and its assets operating in the sectors of telecommunications (including a fintech arm), e-commerce, timber industry, residential property development, private healthcare, agriculture, pharmaceuticals, commercial property management, power grid services, high technology, natural and organic cosmetics and mineral water production.

⁵³ The data is provided for Sistema and its assets operating in the sectors of telecommunications, e-commerce, timber industry, residential property development, private healthcare, agriculture, commercial property management, power grid services, high technology, natural and organic cosmetics and others.

⁵⁴ The data is provided for assets operating in the sectors of residential property development, agriculture, commercial property management, power grid services, hospitality and high technology.

⁵⁵ The increase in hazardous waste volume compared to 2023 is attributed to the expansion of the reporting scope for the telecommunications asset.

⁵⁶ The decrease in total waste volume compared to 2023 is due to a reduction in this metric from the timber asset and the residential property development asset.

Total waste by disposal method in 2024, %⁵⁷

Waste disposal methods	Total weight of waste of Sistema Group	Total weight of hazardous waste of Sistema Group	Total weight of non-hazardous waste of Sistema Group
1. Treatment (excluding MSW)	1.37	16.93	1.31
2. Utilisation (including reuse, recycling, regeneration, recovery, composting) (excluding MSW)	61.62	18.53	61.80
3. Landfilling (excluding MSW)	6.28	5.51	6.28
4. Neutralisation / Decontamination (excluding MSW)	7.21	59.04	6.99
5. Storage (excluding MSW)	22.23	0	22.32
Transfer of MSW to a regional operator	1.29	–	1.30

Greenhouse gas emissions and pollutants

Direct greenhouse gas emissions (Scope 1), t of CO₂eq

2024 ⁵⁸	2023 ⁵⁹	2022 ⁶⁰
828,358	783,957	848,133

Sistema Group's direct GHG emissions in 2024 by company, %

Timber industry	91.43
Telecommunications	4.30
Pharmaceuticals	0.82
Power grid services	1.55
Agriculture	1.53
Other	1.01

GHG emissions intensity, t of CO₂eq/RUB m of consolidated revenue

2024 ⁶¹	2023	2022
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⁵⁷ The classification of waste management methods was updated in 2024. The data is provided for Sistema and its assets operating in the sectors of telecommunications (including a fintech arm), e-commerce, timber industry, residential property development, private healthcare, agriculture, pharmaceuticals, commercial property management, power grid services, high technology, natural and organic cosmetics and mineral water production.

⁵⁸ The data for 2024 is provided for assets operating in the sectors of telecommunications (including a fintech arm), residential property development, agriculture, pharmaceuticals, power grid services, hospitality, high technology and mineral water production.

⁵⁹ The data for 2023 is provided for assets operating in the sectors of telecommunications, timber industry, agriculture, pharmaceuticals, power grid services, hospitality and high technology.

⁶⁰ The data for 2022 was adjusted for revised information. The data for 2022 is provided for assets operating in the sectors of telecommunications, timber industry, agriculture, pharmaceuticals, power grid services, hospitality and high technology.

⁶¹ The data is provided for Sistema and assets operating in the sectors of telecommunications (including a fintech arm), residential property development, agriculture, pharmaceuticals, power grid services, hospitality, high technology and mineral water production.

0.67	0.75	1.04
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Ratio of GHG emissions to the consumption of fuel and energy resources, t/thsd GJ

2024 ⁶²	2023 ⁶³	2022
14.32	15.79	12.73

**GRI 305-2
UNCTAD
B.3.2**

Indirect greenhouse gas emissions (Scope 2), t of CO₂eq

2024 ⁶⁴	2023 ⁶⁵	2022 ⁶⁶
2,576,829	2,061,701	2,682,513

Sistema Group's indirect energy-related GHG emissions in 2024 by company, %

Timber industry	11.29
Telecommunications	30.78
Pharmaceuticals	2.90
E-commerce	2.10
Agriculture	34.49
Hospitality	1.35
Natural and organic cosmetics	13.89
Other	3.19

GRI 305-7

Emissions of NO_x, SO_x and other significant pollutants into the atmosphere by the Group companies, t

⁶² The data is provided for Sistema and assets operating in the sectors of telecommunications (including a fintech arm), residential property development, agriculture, pharmaceuticals, power grid services, hospitality, high technology and mineral water production.

⁶³ Data for 2023 was recalculated following a change in the calculation methodology.

⁶⁴ The increase in indirect energy emissions in 2024 is attributed to the inclusion of a greater number of portfolio companies in the calculation scope, as well as a change in the calculation methodology. The data for 2024 is provided for Sistema and its assets operating in the sectors of telecommunications, e-commerce, timber industry, residential property development, private healthcare, agriculture, pharmaceuticals, commercial property management, power grid services, hospitality, high technology, natural and organic cosmetics and mineral water production.

⁶⁵ Data for 2023 was recalculated following a change in the calculation methodology. The data for 2023 is provided for Sistema and its assets operating in the sectors of telecommunications, timber industry, residential property development, private healthcare, agriculture, pharmaceuticals, power grid services, high technology, natural and organic cosmetics and others.

⁶⁶ The data for 2022 is provided for assets operating in the sectors of telecommunications, e-commerce, timber industry, residential property development, private healthcare, agriculture, pharmaceuticals, commercial property management, power grid services, hospitality, high technology and others.

2024 ⁶⁷	2023 ⁶⁸	2022 ⁶⁹
33,951.27	26,644.18	25,584.19

Emissions of NO_x, SO_x and other significant pollutants into the atmosphere by the Group companies

	2024		2023 ⁷⁰		2022 ⁷¹	
	Volume of emissions, t	Share of emissions, %	Volume of emissions, t	Share of emissions, %	Volume of emissions, t	Share of emissions, %
Solid	8,588.69	25.30	5,372.37	20.16	5,547.00	21.68
Gaseous and liquid, thereof:	25,362.58	74.70	21,271.80	79.84	20,037.19	78.32
Nitrogen oxides (NO _x)	5,425.65	15.98	5,106.72	19.17	3,838.89	15.00
Sulfur oxides (SO _x)	2,260.84	6.66	2,537.54	9.52	2,209.12	8.63
Carbon monoxide	16,846.44	49.62	12,808.68	48.07	13,271.60	51.87
Hydrocarbons (excluding VOCs)	213.59	0.63	210.75	0.79	188.42	0.74
Volatile organic compounds (VOCs)	546.71	1.61	509.82	1.91	428.04	1.67
Other gaseous and liquid	145.97	0.43	160.24	0.60	162.83	0.64
Total	33,951.27		26,644.18		25,584.19	

Power consumption

GRI 302-1

Consumption of fuel and energy resources at Sistema Group by type,⁷² GJ

⁶⁷ The increase in emission volume compared to 2023 is attributed to a rise in emissions from the timber asset. The data for 2024 is provided for assets operating in the sectors of e-commerce, timber industry, residential property development, agriculture, pharmaceuticals, power grid services, hospitality, high technology and natural and organic cosmetics production.

⁶⁸ The data for 2023 is provided for assets operating in the sectors of e-commerce, timber industry, residential property development, agriculture, pharmaceuticals, power grid services, hospitality and natural and organic cosmetics.

⁶⁹ The data for 2022 is provided for assets operating in the sectors of e-commerce, timber industry, residential property development, agriculture, pharmaceuticals, power grid services, hospitality and natural and organic cosmetics.

⁷⁰ Data for 2023 was recalculated following a change in the calculation methodology.

⁷¹ Data for 2022 was recalculated following a change in the calculation methodology.

⁷² The data for 2024 is provided for Sistema and its assets operating in the sectors of telecommunications (including a fintech arm), e-commerce, timber industry, residential property development, private healthcare, agriculture, pharmaceuticals, commercial commercial property management, power grid services, hospitality, high technology, natural and organic cosmetics, mineral water production. The data for 2023 is provided for Sistema and its assets operating in the sectors of telecommunications, timber industry, residential property development, private healthcare, agriculture, pharmaceuticals, commercial commercial property management, power grid services, high technology, natural and organic cosmetics and others.

The data for 2022 is provided for Sistema and its assets operating in the sectors of telecommunications, e-commerce, residential property development, timber industry, private healthcare, agriculture, pharmaceuticals, commercial commercial property management, power grid services, hospitality, high technology and others.

	2024 ⁷³	2023 ⁷⁴	2022
Purchased electric energy	24,886,138	19,614,138	15,797,772
Purchased thermal energy	1,770,716	2,478,942	12,776,903
Fuel	33,133,923	27,543,204	45,925,352
Sold electric energy	40,536	–	–
Sold thermal energy	1,886,866	–	–
Total	57,863,375	49,636,284	74,500,027

Fuel consumption by Group companies by type of fuel, %

Renewable energy sources (biofuel)	15.82
Other renewable energy sources ⁷⁵	19.32
Diesel and fuel oil	30.37
Natural gas	26.05
Petroleum	1.87
Boiler and furnace fuel	6.58

GRI 302-3
UNCTAD B.5.2

Energy intensity of Sistema Group's consolidated revenue, GJ/RUB m

2024	2023	2022
46.97	47.46 ⁷⁶	81.63

Paper consumption

Paper consumption, thsd t

	2024 ⁷⁷	2023 ⁷⁸	2022
Paper consumption	1153.31	1275.68	870.5

Social area

Personnel structure

GRI 2-7

Average headcount at Sistema Group, FTEs

2024 ⁷⁹	2023 ⁸⁰	2022
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⁷³ In 2024, the calculation methodology was clarified. Total fuel and energy consumption is defined as the sum of energy generated through fuel combustion and purchased electricity and heat, minus the volumes of electricity and heat sold to third-party consumers.

⁷⁴ Data for 2023 was recalculated following a change in the calculation methodology.

⁷⁵ Other renewable energy sources include self-generated geothermal, solar, wind, and hydro energy, as well as organic black liquor and tall oil pitch.

⁷⁶ Data for 2023 was recalculated following a change in the calculation methodology.

⁷⁷ The data for 2024 is provided for Sistema and its assets operating in the sectors of telecommunications (including a fintech arm), private healthcare, agriculture, pharmaceuticals, power grid services and high technology.

⁷⁸ The data for 2024 is provided for Sistema and its assets operating in the sectors of telecommunications, timber industry, residential property development, agriculture, pharmaceuticals, power grid services and high technology.

⁷⁹ The data for 2024 is provided for Sistema and its assets operating in the sectors of telecommunications, e-commerce, timber industry, residential property development, private healthcare,

242,066	182,590	173,551
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Breakdown of Sistema's workforce by industry, %

Asset	2024	Change vs 2023
Telecommunications	25.7	↓
E-commerce	35.5	↑
Timber industry	8.0	↑
Private healthcare	6.4	↓
Power grid services	3.2	↓
Agriculture	2.6	↓
Residential property development	2.7	↓
Other	15.8	↑

Personnel structure at Sistema Group by category, %

	2024 ⁸¹	2023 ⁸²	2022
Senior management	0.4	0.5	0.5
Middle management	4.4	4.2	3.8
Junior management	9.5	9.0	9.0
Non-management	85.8	86.3	86.8

Personnel structure by type of employment, %

	2024 ⁸³	2023 ⁸⁴	2022
Full-time	94.95	95.9	96.9
Part-time	5.05	4.1	3.1

Group's personnel structure by age, %

agriculture, pharmaceuticals, commercial property management, power grid services, hospitality, high technology, mineral water production, natural and organic cosmetics and others.

⁸⁰ The data for 2023 is provided for Sistema and its assets operating in the sectors of telecommunications, e-commerce, timber industry, residential property development, private healthcare, agriculture, pharmaceuticals, commercial property management, power grid services, hospitality, high technology, mineral water production, natural and organic cosmetics and others.

⁸¹ The data for 2024 is provided for Sistema and its assets operating in the sectors of telecommunications (including a fintech arm), timber industry, residential property development, private healthcare, agriculture, commercial property management, power grid services, hospitality, high technology, mineral water production, natural and organic cosmetics and others.

⁸² The data is provided for Sistema and its assets operating in the sectors of telecommunications, timber industry, residential property development, private healthcare, agriculture, pharmaceuticals, commercial property management, power grid services, hospitality, high technology, mineral water production, natural and organic cosmetics and others.

⁸³ The data for 2024 is provided for assets operating in the sectors of telecommunications (including a fintech arm), e-commerce, timber industry, residential property development, private healthcare, agriculture, commercial property management, hospitality, high technology, mineral water production, natural and organic cosmetics and others.

⁸⁴ The data for 2023 is provided for Sistema and its assets operating in the sectors of telecommunications, e-commerce, timber industry, residential property development, private healthcare, agriculture, pharmaceuticals, commercial property management, power grid services, hospitality, high technology, mineral water production, natural and organic cosmetics and others.

	2024 ⁸⁵	2023 ⁸⁶	2022
Under 30	33.1	30.4	30.3
30–50	53.0	54.6	55.1
Above 50	13.8	14.9	14.6

GRI 405-1
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D.1.2
SASB FN-
AC-
330A.1

Structure of senior governance bodies by gender

	Board of Directors	
	Persons	%
Men	10	90
Women	1	10

Personnel structure by gender, %

	2024 ⁸⁷	2023	2022
Men	52.4	54.4	55.0
Women	47.6	45.6	45.0

Personnel structure by employment contract & gender, %

	2024 ⁸⁸	2023	2022
Men, fixed-term employment contract	1.1	3.8	4.9
Women, fixed-term employment contract	1.2	1.2	1.1
Men, permanent employment contract	53.7	53.4	50.2
Women, permanent employment contract	43.9	44.3	41.1

Total number of employees with disabilities at Sistema Group, persons

2024 ⁸⁹	2023 ⁹⁰	2022
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⁸⁵ The data for 2024 is provided for Sistema and its assets operating in the sectors of telecommunications (including a fintech arm), e-commerce, timber industry, residential property development, private healthcare, agriculture, commercial property management, power grid services, hospitality, high technology, mineral water production, natural and organic cosmetics and others.

⁸⁶ The data for 2023 is provided for Sistema and its assets operating in the sectors of telecommunications, e-commerce, timber industry, residential property development, private healthcare, agriculture, pharmaceuticals, commercial property management, power grid services, hospitality, high technology, mineral water production, natural and organic cosmetics and others.

⁸⁷ The data for 2024 is provided for Sistema and its assets operating in the sectors of telecommunications (including a fintech arm), e-commerce, timber industry, residential property development, private healthcare, agriculture, commercial property management, power grid services, hospitality, high technology, mineral water production, natural and organic cosmetics and others.

⁸⁸ The data for 2024 is provided for assets operating in the sectors of telecommunications (including a fintech arm), e-commerce, timber industry, residential property development, private healthcare, agriculture, commercial property management, hospitality, high technology, mineral water production, natural and organic cosmetics and others.

⁸⁹ The data for 2024 is provided for assets operating in the sectors of telecommunications (including a fintech arm), timber industry, residential property development, private healthcare, agriculture, commercial property management, power grid services, hospitality, high technology, mineral water production, natural and organic cosmetics and others.

⁹⁰ The data for 2023 is provided for assets operating in the sectors of telecommunications, timber industry, residential property development, private healthcare, agriculture, pharmaceuticals, commercial

1,087	1,181	895
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Disabled employees by industry*, %

Assets	2024
Telecommunications	25.1
Timber industry	23.6
Private healthcare	12.4
Residential property development	11.6
Agriculture	9.7
Power grid services	9.0
Hospitality	2.2
Mineral water production	1.7
Natural and organic cosmetics	1.2
Pharmaceuticals	0.7
High technology	0.7
Commercial property management	0.4
Other	1.7

Structure of Sistema Group personnel by geography in 2024, %

	2024 ⁹¹
Other regions of Russia	26.0
Moscow	73.3
Foreign countries	0.7

New employees and employee turnover

Total number of hired employees by age, persons

GRI 401-1

	2024 ⁹²	2023 ⁹³	2022
Under 30	15,753	27,469	26,583
30–50	34,808	22,356	22,126
Above 50	3,213	5,482	4,578
Total	53,774	55,307	53,287

Total number of employees hired by Sistema broken down by sex, persons

property management, power grid services, hospitality, high technology, mineral water production, natural and organic cosmetics and others.

⁹¹ The data for 2024 is provided for assets operating in the sectors of telecommunications (including a fintech arm), timber industry, residential property development, private healthcare, agriculture, commercial property management, power grid services, hospitality, high technology, mineral water production, natural and organic cosmetics and others.

⁹² The data for 2024 is provided for assets operating in the sectors of telecommunications (including a fintech arm), timber industry, residential property development, agriculture, commercial property management, power grid services, hospitality, high technology, mineral water production, natural and organic cosmetics and others.

⁹³ The data for 2023 is provided for Sistema and its assets operating in the sectors of telecommunications, timber industry, residential property development, private healthcare, agriculture, pharmaceuticals, commercial property management, power grid services, hospitality, high technology, mineral water production, natural and organic cosmetics and others.

	2024	2023	2022
Men	34	42	29
Women	35	34	21
Total	69	76	50

Total number of employees hired by Sistema Group companies in 2024, %

	2024 ⁹⁴
Men	53.2
Women	46.8

Average personnel turnover rate at portfolio companies, %

2024 ⁹⁵	2023 ⁹⁶	2022 ⁹⁷
44.7	60.1	42.2

Personnel turnover at Sistema, %

2024	2023	2022
29.8	20.7	28.9

Voluntary personnel turnover at Sistema by age in 2024, %

	2024	2023	2022
Under 30	3.8	4.1	1.5
30–50	5.3	8.7	3.1
More than 50	1.8	1.2	0.0

Payroll and social support

Average ratio of entry-level wage to statutory living wage

⁹⁴ The data for 2024 is provided for assets operating in the sectors of telecommunications (including a fintech arm), timber industry, residential property development, agriculture, commercial property management, power grid services, hospitality, high technology, mineral water production, natural and organic cosmetics and others.

⁹⁵ The data for 2024 is provided for assets operating in the sectors of telecommunications (including a fintech arm), timber industry, residential property development, private healthcare, agriculture, commercial property management, power grid services, hospitality, high technology, mineral water production, natural and organic cosmetics and others.

⁹⁶ The data for 2023 is provided for assets operating in the sectors of telecommunications, timber industry, residential property development, private healthcare, agriculture, pharmaceuticals, commercial property management, power grid services, hospitality, high technology, mineral water production, natural and organic cosmetics and others.

⁹⁷ Data for 2022 was recalculated following a change in the calculation methodology. The data for 2022 is provided for assets operating in the sectors of telecommunications, timber industry, residential property development, private healthcare, agriculture, pharmaceuticals, commercial property management, power grid services, hospitality, high technology and others.

2024 ⁹⁸	2023 ⁹⁹	2022
2.3	1.9	1.8

Sistema Group's payroll and remuneration expenses, RUB bn

2024 ¹⁰⁰	2023 ¹⁰¹	2022
201.8	194.9	164.5

Average salary of an entry-level wage in 2024, RUB

GRI 202-1

Assets	Moscow	Other regions of operations
Medium wage of entry-level employee	49,596	25,560
Statutory living wage in 2024	19,242	

Group's spending on voluntary medical insurance and employee benefits, RUB m

GRI 401-2

	2024 ¹⁰²	2023	2022
Spending on social programmes	1,040.5	1,519.3	1,196.1
Spending on voluntary health insurance	1,967.2	949.0	762.8
Total	3,007.7	2,468.3	1,958.9

Parental leaves at Sistema PJSFC, persons

GRI 401-3

	2024	2023	2022
Number of employees entitled to parental leave	2	2	3
Number of employees on parental leave	3	2	3
Number of employees back from parental leave	2	2	0
Share of employees that resumed work, %	0	100	0

GRI 2-30

⁹⁸ The data for 2024 is provided for assets operating in the sectors of telecommunications, timber industry, residential property development, private healthcare, agriculture, commercial property management, power grid services, hospitality, high technology, mineral water production, natural and organic cosmetics and others.

⁹⁹ The data for 2023 is provided for assets operating in the sectors of telecommunications, timber industry, private healthcare, agriculture, pharmaceuticals, commercial property management, power grid services, mineral water production, natural and organic cosmetics and others.

¹⁰⁰ The data for 2024 is provided for assets operating in the sectors of telecommunications (including a fintech arm), timber industry, residential property development, private healthcare, agriculture, commercial property management, power grid services, hospitality, high technology, mineral water production, natural and organic cosmetics and others.

¹⁰¹ The data for 2023 is provided for assets operating in the sectors of telecommunications, e-commerce, timber industry, residential property development, private healthcare, agriculture, pharmaceuticals, commercial property management, power grid services, hospitality, high technology, mineral water production, natural and organic cosmetics and others.

¹⁰² The data for 2024 is provided for assets operating in the sectors of telecommunications, timber industry, private healthcare, agriculture, commercial property management, power grid services, hospitality, high technology, mineral water production, natural and organic cosmetics and others.

Number of Sistema Group employees covered by collective bargaining agreements in 2024, persons

Assets	2024
Power grid services	7,789
Telecommunications	6,936
Timber industry	6,347
Agriculture	2,696
Hospitality	506

Share of Sistema Group employees covered by collective bargaining agreements, %

2024 ¹⁰³	2023 ¹⁰⁴	2022
24.25	29.84	24.7

SCF Corporate Volunteer Centre Performance

	2024	2023	2022
Number of Group companies involved (at least once)	30	24	27
Total number of events held	298	161	47
Number of (at least one-time) individual participants	18,000	15,200	80
Average number of the Group companies taking part in activities	11	11	8

Training and succession pool

Training expenditure across the Group, RUB m

2024 ¹⁰⁵	2023 ¹⁰⁶	2022
199.9	176.5	140.5

Academic time financed by Sistema Group, m hours

2024 ¹⁰⁷	2023 ¹⁰⁸	2022
3.0	5.0	2.9

¹⁰³ The data for 2024 is provided for assets operating in the sectors of telecommunications, timber industry, agriculture, power grid services, hospitality.

¹⁰⁴ The data for 2023 is provided for assets operating in the sectors of telecommunications, timber industry, agriculture, pharmaceuticals, power grid services, hospitality and others.

¹⁰⁵ The data for 2024 is provided for assets operating in the sectors of telecommunications (including a fintech arm), timber industry, residential property development, agriculture, commercial property management, power grid services, high technology, mineral water production, natural and organic cosmetics and others.

¹⁰⁶ The data for 2023 is provided for assets operating in the sectors of telecommunications, timber industry, residential property development, private healthcare, agriculture, pharmaceuticals, commercial property management, power grid services, hospitality, high technology, mineral water production, natural and organic cosmetics and others.

¹⁰⁷ The data for 2024 is provided for assets operating in the sectors of telecommunications (including a fintech arm), timber industry, residential property development, private healthcare, agriculture, commercial property management, power grid services, hospitality, high technology, mineral water production, natural and organic cosmetics and others.

¹⁰⁸ The data for 2023 is provided for assets operating in the sectors of telecommunications, timber industry, residential , private healthcare, agriculture, pharmaceuticals, commercial property management, power grid services, hospitality, high technology, mineral water production, natural and organic cosmetics and others.

Sistema Group's spending on training in 2024 by staff category, %¹⁰⁹

	2024
Entry-level professionals	50.53
Senior management	21.84
Middle management	19.10
Junior management	7.09
Blue-collar workers	1.43

Number of Sistema Group's employees included in the succession pool at the start of 2024, persons¹¹⁰

Entry-level professionals	318
Senior management	29
Middle management	221
Junior management	258
Blue-collar workers	134
Total	963

Sistema Group's succession pool in 2024, persons

Number of Sistema Group's employees included in the succession pool at BoP	963
Number of the succession pool participants promoted in the reporting period	88
Percentage of the succession pool participants that received a promotion (%)	9

Sistema Group's employees who received performance reviews by category, %¹¹¹

	Persons	%
Senior management	108	4.1
Middle management	246	9.4
Junior management	860	32.9
Entry-level professionals	1,258	48.1
Blue-collar workers	145	5.5

Occupational health and safety

Workplace injuries across the Group

	2024 ¹¹²	2023 ¹¹³	2022 ¹¹⁴
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¹⁰⁹ The data for 2024 is provided for assets operating in the sectors of telecommunications (including a fintech arm), timber industry, residential property development, agriculture, commercial property management, power grid services, high technology, mineral water production, natural and organic cosmetics and others.

¹¹⁰ The data for 2024 is provided for assets operating in the sectors of timber industry, residential property development, agriculture, power grid services, hospitality, mineral water production and others.

¹¹¹ The data for 2024 is provided for assets operating in the sectors of residential property development, commercial property management, agriculture, hospitality, mineral water production and others.

¹¹² The data for 2024 is provided for the fintech arm of the telecommunications asset, and the Group's assets operating in the sectors of, timber industry, residential property development, private healthcare, agriculture, commercial property management, power grid services, hospitality, high technology, mineral water production, natural and organic cosmetics and others.

¹¹³ The data for 2023 is provided for assets operating in the sectors of telecommunications, timber industry, private healthcare, agriculture, pharmaceuticals, power grid services and others.

Number of work-related accidents	70	85	89
Including fatalities	1	1	3

Accidents in 2024 by industry, %

Timber industry	85.71
Agriculture	4.29
Power industry	7.14
Private healthcare	1.43
Mineral water production	1.43

Charity

Contributions to the Group's consolidated charity budget in 2024, %¹¹⁵

Telecommunications	33.89
Residential property development	7.76
Timber industry	10.94
E-commerce	13.02
Sistema PJSFC	12.93
Agriculture	3.15
Other	18.31
Total	100.00

Management approach

Violations and fines

Main types of violations at Sistema Group in 2024¹¹⁶, %

Total, including:	
Consumer rights irregularities, including those related to product information and labelling	23.30
Transport safety violations	21.22
Labour law violations	13.73
Construction law violations	4.30
Occupational safety violations	1.80
Missed deadlines set by regulators	1.66
Environmental laws and regulations	1.11
Fire safety non-compliance	1.11
Unfair competition and violation of anti-trust regulations	0.42
Violations of disease control and prevention laws (not related to the requirements for manufactured products)	0.14
Industrial safety violations	0.14
Irregularities in requirements pertaining to health and safety effects of products	0.14
Other	30.56

Fines for non-compliance with regulations in 2024, by asset,¹¹⁷ %

¹¹⁴ The data for 2022 is provided for assets operating in the sectors of telecommunications, timber industry, private healthcare, agriculture, pharmaceuticals, power grid services and others.

¹¹⁵ Including contributions to SCF

¹¹⁶ The data is provided for assets operating in the sectors of telecommunications, timber industry, residential property development, private healthcare, agriculture, pharmaceuticals, commercial property management, power grid services, high technology and mineral water production.

High technology	90.00
Residential property development	4.49
Mineral water production	2.59
Timber industry	2.28
Agriculture	0.52
Pharmaceuticals	0.07
Commercial property management	0.04
Private healthcare	0.02

GRI 2-27
SASB FN-
AC-510a.1
UNCTAD
D.2.1

Fines and non-financial penalties imposed on Sistema Group companies in 2024¹¹⁸

	Number of fines	Amount of fines, RUB thsd	Number of non-financial sanctions imposed	Financial fines as share of revenue, %
Total, including:	721	900,372	130	0.073
Environmental laws and regulations	8	205	38	<1
Unfair competition and violation of anti-trust regulations	3	50	1	<1
Labour law violations	99	21,144	4	0.002
Occupational safety violations	13	7,836	5	<0.001
Consumer rights irregularities, including those related to product information and labelling	168	16,055	0	0.001
Irregularities in requirements pertaining to health and safety effects of products	1	5	2	<1
Missed deadlines set by regulators	12	3,178	0	<1
Fire safety non-compliance	8	245	4	<1
Violations of disease control and prevention laws (not related to the requirements for manufactured products)	1	10	1	<1
Construction law violations	31	6,019	9	<1
Industrial safety violations	1	100	1	<1
Transport safety violations	153	1,402	8	<1
Other	221	843,873	50	0.069

Procurement

GRI 204-1
UNCTAD

¹¹⁷ The data is provided for assets operating in the sectors of timber industry, residential property development, private healthcare, agriculture, pharmaceuticals, commercial property management, power grid services, high technology and mineral water production.

¹¹⁸ The data is provided for assets operating in the sectors of telecommunications, timber industry, residential property development, private healthcare, agriculture, pharmaceuticals, commercial property management, power grid services, high technology and mineral water production.

A.4.1**Procurement from local suppliers and SME in 2024, %**

Average share of procurement from SMEs ¹¹⁹	20
Average share of procurement from local suppliers ¹²⁰	21

Share of individual companies in Sistema Group's aggregate procurement volumes in 2024,¹²¹ %

Sistema	0.41
Telecommunications	51.21
Residential property development	15.16
Agriculture	5.25
Commercial property management	0.17
Power grid services	3.04
High technology	5.43
Pharmaceuticals	6.48
Mineral water production	1.46
Timber industry	11.38

Share of suppliers working with each Group company in 2024,¹²²%

Sistema	0.41
Telecommunications	36.46
Residential property development	9.02
Agriculture	29.98
Commercial property management	0.29
Power grid services	3.40
High technology	5.97
Pharmaceuticals	0.79
Mineral water production	2.59
Timber industry	11.08

Breakdown of Sistema Group's procurement in 2024,¹²³ %

Total	100.00
Equipment and materials procurement	33.13

¹¹⁹ The data for 2024 is provided for Sistema and its assets operating in the sectors of telecommunications, residential property development, agriculture, commercial property management, power grid services and high technology.

¹²⁰ The data for 2024 is provided for Sistema and its assets operating in the sectors of timber industry, agriculture, pharmaceuticals, commercial property management, power grid services and high technology.

¹²¹ The data for 2024 is provided for Sistema and its assets operating in the sectors of telecommunications, timber industry, residential property development, agriculture, pharmaceuticals, commercial property management, power grid services, high technology and mineral water production.

¹²³ The data for 2024 is provided for Sistema and its assets operating in the sectors of telecommunications, timber industry, residential property development, agriculture, pharmaceuticals, commercial property management, power grid services, high technology and mineral water production.

Construction and installation	0.65
Consulting services	14.90
Education/certification services	0.04
Other	51.27

Intellectual property and patents

Intellectual property items of Sistema Group companies¹²⁴

	2024	2023	2022
Registered intellectual property items	426	387	306
Applications for intellectual property items	481	241	142

5.2. Approach to information disclosure. Materiality assessment process

GRI 2-3
GRI 3-2

Committed to the practice of annual disclosures of non-financial corporate information, Sistema hereby presents its twelfth Sustainability Report. Since 2014, reports have been published annually, and the previous report, for 2023, was published in Q4 2024.

The purpose of this Report is to inform a broad range of interested parties about the principles, goals, results and plans of Sistema in the area of sustainability and corporate responsibility.

The Corporation has prepared this Report in accordance with the updated GRI Standards 2021. The Report has been prepared in compliance with:

- the UN Global Compact;
- the framework of International Integrated Reporting Council (IIRC) used to describe the business model with respect to capital concept;
- UNCTAD's Guidance on core indicators for entity reporting on contribution towards implementation of the Sustainable Development Goals;
- recommendations of the Task Force for Climate-Related Financial Disclosures (TCFD);
- IFRS S2 Climate-related Disclosures;
- indicators of the Sustainability Accounting Standards Board (SASB);
- the Social Charter of the Russian Business;
- the basic efficiency metrics and the indices "Responsibility and Transparency" and "Sustainable Development Vector" developed by the Russian Union of Industrialists and Entrepreneurs (RUIE);
- Russian and global non-financial reporting practices of comparable companies (investment groups and conglomerates), as well as inquiries from the investment community and recommendations of ESG analysts regarding the Corporation's non-financial disclosures;

¹²⁴ Data for 2024 are presented as a cumulative total for assets operating in the sectors of residential property development, agriculture, pharmaceuticals, high technology, mineral water production. The increase in the number of applications filed for intellectual property in 2024 compared to the 2023 figure is due to the growth in the number of applications filed by the pharmaceutical industry. Data for 2023 have been restated due to changes in the consolidation contour. Data for 2023 are presented as a cumulative total for assets operating in the sectors of agriculture, pharmaceuticals, high technology, mineral water production, natural and organic cosmetics.

- ESG rating of sustainable corporate governance (Non-Profit Partnership AKR Da-Strategy, Russian Regional Integrated Reporting Network, University of Perugia (Italy));
- recommendations issued by the Non-Financial Reporting Board of the Russian Union of Industrialists and Entrepreneurs (RUIE) following the public verification of Sistema's 2023 Sustainability Report;
- Methodological Guidelines for the Preparation of Sustainability Reporting by the Ministry of Economic Development of the Russian Federation¹²⁵;
- Requirements and recommendations of the Moscow Exchange for information disclosure by issuers whose shares are listed on the First or Second Level.

The preparation of annual non-financial reports is governed by the order of Sistema's President who appoints the members of the cross-functional working group charged with the preparation of the report and the procedures that apply to such preparation. To streamline the practices, the Corporation is planning to develop and roll out across the Group a corporate standard for disclosure of non-financial information.

The Group's key assets also publish their own non-financial reports.

Materiality assessment process

For the 2024 Sustainability Report, materiality was determined based on a survey of key internal and external stakeholders. The process for identifying material topics for the 2024 Sustainability Report was conducted in two stages:

Stage 1. Identification and assessment of impact significance;

Stage 2. Determination of material topics for the Report.

Experts on impacts, consultants, as well as internal and external stakeholders participated in various stages of the materiality determination process. The materiality assessment process identified 12 material topics and 10 additional topics. Each material and additional topic was mapped to the GRI Standards.

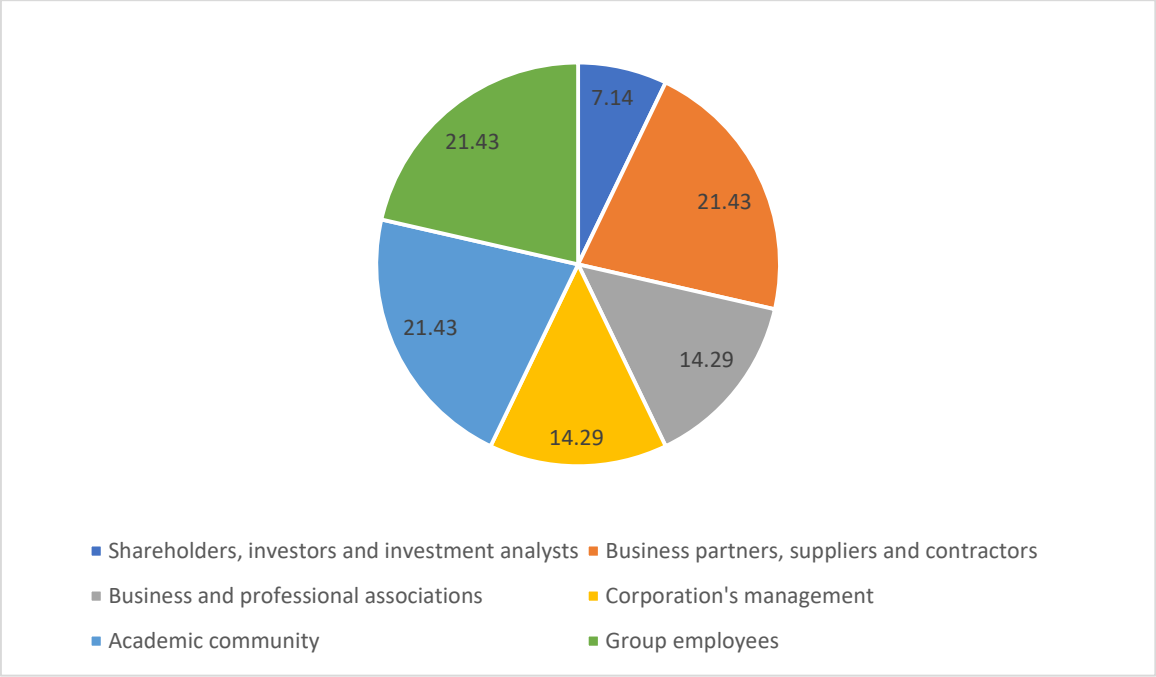
Materiality determination process

	Stage 1. Identification and assessment of impact significance			Stage 2. Determination of material topics for the Report	
Objectives	Preparation of a list of impacts	Preparation of an Impact Index		Prioritisation of impacts for disclosure in the Report	Formulation of material topics for disclosure in the Report
Process	Analysis of best practices in sustainability reporting; Analysis of requirements from corporate transparency and reporting ratings; Analysis of requirements and standards	Categorisation of impacts into 4 groups: • Actual positive impacts • Actual negative impacts • Potential positive	Conducting a stakeholder survey: 1. External stakeholders assessed the scale of each impact, and the severity of negative and positive impacts. 2. The internal team assessed	Calculation of the arithmetic mean for each topic, followed by their arrangement in descending order to establish a clear hierarchy of significance	Determination of the cut-off threshold Mapping of material and additional topics to the GRI Standards

¹²⁵ Approved by Order No. 764 of the Ministry of Economic Development of the Russian Federation dated November 1, 2023.

	from GRI SRS, UNCTAD, SASB, TCFD, and ISSB; Analysis of the Group's operational context	- impacts - Potential negative impacts	the scale of each impact, the irremediability of negative impacts, and the likelihood of potential impacts.		
Participants	Consultants	Consultants	The survey involved 14 respondents, including: 3 representatives from Sistema Group companies, 11 representatives of external stakeholders, including business and professional associations, business partners and the investment and scientific communities	Consultants	Consultants
Result	Full list of 23 impacts	A structured list of 46 impacts	An Impact significance index with scoring	A ranked list of topics where a cut-off line identified key material topics based on the established threshold	A list of 12 material topics and 10 additional topics mapped to the GRI Standards, as well as 1 topic not deemed material for disclosure in the 2024 Report.

Respondents' structure, %



List of material impacts and topics for disclosure in the Report

Impact	Topic	GRI standard
Environmental Aspect (E)		
Material topics for disclosure in the 2024 Report		
Energy saving, increasing the energy efficiency of portfolio assets, implementation of energy-efficient technologies	Energy Conservation and Efficiency	GRI 302: Energy 2016
Existence of a waste management and disposal system; waste reduction; organization of separate waste collection, recycling of secondary raw materials and waste disposal; electronic document management	Waste treatment	GRI 306: Waste 2020
Rational use of water resources and reduction of water consumption; compliance with local legislation on water withdrawal and discharge	Water consumption	GRI 303: Water and effluents 2018
Conservation and restoration of biodiversity in regions of operation; reforestation and soil restoration; conservation of aquatic biodiversity	Preservation of biodiversity	GRI 304: Biodiversity 2016
Additional topics for disclosure in the 2024 Report		
Control and reduction of pollutant emissions into the atmosphere; monitoring of harmful air impurities	Protection of the atmosphere	GRI 305: Waste 2016
Supplier assessment based on environmental criteria; promotion of sustainability practices in the supply chain	Supplier environmental assessment	GRI 308: Supplier environmental assessment 2016
Presence of carbon-intensive products and production in portfolio assets; absence of a climate strategy	Impact on climate change	GRI 305: Waste 2016
Social aspect, including Human Rights (S)		
Material topics for disclosure in the 2024 Report		
Provision of social benefits and guarantees for employees; ensuring workers' rights to freedom of association; interaction with trade unions	Ensuring decent working conditions	GRI 202: Market presence 2016 GRI 401: Employment 2016 GRI 407: Freedom of Association and Collective Bargaining 2016
Active support for medicine, sports, culture, ecology, and education in regions of operation; social investments; implementation of joint projects with non-profit and charitable organisations; development of volunteer initiatives	Charity and volunteering:	GRI 203: Indirect economic impacts 2016
Ensuring safe working conditions; developing a safety culture; promoting a healthy lifestyle among employees; company mechanisms for addressing cases of injury and occupational disease;	Occupational health and safety	GRI 403: Occupational health and safety 2018

occupational health and safety risk assessments		
Opportunities for employee development, staff retraining; existence of a talent pipeline	Training and development of employees	GRI 404: Training and education 2016
Additional topics for disclosure in the 2024 Report		
Upholding the human rights of stakeholders; prohibition of forced and child labour	Human rights	GRI 405: Diversity and equal opportunity 2016 GRI 406: Non-discrimination 2016
Compliance with regulatory requirements concerning product and service information and labelling; safeguarding consumer health when using products	Product and service labelling: consumer health and safety	GRI 416: Customer health and safety 2016
Ensuring equal opportunities in hiring and decent working conditions for all; ensuring equal pay for equal work; inclusion	Diversity and Equal Opportunity	GRI 405: Diversity and equal opportunity 2016
Corporate governance and business development (G)		
Material topics for disclosure in the 2024 Report		
Contribution to the socio-economic development of regions of operation; resilience of business processes; tax payments; job creation	Economic performance and sustainable development of local economies	GRI 201: Economic Performance 2016 GRI 207: Waste 2019 GRI 413: Local communities 2016
Development of scientific and technical potential; automation of operations; use of innovative technological solutions	Development of scientific, technical and innovative potential	
Managing import substitution through the development of proprietary technologies; influencing import substitution practices in the Russian Federation by working with domestic suppliers and contractors	Contribution to Technological Sovereignty. Development of Proprietary Technologies	
Implementation of data protection systems; employee training on handling personal data; ensuring the protection of customer and consumer personal data	Data privacy	GRI 418: Customer privacy 2016
Additional topics for disclosure in the 2024 Report		
Consideration of sustainability criteria in the selection of suppliers and contractors; training suppliers on sustainability issues; adherence to principles of integrity and competitiveness in procurement activities	Responsible procurement practices	GRI 204: Procurement practices 2016, GRI 414: Social aspects in supply chain 2018
Improving mechanisms to combat all forms of misconduct and unethical behaviour; developing feedback mechanisms (hotline); conducting internal and external activity audits; implementing	Business ethics and anti-corruption	GRI 205: Anti-Corruption 2016

anti-corruption programmes		
Consideration of social and environmental criteria of investment activities, assessment of ESG risks, financing of sustainability projects	Responsible financing	GRI 415: Public policy 2016
Description of the contribution to National Projects and UN Sustainable Development Goals (SDGs) that are priorities for the Company; key projects and quantifiable metrics	Implementation of National Projects, Achievement of National Goals and UN SDGs	

GRI 3-1

Report boundaries

This Report covers Sistema PJSFC and its key portfolio companies, broadly in line with the perimeter of the Corporation's consolidated financial statements, with clarifications given in case of any consolidation differences.

GRI 2-4

When data for the Group is disclosed, this Report specifies the perimeter of indicators and information on restatements/recalculation of indicators and changes in the consolidation perimeter.

Number and share of GRI elements disclosed on a consolidated basis for the Group

	2024	2023	2022
General disclosures	30	30	30
Topics (aspects)	22	18	18
GRI standards	68	69	69

GRI 2-2 Boundaries of information collection on GRI topics (portfolio companies)

GRI 3-2

Material and additional topics	Siste ma	Teleco mmunic ations	E- com merc e	Resid ential proper ty develo pment	Timbe r indust ry	Priva te healt hcar e	Agricu lture	Pharm aceuti cals	Comme rcial propert y manage ment	Power grid servic es	Hospit ality	High tech nolog y	Mineral water product ion	Natural and Organic cosmeti cs	Othe r asse ts	F u n d s
Energy saving, increasing the energy efficiency of portfolio assets, implementation of energy-efficient technologies	+	+			+		+			+		+				
Existence of a waste management and disposal system; waste reduction; organization of separate waste collection, recycling of secondary raw materials and waste disposal; electronic document management	+	+	+	+	+	+	+	+		+			+		+	
Rational use of water resources and reduction of water consumption; compliance with local legislation on water withdrawal and discharge	+	+	+	+	+		+	+	+	+		+	+			

Material and additional topics	Siste ma	Teleco mmunic ations	E- com merc e	Resid ential proper ty develo pment	Timbe r indust ry	Priva te healt hcar e	Agricu lture	Pharm aceuti cals	Comme rcial propert y manage ment	Power grid servic es	Hospit ality	High tech nolo gy	Mineral water product ion	Natural and Organic cosmeti cs	Othe r asse ts	F u n d s
Conservation and restoration of biodiversity in regions of operation; reforestation and soil restoration; conservation of aquatic biodiversity		+	+		+					+				+		
Control and reduction of pollutant emissions into the atmosphere; monitoring of harmful air impurities		+	+		+					+						
Supplier assessment based on environmental criteria; promotion of sustainability practices in the supply chain	+	+	+	+	+		+	+		+			+			
Presence of carbon-intensive products and production in portfolio assets; absence of a climate strategy		+		+	+		+									
Provision of social benefits and guarantees for employees; ensuring workers' rights to freedom of association; interaction with trade unions	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+
Active support for medicine, sports, culture, ecology, and education in regions of operation; social investments; implementation of joint projects with non-profit and charitable organisations; development of volunteer initiatives	+	+	+		+	+	+	+		+		+		+		+
Ensuring safe working conditions;	+	+	+	+	+	+	+	+	+	+		+	+	+		

Material and additional topics	Siste ma	Teleco mmunic ations	E- com merc e	Resid ential proper ty develo pment	Timbe r indust ry	Priva te healt hcar e	Agricu lture	Pharm aceuti cals	Comme rcial propert y manage ment	Power grid servic es	Hospit ality	High tech nolog y	Mineral water product ion	Natural and Organic cosmeti cs	Othe r asse ts	F u n d s
developing a safety culture; promoting a healthy lifestyle among employees; company mechanisms for addressing cases of injury and occupational disease; occupational health and safety risk assessments																
Opportunities for employee development, staff retraining; existence of a talent pipeline	+	+	+	+	+	+	+			+						
Upholding the human rights of stakeholders; prohibition of forced and child labour	+	+			+	+	+	+		+	+	+				
Compliance with regulatory requirements concerning product and service information and labelling; safeguarding consumer health when using products		+	+		+	+	+	+				+	+	+		
Ensuring equal opportunities in hiring and decent working conditions for all; ensuring equal pay for equal work; inclusion	+	+	+		+	+	+	+		+	+	+		+		
Contribution to the socio-economic development of regions of operation; resilience of business processes; tax payments; job creation	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	
Development of scientific and technical potential; automation of operations; use of innovative technological solutions	+	+	+	+	+	+	+	+		+		+				
Managing import substitution	+	+	+		+	+	+	+		+		+	+	+	+	

Material and additional topics	Siste ma	Teleco mmunic ations	E- com merc e	Resid ential proper ty develo pment	Timbe r indust ry	Priva te healt hcar e	Agricu lture	Pharm aceuti cals	Comme rcial propert y manage ment	Power grid servic es	Hospit ality	High tech nolog y	Mineral water product ion	Natural and Organic cosmeti cs	Othe r asse ts	F u n d s
through the development of proprietary technologies; influencing import substitution practices in the Russian Federation by working with domestic suppliers and contractors																
Implementation of data protection systems; employee training on handling personal data; ensuring the protection of customer and consumer personal data	+	+	+			+		+				+				
Consideration of sustainability criteria in the selection of suppliers and contractors; training suppliers on sustainability issues; adherence to principles of integrity and competitiveness in procurement activities	+	+		+	+		+	+	+	+		+	+			
Improving mechanisms to combat all forms of misconduct and unethical behaviour; developing feedback mechanisms (hotline); conducting internal and external activity audits; implementing anti-corruption programmes	+	+	+	+	+	+	+	+	+	+	+	+		+		
Consideration of social and environmental criteria of investment activities, assessment of ESG risks, financing of sustainability projects	+															
Description of the contribution to	+	+	+	+	+	+	+	+			+	+				+

Material and additional topics	Siste ma	Teleco mmunic ations	E- com merc e	Resid ential proper ty develo pment	Timbe r indust ry	Priva te healt hcar e	Agricu lture	Pharm aceuti cals	Comme rcial propert y manage ment	Power grid servic es	Hospit ality	High tech nolo gy	Mineral water product ion	Natural and Organic cosmeti cs	Othe r asse ts	F u n d s
National Projects and UN Sustainable Development Goals (SDGs) that are priorities for the Company; key projects and quantifiable metrics																

Sistema's 2024 Sustainability Report has received external assurance from the Non-Financial Reporting Board of the Russian Union of Industrialists and Entrepreneurs. We will consider the recommendations and comments received from the assurance provider during the preparation of our future reports.

Consideration of recommendations received from the Non-Financial Reporting Board of the Russian Union of Industrialists and Entrepreneurs regarding Sistema's 2023 Sustainability Report

Excerpt from the recommendations of the Non-Financial Reporting Board of the RUIE	Consideration and fulfilment of recommendations in the 2024 Report
It is recommended to expand the set of indicators for inclusion in reporting, including indicators from the Russian Ministry of Economic Development's sustainability reporting standard.	Taken into account. Indicators are disclosed throughout the Report.
It is recommended to extend the practice of presenting indicators with trend analysis to all indicators, as well as to accompany significant changes in indicators with explanations of the factors that influenced the dynamics.	Partially taken into account. Trend data for indicators is partially presented throughout the Report; comments on significant changes in indicators are provided.
It is recommended that, given the diversity and number of assets, specific indicators (e.g., water and energy consumption per unit) be used more widely, primarily in the environmental sphere.	Taken into account. Operational environmental efficiency and biodiversity
It is recommended to elaborate on the Corporation's climate strategy, outlining key areas and targets for achieving carbon neutrality for the Group and its key companies.	Taken into account. Climate change
It is recommended to expand the information on the contribution to biodiversity conservation of different assets within the Group, not only the agricultural, grid, and forestry businesses, but also the space business and residential construction, to show how they impact biodiversity and what measures are being taken to preserve it.	Partially taken into account. Operational environmental efficiency and biodiversity
It is recommended that future reports provide more comprehensive coverage of the integration of sustainability management into the corporate governance system, presenting examples of the involvement of the Boards of Directors (Governance in ESG) of the Group's public assets in sustainability management in the form of decisions made and implemented during the reporting year concerning economic, social, and environmental impact.	Partially taken into account. A description of the integration of sustainability management into the corporate governance system is presented in the "Management System" section of the Sistema Annual Report for 2024, p. 62. Examples of the involvement of the Boards of Directors of the Group's public assets in sustainability management, in the form of decisions made and implemented, are planned to be presented in more detail in future reporting cycles.
It is recommended to elaborate on the approaches practiced by Sistema for implementing uniform standards of responsible business conduct across the Group's companies, specifically which procedures and mechanisms are used for this purpose and what exactly has been successfully implemented so far.	Partially taken into account. The approach to implementing uniform standards of responsible business conduct across the Group's companies is presented in the "Management System" section of the Sistema Annual Report for 2024, p. 58. The procedures and mechanisms for implementing uniform standards of responsible business conduct across the Group's

	companies are planned to be presented in more detail in future reporting cycles.
It is recommended to more fully disclose information on engagement with suppliers, including the assessment of their compliance with sustainability criteria, utilizing criteria such as anti-corruption and environmental protection.	Taken into account. Sustainable supply chain. Localisation and import substitution
It is advisable to supplement the information on stakeholder engagement with evidence of responses by Sistema and the Group's companies to specific inquiries and proposals received from stakeholders.	Not taken into account Evidence of responses by Sistema and the Group's companies to specific inquiries and proposals from stakeholders is planned to be presented in more detail in future reporting cycles.

Certificate of external assurance for the 2024 Sustainability Report of Sistema PJSFC



5.3. Standards compliance index

GRI index

Number	Indicator	Section/comment	Page
GRI 2: General Disclosures 2021			
2-1	Organisational details	Annual Report of Sistema PJSFC, section "Sistema Today"	8
2-2	Entities included in the organisation's sustainability reporting	Approach to information disclosure. Materiality assessment process	93
2-3	Reporting period, frequency and contact point	Approach to information disclosure. Materiality assessment process	86
2-4	Restatements of information	Approach to information disclosure. Materiality assessment process	92
2-5	External assurance	Approach to information disclosure. Materiality assessment process	110
2-6	Activities, value chain and other business relationships	Annual Report of Sistema PJSFC for 2024, section "Management model: how the Corporation manages assets and creates value"	16
2-7	Employees	Human capital Quantitative indicators of sustainability	25 75
2-8	Workers who are not employees	The company does not account for workers who are not employees.	
2-9	Governance structure and composition	Annual Report of Sistema PJSFC for 2024, section "Board of Directors"	28
2-10	Nomination and election of the highest governance body	Annual Report of Sistema PJSFC for 2024, section "Board of Directors"	28
2-11	Chair of the highest governance body	Annual Report of Sistema PJSFC for 2024, section "President"	32
2-12	Role of the highest governance body in overseeing the management of impacts	Sustainability management system and responsible business conduct at the Group's assets	5
2-13	Delegation of responsibility for managing impacts	Sustainability management system and responsible business conduct at the Group's assets	5
2-14	Role of the highest governance body in sustainability reporting	Sustainability management system and responsible business conduct at the Group's assets	5
2-15	Conflicts of interest	Sustainability management system and responsible business conduct at the Group's assets	9
2-16	Communication of critical concerns	Annual Report of Sistema PJSFC for 2024, section "Board of Directors"	28
		Annual Report of Sistema PJSFC for 2024, section "Observance of human rights"	75
2-17	Collective knowledge of the highest governance body	Annual Report of Sistema PJSFC for 2024, section "Corporate Governance System"	24
2-18	Evaluation of the performance of the highest governance body	Annual Report of Sistema PJSFC for 2024, section "Board of Directors"	28
2-19	Remuneration policies	Human capital	27
2-20	Process to determine remuneration	Human capital	27
2-21	Annual total compensation ratio	Human capital	27

2-22	Statement on sustainable development strategy	Statement from the Chair of the Board of Directors	3
2-23	Policy commitments	Annual Report of Sistema PJSFC for 2024, "Strategic ESG priorities and sustainability management system"	58
2-24	Embedding policy commitments	Annual Report of Sistema PJSFC for 2024, section "Strategic ESG priorities and sustainability management system"	58
2-25	Processes to remediate negative impacts	Sustainability management system and responsible business conduct at the Group's assets	9
2-26	Mechanisms for seeking advice and raising concerns	Annual Report of Sistema PJSFC for 2024, section "Observance of human rights"	75
2-27	Compliance with laws and regulations	Quantitative indicators of sustainability	84
2-28	Membership in associations	Annual Report of Sistema PJSFC for 2024, section "Participation in international and industry initiatives"	65
2-29	Approach to stakeholder engagement	Stakeholder engagement	21
2-30	Collective bargaining agreements	Human capital Quantitative indicators of sustainability	81
GRI 3: Material Topics 2021			
3-1	Process to determine material topics	Approach to information disclosure. Materiality assessment process	92
3-2	List of material topics	Approach to information disclosure. Materiality assessment process	86 93
Economic performance and sustainable development of local economies (material topic)			
GRI 201: Economic Performance 2016			
3-3	Management of material topics	Annual Report of Sistema PJSFC for 2024, section "Investments in sustainable development"	67
201-1	Direct economic value generated and distributed	Annual Report of Sistema PJSFC for 2024, section "Investments in sustainable development"	67
201-2	Financial implications and other risks and opportunities due to climate change	Climate change	62
201-3	Defined benefit plan obligations and other retirement plans	Quantitative indicators of sustainability	81
201-4	Financial assistance received from government	Socio-economic development of local communities	38
Ensuring decent working conditions (material topics)			
GRI 202: Market Presence 2016			
3-3	Management of material topics	Human capital	25
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Quantitative indicators of sustainability	80
Charity and volunteering (material topic)			
GRI 203: Indirect Economic Impacts 2016			
3-3	Management of material topics	Socio-economic development of local communities	37
		Access to products, services and information	43
203-1	Infrastructure investments and services supported	Socio-economic development of local communities	38
		Access to products, services and information	

		Contribution to building the digital economy: smart cities, smart homes and smart production	48
203-2	Significant indirect economic impacts	Contribution to building the digital economy: smart cities, smart homes and smart production	37
		Socio-economic development of local communities	48
Responsible procurement practices (additional topic)			
GRI 204: Procurement Practices 2016			
3-3	Management of material topics	Sustainable supply chain. Localisation and import substitution	39
204-1	Proportion of spending on local suppliers	Quantitative indicators of sustainability	84
Business ethics and anti-corruption (additional topic)			
GRI 205: Anti-Corruption 2016			
3-3	Management of material topics	Sustainability management system and responsible business conduct at the Group's assets	
		Annual Report of Sistema PJSFC for 2024, section "Anticorruption activities"	80
205-1	Operations assessed for risks related to corruption	Annual Report of Sistema PJSFC for 2024, section "Anticorruption activities"	80
205-2	Communication and training on anti-corruption policies and procedures	Annual Report of Sistema PJSFC for 2024, section "Anticorruption activities"	80
205-3	Confirmed incidents of corruption and actions taken	Annual Report of Sistema PJSFC for 2024, section "Anticorruption activities"	80
Economic performance and sustainable development of local economies (material topic)			
GRI 207: Tax 2019			
3-3	Management of material topics	Socio-economic development of local communities	38
207-1	Approach to tax	Socio-economic development of local communities	38
207-2	Tax governance, control and risk management	Socio-economic development of local communities	38
207-3	Stakeholder engagement and management of concerns related to tax	Socio-economic development of local communities	38
207-4	Country-by-country reporting	Socio-economic development of local communities	38
Energy conservation and efficiency (material topic)			
GRI 302: Energy 2016			
3-3	Management of material topics	Energy management	66
302-1	Energy consumption within the organisation	Quantitative indicators of sustainability	74
302-2	Energy consumption outside of the organisation	<i>The Corporation does not account for energy consumption outside of the organisation</i>	
302-3	Energy intensity	Quantitative indicators of sustainability	75
302-4	Reduction of energy consumption	Energy management	66
302-5	Reductions in energy requirements of products and services	Energy management	66
Water consumption (material topic)			
GRI 303: Water and Effluents 2018			
3-3	Management of material	Operational environmental efficiency and	58

	topics	biodiversity	
303-1	Interactions with water as a shared resource	Operational environmental efficiency and biodiversity	58
303-2	Management of water discharge-related impacts	Operational environmental efficiency and biodiversity	58
303-3	Water withdrawal	Quantitative indicators of sustainability	70
303-4	Water discharge	Quantitative indicators of sustainability	70
303-5	Water consumption	Operational environmental efficiency and biodiversity	58
Conservation of biodiversity (material topic)			
GRI 304: Biodiversity 2016			
3-3	Management of material topics	Operational environmental efficiency and biodiversity	58
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Operational environmental efficiency and biodiversity	59
304-2	Significant impacts of activities, products and services on biodiversity	Operational environmental efficiency and biodiversity	57
304-3	Habitats protected or restored	Operational environmental efficiency and biodiversity	59
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	<i>The Corporation does not account for Red List species.</i>	
Air protection (additional topic)			
Climatic footprint (additional topic)			
GRI 305: Emissions 2016			
3-3	Management of material topics	Climate change	62
305-1	Direct (Scope 1) GHG emissions	Quantitative indicators of sustainability	72
305-2	Energy indirect (Scope 2) GHG emissions	Quantitative indicators of sustainability	73
305-3	Other indirect (Scope 3) GHG emissions	Climate change	65
305-4	GHG emissions intensity	Quantitative indicators of sustainability	72
305-5	Reduction of GHG emissions	Quantitative indicators of sustainability	72
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx) and other significant air emissions	Quantitative indicators of sustainability	73
Waste disposal (material topic)			
GRI 306: Waste 2020			
3-3	Management of material topics	Waste management and circular economy	60
306-1	Waste generation and significant waste-related impacts	Waste management and circular economy	60
306-2	Management of significant waste-related impacts	Waste management and circular economy	61
306-3	Waste generated	Quantitative indicators of sustainability	71
306-4	Waste diverted from disposal	Quantitative indicators of sustainability	72
306-5	Waste directed to disposal	Quantitative indicators of sustainability	72

Supplier environmental assessment (additional topic)			
GRI 308: Supplier Environmental Assessment 2016			
3-3	Management of material topics	Sustainable supply chain. Localisation and import substitution Operational environmental efficiency and biodiversity	39
308-1	New suppliers that were screened using environmental criteria	Sustainable supply chain. Localisation and import substitution	39
308-2	Negative environmental impacts in the supply chain and actions taken	Sustainable supply chain. Localisation and import substitution Climate change	39 62
Ensuring decent working conditions (material topics)			
GRI 401: Employment 2016			
3-3	Management of material topics	Human capital	25
401-1	New employee hires and employee turnover	Human capital Quantitative indicators of sustainability	26 78
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Quantitative indicators of sustainability	80
401-3	Parental leave	Quantitative indicators of sustainability	80
Occupational health and safety (material topics)			
GRI 403: Occupational Health and Safety 2018			
3-3	Management of material topics	Health and safety	31
403-1	Occupational health and safety management system	Health and safety	31
403-2	Hazard identification, risk assessment and incident investigation	Health and safety	31
403-3	Occupational health services	Health and safety	31
403-4	Worker participation, consultation and communication on occupational health and safety	Health and safety	31
403-5	Worker training on occupational health and safety	Health and safety	34
403-6	Promotion of worker health	Health and safety	35
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Health and safety	31
403-9	Work-related injuries	Quantitative indicators of sustainability	82
403-10	Work-related ill health	Health and safety	31
Personnel training and development (material topic)			
GRI 404: Training and Education 2016			
3-3	Management of material topics	Human capital	25
404-1	Average hours of training per year per employee	Contribution to the achievement of the UN Sustainable Development Goals	16
404-2	Programmes for upgrading employee skills and	Human capital Quantitative indicators of sustainability	28 81

	transition assistance programmes		
404-3	Percentage of employees receiving regular performance and career development reviews	Quantitative indicators of sustainability	82
Human rights (additional topic)			
Diversity and equal opportunity (additional topic)			
GRI 405: Diversity and Equal Opportunity 2016			
3-3	Management of material topics	Human capital	25
405-1	Diversity of governance bodies and employees	Business model Quantitative indicators of sustainability	12 71
405-2	Ratio of basic salary and remuneration of women to men	Contribution to the achievement of the UN Sustainable Development Goals	16
Human rights (additional topic)			
GRI 406: Non-discrimination 2016			
3-3	Management of material topics	Human capital	25
406-1	Incidents of discrimination and corrective actions taken	<i>No incidents of discrimination were registered in 2024.</i>	
Ensuring decent working conditions (material topics)			
GRI 407: Freedom of Association and Collective Bargaining 2016			
3-3	Management of material topics	Human capital	25
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	<i>No operations or suppliers in which the right to freedom of association and collective bargaining may be at risk were identified.</i>	
Economic performance and sustainable development of local economies (material topic)			
GRI 413: Local Communities 2016			
3-3	Management of material topics	Socio-economic development of local communities	37
413-1	Operations with local community engagement, impact assessments, and development programs	Socio-economic development of local communities	37
413-2	Operations with significant actual and potential negative impacts on local communities	Socio-economic development of local communities	38
Responsible procurement practices (additional topic)			
GRI 414: Supplier Social Assessment 2018			
3-3	Management of material topics	Sustainable supply chain. Localisation and import substitution	39
414-2	Negative social impacts in the supply chain and actions taken	Sustainable supply chain. Localisation and import substitution	39
Responsible financing (additional topic)			
GRI 415: Public Policy 2016			
3-3	Management of material topics	Annual Report of Sistema PJSFC for 2024, section "Responsible investments and ESG principles"	21

415-1	Political contributions	<i>The Corporation does not finance political parties, organisations and movements (the Code of Ethics).</i>	
Product and service labelling: consumer health and safety (additional topic)			
GRI 416: Customer Health and Safety 2016			
3-3	Management of material topics	Product stewardship	46
416-1	Assessment of the health and safety impacts of product and service categories	Product stewardship	46
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	<i>No incidents of non-compliance were identified.</i>	46
Customer data privacy (material topic)			
GRI 418: Customer Privacy 2016			
3-3	Management of material topics	Confidentiality and personal data protection	36
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Confidentiality and personal data protection	36
Industry protocol for companies in the electric utility sector (GRI G4)			
EU7	Demand-side management programmes including residential, commercial, institutional and industrial customers	Contribution to the achievement of the UN Sustainable Development Goals	17
EU12	Transmission and distribution losses as a percentage of total energy	Contribution to the achievement of the UN Sustainable Development Goals	17

Compliance with the UN Global Compact Principles

Areas	UN Global Compact principles	GRI disclosure	Section	Page
Human rights	Businesses should support and respect the protection of internationally proclaimed human rights	2-25 2-29 3-3	Sustainability management system and responsible business conduct at the Group's assets Stakeholder engagement	5 21
	Businesses should make sure that they are not complicit in human rights abuses			
Labour	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	2-30	Human capital	25

Environment	Businesses should undertake initiatives to promote greater environmental responsibility	2-28 302-4	Operational environmental efficiency and biodiversity Waste management and circular economy Climate change Energy management	54 59 62 66
	Businesses should encourage the development and diffusion of environmentally friendly technologies		Operational environmental efficiency and biodiversity Waste management and circular economy Climate change Energy management	54 59 62 66
Anti-Corruption	Businesses should work against corruption in all its forms, including extortion and bribery	205-2 205-3	Sustainability management system and responsible business conduct at the Group's assets	5

UNCTAD indicators¹²⁶

Indicator	Section/comment	Page
Economic area		
A.1.1: Revenue	Annual Report of Sistema PJSFC for 2024, section "Sistema Today"	8
A.2.1: Taxes and other payments to the Government	Socio-economic development of local communities	38
A.3.1: Green investment	Operational environmental efficiency and biodiversity	56 69
A.3.2: Community investment	Socio-economic development of local communities	38
A.3.3: Total expenditures on research and development	Contribution to building the digital economy: smart cities, smart homes and smart production	48
A.4.1: Percentage of local procurement	Quantitative indicators of sustainability	85
Environmental area		
B.1.1: Water recycling and reuse	Quantitative indicators of sustainability	70
B.1.2: Water use efficiency	Quantitative indicators of sustainability	71
B.1.3: Water stress	Operational environmental efficiency and biodiversity	58
B.2.2: Waste reused, re-manufactured and recycled	Quantitative indicators of sustainability	72
B.2.3: Hazardous waste	Quantitative indicators of sustainability	71
B.3.1: Greenhouse gas emissions (scope 1)	Quantitative indicators of sustainability	72

¹²⁶ https://unctad.org/system/files/official-document/diae2019d1_en.pdf

B.3.2: Greenhouse gas emissions (scope 2)	Quantitative indicators of sustainability	73
B.5.1: Renewable energy	Waste management and circular economy	61
	Energy management	67
B.5.2: Energy efficiency	Quantitative indicators of sustainability	72
Social area		
C.1.1: Proportion of women in managerial positions	Quantitative indicators of sustainability	77
C.2.1: Average hours of training per year per employee	Contribution to the achievement of the UN Sustainable Development Goals	16
C.4.1: Percentage of employees covered by collective agreements	Quantitative indicators of sustainability	81
Institutional area		
D.1.1: Number of board meetings and attendance rate	Contribution to the achievement of the UN Sustainable Development Goals and implementation of national goals and projects	20
D.1.2: Number and percentage of women board members	Quantitative indicators of sustainability	77
D.1.3: Board members by age range	Annual Report of Sistema PJSFC for 2024, section "Strategic ESG priorities and sustainability management system"	58
D.1.4: Number of meetings of audit committee and attendance rate	Contribution to the achievement of the UN Sustainable Development Goals and implementation of national goals and projects	20
D.1.5: Compensation: Total compensation per board member (both executive and non-executive directors)	Sistema PJSFC's financial statements for 2024 and independent auditor's report, section "Related parties"	42
D.2.1: Amount of fines paid or payable due to settlements	Quantitative indicators of sustainability	84

SASB indicators

Asset management and custody activities

Topic	Indicator	Code	Section	Page
Employee diversity and inclusion	Percentage of gender and racial/ethnic group representation for executive management, non-executive management, professionals and all other employees	FN-AC-330a.1	Quantitative indicators of sustainability	77
Incorporation of Environmental, Social, and Governance Factors in Investment Management & Advisory	Description of approach to incorporation of environmental, social, and governance (ESG)factors in investment and/or wealth management processes and strategies	FN-AC-410a.2	Annual Report of Sistema PJSFC for 2024, section "Investments in sustainable development"	67
Business ethics	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behaviour, market manipulation, malpractice, or other related financial industry laws or regulations	FN-AC-510a.1	Quantitative indicators of sustainability	84

Biotechnology & pharmaceuticals

Topic	Indicator	Code	Section	Page
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Access to Medicines	Description of actions and initiatives to promote access to health care products for priority diseases and in priority countries as defined by the Access to Medicine Index	HC-BP-240a.1	Access to products, services and information	44
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Forestry management

Topic	Indicator	Code	Section	Page
Ecosystem Services & Impact	Area of forestland certified to a third-party forest management standard, percentage certified to each standard	RR-FM-160a.1	Product stewardship	46
	Description of the approach to optimising opportunities from ecosystem services provided by forestlands	RR-FM-160a.4	Operational environmental efficiency and biodiversity	59
Climate Change Adaptation	Description of strategy to manage opportunities for and risks to forest management and timber production presented by climate change	RR-FM-450a.1	Climate change	62

Telecommunication services

Topic	Indicator	Code	Section	Page
Data Privacy	Description of policies and practices relating to behavioural advertising and customer privacy	TC-TL-220a.1	Confidentiality and personal data protection	37
Data Security	(1) Number of data breaches, (2) percentage involving personally, identifiable information, (3) number of customers affected	TC-TL-230a.1	Confidentiality and personal data protection	36
	Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards	TC-TL-230a.2	Confidentiality and personal data protection	37
Product End-of-life Management	(1) Materials recovered through take back programmes, percentage of recovered materials that were (2) reused, (3) recycled, and (4) landfilled	TC-TL-440a.1	Quantitative indicators of sustainability	72

Agricultural products

Topic	Indicator	Code	Section	Page
Greenhouse gas emissions	Gross global Scope 1 emissions	FB-AG-110a.1	Climate change Quantitative indicators of sustainability	72
	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those	FB-AG-110a.2	Climate change	63

	targets			
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Disclosure of information related to climate change under IFRS (IFRS S2)

Standard section	Indicator	Section	Page
Governance Controls and procedures an entity uses to monitor, manage and oversee climate-related risks and opportunities	6 (a): Specify the governance body(s) or individual(s) responsible for oversight of climate-related risks and opportunities:	Climate change	62
Strategy An entity's strategy for managing climate-related risks and opportunities	10 (a): Describe climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects	Climate change	63
	14 (a): Specify how the entity plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation:		
	(ii) current and anticipated direct mitigation and adaptation efforts	Climate change	64
	(v) how the entity plans to achieve any climate-related targets, including any greenhouse gas emissions targets	Climate change	65
Risk management Processes to identify, assess, prioritise and monitor climate-related risks and opportunities	25 (a): Describe the processes to identify, assess, prioritise and monitor climate-related risks:		63
	(v) how the entity monitors climate-related risks	Climate change	64
Metrics and targets An entity's performance in relation to its climate-related risks and opportunities, including progress towards any climate-related targets it has set, and any targets it is required to meet by law or regulation	29 (a): Disclose information on Scope 1, 2 and 3 greenhouse gas emissions and approaches to calculation methodology	Climate change	64

TCFD indicators

Indicator	Section	Page
Governance		
a) The board's oversight of climate-related risks and opportunities	Climate change	62
b) Management's role in assessing and managing climate-related risks and opportunities	Climate change	62
Strategy		
a) Description of the climate-related risks and opportunities the organisation has identified over the short, medium, and long term	Annual Report of Sistema PJSFC for 2024, section "ESG risk management"	77
b) The impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning	Climate change	62
Risk management		
a) The organisation's processes for identifying and assessing climate-related risks	Annual Report of Sistema PJSFC for 2024, section "ESG risk management"	77
b) The organisation's processes for managing climate-related risks	Annual Report of Sistema PJSFC for 2024, section "ESG risk"	77

	management”	
Metrics and targets		
b) Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas emissions and the related risks	Quantitative indicators of sustainability	72

WEF indicators¹²⁷

Topic	Indicator	GRI disclosure	Section	Page
Principles of governance				
Governing purpose	Setting purpose	2-23	Sustainability management system and responsible business conduct at the Group's assets	5-11
	Purpose-led governance			
Quality of governing body	Governance body composition	405-1	Sustainability management system and responsible business conduct at the Group's assets Human capital	5-11 25-31
Stakeholder engagement	Material issues impacting stakeholders	2-25	Stakeholder engagement Approach to information disclosure. Materiality assessment process	21-25 86-111
Ethical behaviour	Anticorruption efforts	2-15 2-23 2-24 2-25 2-26 2-27 205-1 205-2 205-3	Sustainability management system and responsible business conduct at the Group's assets	5-11
Planet				
Climate change	Greenhouse gas emissions	305-1 305-2 305-4 305-5 305-6	Climate change	62-66
	TCFD implementation		Standards compliance index	111-128
	Paris-aligned GHG emissions targets		Climate change	62-66
Nature loss	Land use and ecological sensitivity	304-1	Operational environmental efficiency and biodiversity	54-60
Freshwater availability	Water consumption and withdrawal in water-stressed areas		<i>The Group companies do not operate in water-stressed areas.</i>	
Air pollution	Air pollution	305-7	Operational environmental efficiency and biodiversity	54-60
Solid waste	Single-use plastics	306-1 306-2	Waste management and circular economy	60-62

¹²⁷ https://www3.weforum.org/docs/WEF_IBC_Measuring_Stakeholder_Capitalism_Report_2020.pdf

		306-3 306-4 306-5		
Resource availability	Resource circularity		Waste management and circular economy	60-62
People				
Dignity and equality	Diversity and inclusion	405-1	Human capital	25-31
	Wage level	202-1	Quantitative indicators of sustainability	72-90
	Risk for incidents of child, forced or compulsory labour		<i>Incidents of forced and child labour or related risks were not identified.</i>	
	Discrimination and harassment incidents and the total amount of monetary losses		<i>No incidents of discrimination were registered in 2024.</i>	
	Human rights review, grievance impact & modern slavery		Stakeholder engagement	
	Living wage		Human capital	25-31
Health and well-being	Health and safety	403-1 403-2 403-3 403-4 403-5 403-6 403-7 403-9 403-10	Health and safety Contribution to the achievement of the UN Sustainable Development Goals	31-36 15-21
	Employee well-being		Health and safety	31-36
Skills for the future	Training	404-2	Human capital	25-31
Prosperity				
Employment and wealth generation	Absolute number and rate of employment	401-2	Human capital	25-31
	Economic contribution	202-1 201-4	Socio-economic development of local communities Human capital	37-39 25-31
	Financial investment contribution	203-1	Annual Report of Sistema PJSFC for 2024, section “Approach to innovation management. Digitalization” Contribution to building the digital economy: smart cities, smart homes and smart production Socio-economic development of local communities	15-21 37-39
	Infrastructure investments and services supported			
	Significant indirect economic impacts	203-2	Annual Report of Sistema PJSFC for 2024, section “Approach to innovation	37-39

			management. Digitalization”	
			Socio-economic development of local communities	
Innovation of better products and services	Total R&D expenses		Contribution to building the digital economy: smart cities, smart homes and smart production	15-21
Community and social vitality	Total tax paid	201-1	Sustainability management system and responsible business conduct at the Group's assets	5-11
	Additional tax remitted	201-1	Sustainability management system and responsible business conduct at the Group's assets	5-11
	Total tax paid by country for significant locations	201-1	Socio-economic development of local communities	37-39
	Total social investment		Socio-economic development of local communities	37-39

Indicators recommended for disclosure by the Ministry of Economic Development of the Russian Federation

Indicator	Value/comment
Economic parameters	
1. Revenue (or a measure similar to revenue)	RUB 1,231.6bn
2. Added value	The indicator is not disclosed.
3. Net added value	The indicator is not disclosed.
4. Total expenditures on research and development	Investments in information technology: RUB 40.23bn. Investments in R&D: RUB 0.97bn.
5. Labour productivity	Average labour productivity, RUB 5.6m/person
6. Amount of accrued mandatory payments (excluding fines and penalties), total, including: taxes and levies insurance premiums other mandatory payments	The indicator is not disclosed.
7. Amount of paid mandatory payments (excluding fines and penalties), total, including: taxes and levies insurance premiums other mandatory payments	Payments to budgets of all levels and extra-budgetary funds (including other non-tax contributions): RUB 230.68bn, including: • tax payments to the federal and regional budgets: RUB 154.96bn • contributions to funds: RUB 68.62bn

	other non-tax contributions: RUB 7.1bn
8. Procurement of Russian goods, works and services as a share of total procurement of goods, works and services	Average share of procurement from local suppliers: 21% For more details about the share of procurement from local suppliers by Sistema Group companies, see section “Sustainable supply chain. Localisation and import substitution”.
9. Procurement of goods, works and services from small and medium-sized enterprises as a share of total procurement from Russian organisations	Average share of procurement from SMEs: 20% For more details about the share of procurement from SMEs by Sistema Group companies, see section “Sustainable supply chain. Localisation and import substitution”.
10. Sustainable, including green, investments	Social investments: RUB 1.5bn
11. Investments in projects aimed at achieving technological sovereignty and structural adaptation of the economy of the Russian Federation	The indicator is not disclosed.
12. Indicator of economic vulnerability of economic and other activities to climate risks	The indicator is not disclosed.
Environmental indicators	
13. Volume of water used from all sources of water supply	Volume of water withdrawal: 67,337 thsd cu m
14. Volume of recycled and reused water supply	The indicator is not disclosed.
15. Volume of polluted wastewater discharge, total, including without treatment	Volume of water discharged into water bodies without treatment: 6,469.66 thsd cu m
16. Water use efficiency (“specific water consumption”)	The Group's specific water consumption in 2024 is 0.0063 thsd m3 / m rubles. The indicator is calculated as the ratio of total water consumption to the Group's revenue.
17. Wastes of hazard classes I-V generated, total, including: Class I Class II Class III Class IV Class V	Waste generated and accepted (from third-party organisations) during the year: 1,632,766.63 t, including: Class I: 258.12 t Class II: 68.52 t Class III: 1,999.15 t Class IV: 171,493.4 t Class V: 1,458,947.44 t
18. Hazard classes I-V waste management, total, including: recovered waste neutralised waste landfilled waste reused waste recycled waste reduced waste	Utilisation (including reuse, recycling, regeneration, recovery, composting) 61.62% Storage – 22.23% Treatment – 1.37% Decontamination – 7.21% Landfilling – 6.28% Transfer of MSW to a regional operator – 1.29%
19. Weight of pollutant emissions into the atmospheric air from stationary sources	Total weight of pollutant emissions: 33,951.27 t For more details about the weight of emissions by main

	pollutants, see the section “Smart, efficient and safe environment”.
20. Greenhouse gas emissions	Direct emissions (Scope 1): 828,358 t of CO ₂ eq Indirect emissions (Scope 2): 2,576,829 t of CO ₂ eq Other indirect emissions (Scope 3): 1,003,801 t of CO ₂ eq
21. Expenditures on the implementation of measures related to environmental protection, total, including: • atmospheric air protection • climate change prevention • wastewater collection and treatment • waste management • biodiversity conservation • protection of natural areas	Environmental protection expenditures: RUB 1.629bn For more details about the percentage of Sistema Group's environmental expenditures by area, see the section “Smart, efficient and safe environment”.
22. Renewable and low-carbon energy consumption	Renewable and low-carbon energy consumption: 11,642,845 GJ
23. Energy efficiency: energy consumption per unit of net value added	Energy intensity of Sistema Group's consolidated revenue: 46.97 GJ/RUB m
Social indicators	
24. Payroll expenses, total	Labour costs and remuneration payments: RUB 201.84bn
25. Avg. headcount total, including number of people with disabilities	Average headcount at Sistema Group: 242,066 persons Number of employees with disabilities at Sistema Group: 1,087
26. Average wage, total, including: • by job cluster • by gender • by age group	The indicator is not disclosed.
27. Expenditures on labour protection measures, total, including on average per employee	Sistema Group's labour protection expenditures in 2024: RUB 1.7bn, including on average per employee: RUB 190,000
28. Expenditures on organising and holding social, fitness, recreational and medical events for employees and their family members	Sistema Group's spending on voluntary health insurance and social programmes for employees: RUB 3,007.73m
29. Number of victims of industrial accidents with loss of working capacity for 1 working day or more, including fatalities	Number of work-related accidents: 70 including fatalities: 1
30. Expenditures on employee training, total, including on average per employee	Employee training expenditures at Sistema Group: RUB 76.4m Training expenditures on average per employee: RUB 1,494.05
31. Average number of training hours per year per employee by job cluster	Average number of training hours per employee at Sistema Group: 22.72 hours. The average number of training hours per year per employee by job cluster is not disclosed.
32. Employees covered by collective	Employees covered by collective bargaining agreements as

bargaining agreements as a percentage of average number of employees	a percentage of the total number of employees at Sistema Group: 24.25% For more details about the percentage of employees covered by collective bargaining agreements across Sistema Group, see the section "Human capital".
33. Staff turnover rate	Total staff turnover rate at Sistema: 11%
34. Expenditures on participation in support of social programmes not aimed at employees and their family members, total, including: • charitable • housing • healthcare • education • support for people in need of social assistance	Direct social investments: RUB 1.46bn For more details about the percentage of Sistema Group's expenditures on charitable and social programmes by area, see the section "Socio-economic development of local communities".
Management indicators	
35. Availability of a sustainability policy and/or other strategic documents in this area	The Corporation has adopted the Sustainability Policy of Sistema PJSFC. For more details about other regulatory documents in the field of sustainable development, see the section "Sustainability management system and responsible business conduct at the Group's assets".
36. Number of meetings of the board of directors and their attendance rate	The number of meetings of the Board of Directors of Sistema PJSFC: 15. The average number of board meetings in key assets: 17. The attendance rate is not disclosed.
37. Number of members of the board of directors, total, including by age group	The number of members of the Board of Directors of Sistema PJSFC: 11. The average age of members of the Board of Directors of Sistema PJSFC: 62. The average number of board members in key assets: 9.
38. Number of meetings of the audit committee and their attendance rate	The number of meetings of the Audit, Finance and Risk Committee of Sistema PJSFC: 12. The attendance rate is not disclosed.
39. Inclusion in sustainability/ESG indices and rankings	For more details about inclusion in indices and rankings, see the section "Strategic ESG priorities and sustainability management system" of Sistema's Annual Report for 2024.
40. Number of recorded cases of violations of the rights of indigenous small-numbered peoples of the Russian Federation	No violations of the rights of representatives of indigenous and small-numbered peoples were recorded in 2024.
41. Percentage of employees in positions with high corruption risk	The indicator is not disclosed.
42. Average number of hours of anticorruption training per employee	The indicator is not disclosed.

43. Number of cases in which the organisation or its subsidiaries and affiliates have been held administratively liable for corruption offences	The total number of corruption-related lawsuits brought against the organisation or its employees: 6.
44. Share of female leaders in the total number of leaders, total, including on the board of directors (supervisory board)	The share of women on the Board of Directors of Sistema PJSFC: 10%. The average share of women on the boards of key assets: 15%.

5.4. References to websites and public reporting

Sistema's official website	https://sistema.com/
Sistema's Annual Report for 2024	https://e-disclosure.ru/portal/FileLoad.ashx?Fileid=1890462
Non-financial reporting	https://sistema.com/sustainable-development/non-financial-reporting
Key documents	
Corporate Governance Code	https://sistema.com/upload/iblock/bb7/bb739face86602f8c96d937a5d936e09.pdf
Code of Ethics	https://sistema.com/upload/iblock/a88/a88ca7236ff614b76d55301d71424270.pdf
ESG strategy	https://sistema.ru/upload/iblock/1a8/ubq6dvmjh0wbwhz4wikwjltr76jbnkr/AFK_Sistema_Strategiya_ESG.pptx.pdf
Sustainability Policy	https://sistema.com/upload/iblock/0b6/0b6ebeabe7c86c5ccb7f3bb96b76c45c.pdf
Corporate Social Responsibility Policy	https://sistema.ru/upload/iblock/d75/d75ee1306de39042a30ae4f7424761ee.pdf
Anticorruption Policy	https://sistema.com/upload/iblock/d34/d34551df29c5701501fc715e814d0116.pdf
Environmental Policy	https://sistema.com/upload/iblock/3a8/n6ceomgl3p88f4eyoqxr6boqm86ujbeb/Sistema_Environmental-Policy.pdf
Human Rights Policy	https://sistema.com/upload/iblock/70d/tejazhtom0mt8b3eugvucqwkcmvnx03l/Sistema_Human-Rights-Policy.pdf
Charity policy	https://sistema.com/upload/iblock/ec8/ec82cf8fd03bc9700437bbd0cf369f1e.pdf
Terms of Reference of the Strategy and Sustainability Committee	https://sistema.com/upload/iblock/214/0cz3o4162nityp8s4euwrwinpmu5ph7z/Annex-2.-TERMS-OF-REFERENCE-OF-THE-STRATEGY-AND-SUSTAINABILITY-COMMITTEE-OF-THE-BOARD-OF-DIRECTORS.pdf
Terms of Reference of the Nomination, Remuneration and Corporate Governance Committee	https://sistema.com/upload/iblock/83f/jizu559sjc0j5pe2zbt5u0s3cjrxeb9/Annex-4.-TERMS-OF-REFERENCE-OF-THE-NOMINATION-REMUNERATION-AND-CORPORATE-GOVERNANCE-COMMITTEE.pdf
Terms of Reference of the Audit,	https://sistema.com/upload/iblock/4a1/yp1fvukjtxefucqw5t9n

Finance and Risk Committee	tvkt7wwjbn1/Annex-3.-TERMS-OF-REFERENCE-OF-THE-AUDIT -FINANCE-AND-RISK-COMMITTEE-OF-THE-BOARD-OF-DIRECTORS.pdf
Other corporate documents	https://sistema.com/about/corpmanage/docs

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