



# Compliance Management System of A1 Telekom Austria Group

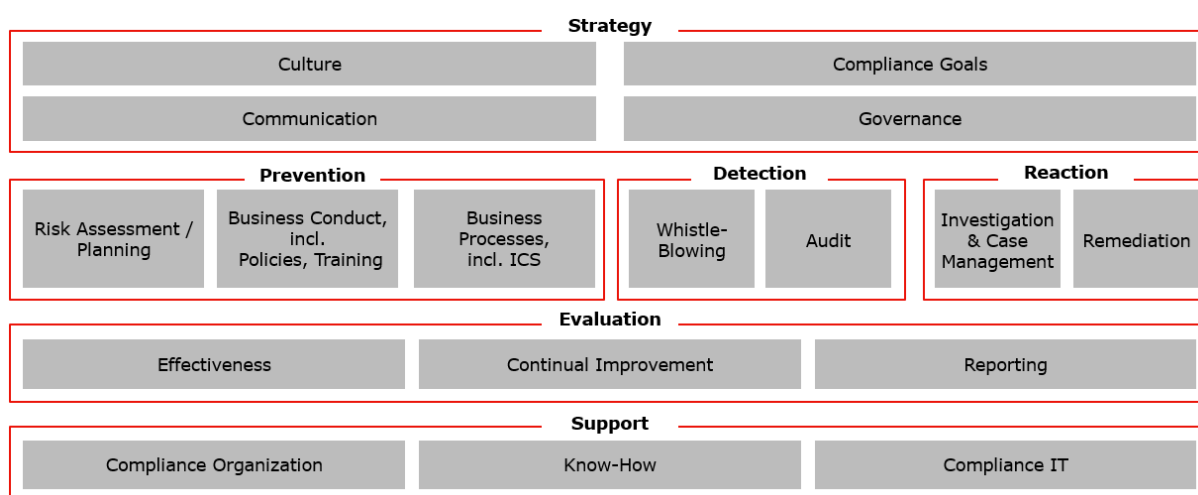
## CMS Description

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# 1 Introduction

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



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

As part of the A1 Telekom Austria Group CMS the compliance policy and the compliance strategy form the governance and basis for the operative management of compliance fostering integrity and a positive compliance culture. Together with our human rights engagement, our supplier engagement and the data privacy management system, the A1 Group Telekom Austria CMS is an essential part of the governance pillar of our ESG strategy "Empowering a fair Digital Life".

## 2 Compliance Policy

A1 Telekom Austria Group, listed on the Vienna Stock Exchange, is a leading provider of digital services and communication solutions in Central and Eastern Europe offering communication, payment, and entertainment services as well as integrated business solutions to around 26 million customers. A1 Telekom Austria Group is currently operating in seven countries under the brand A1: Austria, Bulgaria, Croatia, Belarus, Slovenia, the Republic of North Macedonia, and the Republic of Serbia. Through A1 Digital, A1 Telekom Austria Group offers industry-specific solutions for business customers in its core markets as well as in Germany and Switzerland. As European unit of América

<sup>1</sup> In 2023, the areas of anti-corruption and integrity, antitrust law, capital market compliance and sanctions will be audited in accordance with German auditing standard IDW PS 980.

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

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

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

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

To ensure the effectiveness and transparency of the A1 Telekom Austria Group CMS this compliance policy<sup>2</sup> is formulated and communicated to our stakeholders via internet. The compliance policy contains overarching principles and the organization's commitment to reach compliance.

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

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

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

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

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

Misconduct and violations of standards of conduct have serious consequences, not only for the individual, but also for the entire company. A1 Telekom Austria Group punishes conscious, unlawful misconduct and violations of internal guidelines consistently, regardless of the rank or position of the person concerned.

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

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

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

## 3 Strategy

### 3.1 Culture of Integrity and Compliance

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

“Team, trust and agility”: the values of A1 Telekom Austria Group are implemented to achieve the major goal of “Empowering Digital Life” for our customers and the society. We apply them as an integrated part of our daily business. However, the Code of Conduct gives guidance on how we operate our daily business in accordance with our high ethical standards and the law. Our customers, our business partners, our shareholders, our suppliers, our employees, and the public expect us to behave with integrity in our business relationships.

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

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

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

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

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

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

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

## 3.2 Compliance Goals

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

Acting this way ensures that we protect our company from

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

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

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

Measures to maintain a best practice CMS include:

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

In addition, targets are set to ensure operation and maintenance of the CMS and mitigate identified risks, to which operative units are exposed. Targets for general functions from top management to functional employees are set in the Compliance Commitment respectively in the personal target setting process.

In the personal Compliance Commitment of the members of the Leadership Team, for example, the following requirements are set:

- support a culture of compliance and integrity through the right personal "Tone-from-the-Top" messages and continuous and appropriate compliance communication;
- ensure that all risk-mitigating measures identified in the annual compliance risk assessment are implemented within her/his area of responsibility;
- ensure that all managers and employees in her/his area of responsibility complete mandatory compliance e-learning or trainer-led compliance training sessions;
- ensure the integration of the CMS requirements into the organization's business processes and controls;
- encourage managers and employees to report violations of laws or internal policies;
- provide full protection to whistleblowers and build a culture of speaking out and psychological safety on workplace and
- address all violations of laws or internal policies that come to her/his attention appropriately and punish misconduct within her/his area of responsibility without exception.

The compliance targets set are monitored and reported in the quarterly compliance report, which is provided to top management. KPIs that are monitored and reported are, for example, number of participants of compliance training (e-learning courses and trainer-led training sessions), compliance cases, communicational measures and number of compliance risk-mitigating measures based on the compliance risk assessment realized.

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

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

Data Privacy risks are identified and managed by using an own methodology based on the data privacy maturity model.

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

All companies in A1 Telekom Austria Group are committed to ethical and legally impeccable conduct. Therefore, A1 Telekom Austria Group has implemented a group-wide state-of-the-art compliance management system.

The following leading A1 Telekom Austria Group companies have fully implemented the CMS and are responsible for the risk-adjusted implementation of compliance measures in their subsidiaries:



### 3.3 Compliance Communication

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

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

Important information on the CMS of A1 Telekom Austria Group is also available to external stakeholders on our [corporate website](#). In addition, the company provides information on its compliance activities as part of the combined annual report and the non-financial report as well as in various ESG ratings.

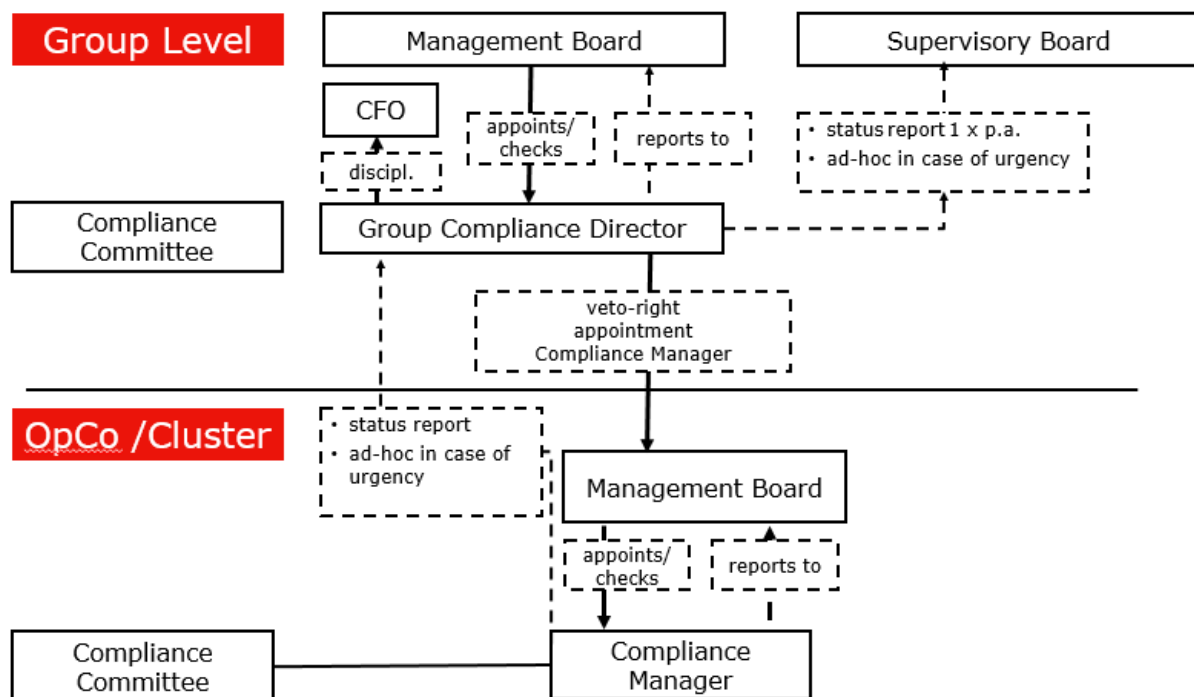
### 3.4 Compliance Governance

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

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

The Supervisory Board of A1 Telekom Austria Group exercise oversight over the Management Board of A1 Telekom Austria Group regarding the operation of the compliance management system. Both boards are responsible for establishing a compliance policy.

Within the A1 Telekom Austria Group, the compliance organization ensures the maintenance and further development of the required compliance procedures and processes. Management is responsible for ensuring compliance. And all employees contribute to maintaining and strengthening the compliance culture through their attitude and behavior. The most effective way to achieve this is to establish, maintain, evaluate and constantly improve a compliance management system. To support management, the governance structure described below has been established in A1 Telekom Austria Group.



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



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

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

### **3.4.1 A1 Group Management Board and Leadership Team**

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

- ensuring that the compliance policy and compliance objectives are established and are compatible and aligned with strategic direction resp. strategic goals of A1 Telekom Austria Group;
- ensuring the integration of the CMS requirements into the organization's business processes;
- allocating adequate and appropriate resources to establish, develop, implement, evaluate, maintain and improve the CMS;
- communicating the importance of effective compliance management and adherence to CMS requirements via own compliance messages (tone-from-the-top, tone-from-the-middle) and through continuous compliance communication and compliance training;
- establishing and upholding the organization's values;
- ensuring that commitment and accountability for compliance is maintained and that appropriate action is taken in the event of non-compliance and non-compliant behavior;
- cooperating with and supporting the compliance function and encouraging personnel to do the same;
- ensuring that the employees adhere to compliance obligations, policies, procedures and processes;
- ensuring that compliance performance is integrated into overall staff performance appraisals;
- identifying and communicating compliance risks and implementation of risk-mitigating measures in their operations;
- encouraging the employees to report cases of non-compliance, and precluding any form of retaliation;
- actively participating in the management and resolution of compliance incidents and issues as required.

### **3.4.2 Group Compliance Director**

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

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

The Group Compliance Director

- is responsible for supporting the management in establishing, operating and maintaining, evaluating, documenting and improving the compliance management system, which aims to ensure compliance of the company and promote integrity;

- evaluates the scoping of the CMS and adapts the scope accordingly;
- is responsible for aligning the compliance management system with compliance objectives;
- monitors and measures compliance performance;
- has a direct right of presentation to the entire A1 Group Management Board and the A1 Group Supervisory Board;
- is not bound by instructions from other divisions and departments in his activities, in particular when assessing compliance violations;
- has unrestricted right of access and inspection to all documents, books, records, systems, files and correspondence relevant to the performance of the duties assigned to him/her;
- has the right to request assistance from other departments, including but not limited to Human Resources, Legal, Data Privacy, and Internal Audit;
- shall participate in the appointment of local compliance managers and shall have veto power in this regard;
- is authorized to conduct audits to verify the effectiveness of the CMS in the subsidiaries, in coordination with the respective governance bodies;
- evaluates, in accordance with the governing bodies of the respective subsidiaries, the implementation and effectiveness of the CMS, and recommends measures to improve the performance, if necessary;
- establishes a regular compliance risk analysis to determine the main compliance risks (compliance risk assessment), initiates appropriate risk-mitigating measures and supports the subsidiaries in their own compliance risk management;
- is responsible for supporting management in identifying and managing compliance risks;
- establishes a group-wide reporting about the compliance activities, important KPIs, on the status of the CMS and compliance violations;
- prepares group-wide guidelines (policy-authority), e.g. on anti-corruption / integrity, conflicts of interest;
- communicates guidelines, incl. target group specific trainings;
- runs a helpdesk to advise on compliance-related issues that arise;
- supports internal partners in creating and implementing guidelines, e.g. purchasing guidelines, the organization and implementation of trainings, and the introduction of appropriate processes and controls;
- is responsible for the establishment and operation of a group-wide reporting process for compliance-related violations (tell.me portal);
- ensures a structured case management process;
- ensures the continual improvement of the CMS.

### 3.4.3 Further Supporting Functions and Bodies

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

The Group Compliance Committee has the following tasks:

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

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

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

In the event of suspected human rights violations, the **Human Rights Steering Committee** assesses the respective situation from the perspective of employees, customers and civil society and makes appropriate corporate decisions.

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

### 3.4.4 Compliance Governance in Subsidiaries

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

#### 3.4.4.1 Local Compliance Manager

The local compliance manager

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

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

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

All local sponsoring activities and donations have to be checked by the local Sponsoring Board and to be reported to Group Compliance. Details are defined in the respective guidelines.

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

### **3.4.5 Responsibility of all Employees**

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

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

## **4 Prevention**

### **4.1 Compliance Risk Assessment**

Knowing our compliance risks is the basis for an effective compliance management. Based on our business (products, services, processes) it is essential to identify and to understand the major compliance risks to be able to define the right risk-mitigating measures. Identified compliance risks shall be newly rated at following events, at least on a yearly timeframe:

- introduction of new products or services;
- setting up a new strategy or reorganization of the company;
- new external effects such as general economic factors or altered market conditions;
- integration of new companies.

Conducting a compliance risk assessment and taking appropriate measures is the responsibility of the Management Board of each company of A1 Telekom Austria Group. The compliance organization supports the compliance risk assessment, e.g. by means of methodology, interviews, workshops, tools and reporting.

Compliance risks include legal, financial and reputational risks for A1 Telekom Austria Group arising from potential violations of laws, regulations or internal guidelines by a manager or an employee or a representative, e.g. an agent. Obligations and risks arising through the law for vendor due diligence will be addressed among others by participating at the Joint Audit Cooperation for telecommunication companies.

The compliance risk assessment is used to identify and assess compliance risks and potential non-compliant situations and to define and prioritize appropriate measures to prevent non-compliant business conduct by managers, employees, and representatives of A1 Telekom Austria Group to reduce legal, financial, and reputational risks. The compliance risk assessment is not aimed to detect concrete misconduct.

The identification and assessment of compliance risks, possible sources of risks and compliance risk situations form the basis for the development of a program to implement appropriate risk-reducing measures. For this purpose, the relevant functional department of every leading company systematically reviews the risk scenarios relevant to them. This can be done by means of interviews

and/or workshops with functional managers and internal experts, supported by compliance managers.

The results of the compliance risk assessment have to be approved by the local Management Board will be consolidated on group level by Group Compliance and approved by the A1 Group Management Board and are reported to the A1 Group Supervisory Board.

To make sure that all defined measures are taken, Compliance monitors and documents the implementation.

## 4.2 Foster Business Conduct

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

### 4.2.1 Code of Conduct

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

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

The Code of Conduct is available on the A1 Telekom Austria Group website (<https://www.a1.group/en/group/compliance-guidelines>), on the internal groupnet (<https://inside.a1.group/groupnet/about/compliance>) and on all local intranets. The Code of Conduct is part of the regular compliance trainings.

### 4.2.2 Compliance Guidelines

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

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

The A1 Telekom Austria Group Compliance Guidelines apply to all members of the A1 Group Management Board, Leadership Team member, managers, employees and members of the external workforce in all companies of A1 Telekom Austria Group. All group guidelines have been approved by the Management Board of A1 Telekom Austria Group and are available on the A1 Telekom Austria Group website (<https://www.a1.group/en/group/compliance-guidelines>) and on the internal groupnet (<https://inside.a1.group/groupnet/about/compliance-guidelines>).

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

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

### 4.2.3 Compliance Training-Concept

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

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

- raising awareness:  
Compliance awareness trainings primarily address managers. However, compliance awareness is also trained as part of unit-specific compliance training.
- knowledge transfer through risk-specific compliance training sessions:  
With specific compliance training courses, a concrete compliance content is trained either for a specific occasion (new legislation, new guidelines) or on a regular basis as initial or follow-up training. The target groups are managers and employees in high-risk areas (risk-based training approach).
- broad participation in compliance e-learning programs:  
Compliance e-learning programs are becoming increasingly important according to our vision "Empowering digital life". The group-wide mandatory compliance e-learning program, which all managers and employees must complete every two years (supplemented by further local e-learning), pursues both compliance-training objectives: raising awareness and communicating important business-specific compliance content throughout the whole Group. All compliance e-learning programs are hosted on the A1 e-campus.

The goal of compliance training is to ensure that managers and employees, depending on their role in the company, understand,

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

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

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

The following training methods are used:

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

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

#### **4.2.4 Compliance Helpdesk**

Compliance managers are available to answer individual, compliance-related questions, in person, by e-mail and telephone, and via the (local) ask.me mailbox.

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

#### **4.2.5 Human Resources**

“Team, trust and agility” are our values that are taken into account in our personnel policy instruments such as the recruiting and the performance management processes.

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

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

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

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

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

#### **4.2.6 Gifts and Invitations**

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

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

#### **4.2.7 Sponsoring and Donations, Management Consulting and Lobbying**

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

### **4.3 Monitor Business Processes**

#### **4.3.1 Business Partner Integrity Management**

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



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

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

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

### **4.3.2 Mergers & Acquisitions (M&A)**

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

The compliance due diligence serves to

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

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

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

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

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

### **4.3.3 Internal Control System (ICS)**

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

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

### **4.3.4 Trade Compliance - Sanctions**

As part of A1 Telekom Austria Group`s compliance management system, it has to be ensured that the organization also complies with relevant governmental sanction programs.

The risk-based sanction compliance program

- constantly tracks the relevant sanction regimes on their relevance for the operations of the company;



- defines the process how and how often the updates of relevant sanction programs and sanction lists are checked;
- defines the process how to proceed when possible matches are found;
- thus protects the company from possible fines and reputational damage and financial loss due to violations of the sanction regulations.

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

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

## 5 Detection

### 5.1 Whistleblowing

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

As part of the compliance management system, A1 Telekom Austria Group provides a variety of tip-off channels, accessible on group and on local level. First and foremost, concerns shall be raised on the spot. Employees should approach their direct manager to point out observed irregular behavior. If this is not possible, information can be addressed to a compliance manager, e.g. personally, on the phone or via email. Additionally, information can also be provided through the A1 Telekom Austria Group "[tell.me](#)" whistleblowing portal, a web application provided by an external supplier. For employees a link to the whistleblowing portal is available at prominent channels, e.g. on the top page of the intranet, within internal apps, etc. External stakeholders are informed about the whistleblowing portal on the corporate website of A1 Telekom Austria Group.

Information about the whistleblowing procedure is part of regular training activities and communication measures including tone-from-the-top messages.

An electronic whistleblower mailbox on the whistleblowing portal technically ensures anonymity of the whistleblower, if he/she decides to stay completely anonymous, even in relation to the Compliance department.

If the whistleblower decides to provide his identity in the report, this will be treated confidentially by the manager, the Compliance department and Internal Audit and will not be disclosed to any third party without his consent.

Any employee, but also external partners, can report unlawful misconduct or suspicion of unlawful misconduct. A1 Telekom Austria Group encourages that misconduct be reported to the best of their knowledge and belief.

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

In accordance with the EU-directive 2019/1937 on whistleblower protection, A1 Telekom Austria Group prohibits any form of reprisals against whistleblowers. Any act or omission in a work-related context that has the effect of adversely affecting a whistleblower, who raises concerns in good faith, is prohibited.

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

Whenever suspicion of retaliation against a whistleblower arises, the responsible compliance officer will investigate the case with support of Internal Audit. Any whistleblower who feels affected by a retaliation can contact Compliance.

In cases of proven whistleblower retaliation, A1 Telekom Austria Group will provide reasonable compensation of the damage caused to the whistleblower, as well as settlement of any reasonable attorney fees. This shall be done in accordance with relevant laws.

Reports will be assessed and appropriately investigated. Investigations are carried out by experts who have an obligation to maintain confidentiality.

Those who intentionally spread false information about other employees are guilty of misconduct themselves.

## **5.2 Audit**

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

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

# **6 Reaction**

## **6.1 Investigation & Case Management**

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

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

Internal Investigations shall

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

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

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

## **6.2 Remediation**

A1 Telekom Austria Group reacts appropriately to every compliance incident:

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

- makes changes to the compliance management system, if necessary.

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

## 7 Evaluation

### 7.1 Effectiveness

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

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

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

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

Regular internal and/or external audits are conducted to examine the effectiveness of the CMS and to provide recommendations for improvement of the CMS. At least every five year A1 Group's CMS is audited externally. Further sources of information for continual improvement can be the development of external compliance standards, the results of stakeholder surveys and reports of misconduct.

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

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

### 7.2 Continual Improvement

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

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

- UN Global Compact,
- OECD guidelines for multinational enterprises,

- ISO 37301 – compliance management systems – requirements with guidelines for application,
- ISO 37001 – anti-bribery management systems – requirements with guidelines for application
- ISO 37002 – whistleblowing management systems and

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

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

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

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

- external audits of the CMS,
- internal surveys on the compliance culture,
- feedback received in the yearly compliance risk assessments,
- measures taken as a consequence from whistleblower cases,
- yearly strategic compliance workshops,
- exchange of ideas on A1 Group internal International Compliance Day.

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

## 7.3 Reporting

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

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

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

## 8 Support

### 8.1 Compliance Organization

To meet its compliance goals, A1 Telekom Austria Group provides the resources needed to establish, maintain, evaluate and continually improve the CMS. In promoting compliance and integrity, the management is supported by the Group Compliance Director, the Capital-Market Compliance Officer,

the (Group) Compliance Committee, the (Group) Sponsoring Board, Compliance Area Coordinators in selected business units, local compliance managers and the employees of the compliance units.

For detailed information, see chapter 1.4 "Governance".

## 8.2 Know-How / Competences

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

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

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

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

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

## 8.3 Compliance IT

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

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

A1 Telekom Austria Group's "[tell.me](#)", a whistleblowing portal, provides a means to provide information about potential misconduct directly and anonymously to Group Compliance.

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

In addition, collaboration platforms, the A1 e-Campus e-learning platform, websites, intranet-sites, and Workplace are used for collaboration, training, and communication.

## 9 Questions and Comments on this Document

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

Detailed contact information can be found on our corporate website: <https://www.a1.group/en/group/compliance-contact>.