Material Topics and Materiality Matrix

MegaFon publishes its performance reports on an annual basis. MegaFon's 2021 Annual Report was prepared in compliance with the Sustainability Reporting Guidelines (GRI Standards) of the Global Reporting Initiative (GRI).

Unless specified otherwise, performance figures pertain to PJSC MegaFon and its subsidiaries. The scope and wording of performance indicators in this Report do not have any material difference from previous reports.

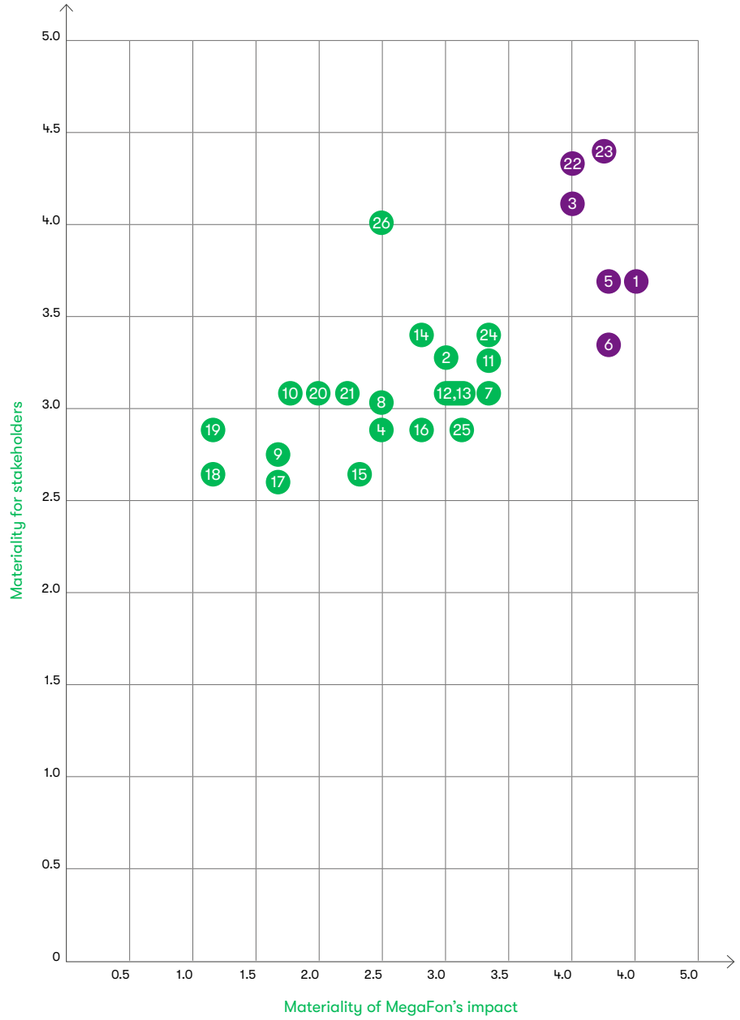
Material topics

When preparing its 2021 Annual Report, MegaFon assessed disclosed topics for materiality, in line with the Sustainability Reporting Guidelines.

Materiality assessment comprised three stages:

- Stage 1. Determine the list of material topics – make a list of the most frequent disclosures based on GRI Standards recommendations
- Stage 2. Determine the materiality of the Company's impact and the materiality of topics by conducting a questionnaire survey among top managers and stakeholders
- Stage 3. Build the materiality matrix based on the survey results

The horizontal axis of the matrix shows the materiality of MegaFon's impact on material topics based on the top management survey, and the vertical axis shows the materiality of topics for stakeholders, with the topics in the upper part of the matrix (above the diagonal line) deemed to have priority and be mandatory disclosures in the Annual Report.



Materiality Matrix

1. **Economic performance**
2. Market Presence
3. **Indirect economic impacts**
4. Procurement practices
5. **Anti-corruption**
6. **Anti-competitive behavior**
7. Taxes and taxation
8. Energy
9. Emissions
10. Supplier environmental assessment
11. Employment
12. Labour/management relations
13. Occupational health and safety
14. Training and education
15. Diversity and equal opportunity
16. Non-discrimination
17. Freedom of association and collective bargaining
18. Child labour
19. Forced or compulsory labour
20. Human rights
21. Supplier social assessment
22. **Customer health and safety**
23. **Customer privacy**
24. Socioeconomic compliance
25. Local communities
26. Charity initiatives among employees

Stakeholders singled out the following as material topics: MegaFon's participation in innovative scientific research, APRU, and charitable initiatives among Company's employees.