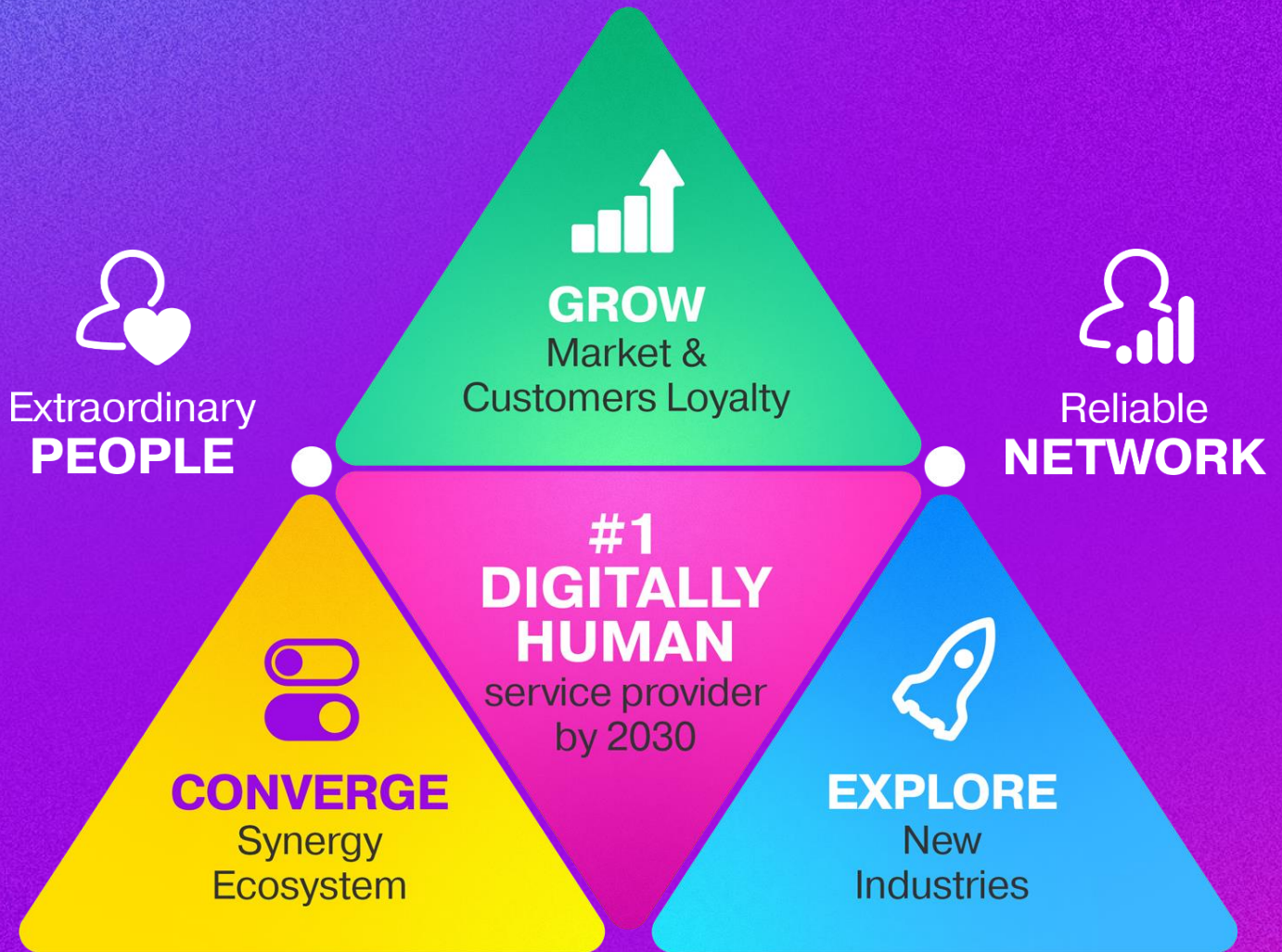


# MOLDCELL GO BEYOND TELCO



AT MOLDCELL WE BRING THE  
WHOLE WORLD IN YOUR HANDS  
TO ENJOY LIFE EVEN MORE

moldcell<sup>CG</sup>

# MANAGEMENT & SUSTAINABILITY REPORT 2023 – MOLDCELL SA

CEO's message

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# #1

## DIGITALLY HUMAN

GROW | CONVERGE | EXPLORE



moldcell

## TOWARDS A PURPOSE- DRIVEN MOLDCELL

In 2023, we have defined our purpose, which provided with new sources of resilience, unwavering commitment and passion for our customers. Over the past 23 years, Moldcell has stood as a reliable partner for our customers, clients' businesses and a respected corporate citizen. Embracing sustainability has become an integral part of our ethos, and we are dedicated to deepening its integration into our operations.

Throughout our longstanding history, we have navigated waves of change, adapting to emerging trends and evolving industry landscapes. As we step into 2024, I am enthusiastic about the opportunities ahead and excited to witness the continued growth and transformation of our organization. We are not merely embracing change; we are actively shaping it to align with our commitment to sustainability and elevate our operational standards to serve our customers in the best possible way.

**CAROLINA BUGAIAN**  
MOLDCELL CEO

While 2023 presented significant challenges, including global conflicts, economic pressures, and cybersecurity threats, Moldcell, a trusted partner for over 23 years, leveraged its resilience, commitment, and performance to weather these storms. Recognizing the critical role of communication in such volatile times, Moldcell prioritized ensuring the continued accessibility and quality of its services. Moldcell also celebrated a positive note in 2023 with the European leaders' decision to open EU membership talks with Moldova. This opportunity reinforces our commitment to contributing to the region's progress and economic stability.

Moldcell's purpose, **"Bringing the whole world in your hands to ENJOY LIFE EVEN MORE,"** transcends mere words. It embodies our deep commitment to customer centricity and fostering sustainable partnerships with all stakeholders. In a world increasingly demanding resilience, the significance of our products and services has never been greater. For over two decades, Moldcell has revolutionized the Moldovan mobile landscape, ensuring universal access to a diverse range of high-quality services and exceptional customer support. We are more than just a telecom provider; we are catalysts for progress, empowering individuals and businesses to connect, thrive, and contribute to a more sustainable future.

In our generation, sustainability has emerged as a critical issue, demanding responsible action from both individuals and organizations. Recent studies forecast a significant surge in consumer endorsement of sustainability, projecting it to reach 84% within the next decade. Today's consumers, employees, and regulators rightfully expect companies to contribute positively to society, going beyond mere profits and actively addressing climate and environmental issues.

Investing in sustainability is not just a commitment to the planet but a strategic long-term investment for any brand. For Moldcell, acting sustainably is not simply a trend, but a core value embedded in our daily operations. We understand that genuine sustainability starts from within. That's why we cultivate trusting relationships through integrity, commitment, and transparency with all our stakeholders: customers, employees, suppliers and shareholders.

This commitment extends beyond legal requirements. We strive to be a role-model company, leaving a positive impact on the environment, society and governance. Our well-defined purpose, values and strategy provide the roadmap for achieving this vision.

At Moldcell, we recognize our interconnectivity with a diverse ecosystem of stakeholders, this being the reason for responsible actions.

Following global trends and addressing environmental challenges, we adopted the Global Reporting Initiative (GRI) standards in 2023. This comprehensive analysis assessed our materiality, impact, and identified areas for improvement. The GRI framework policies, and governance structures, ensuring robust work influenced various processes, sustainability monitoring and implementation across all dimensions. While continuous effort is needed for

full alignment, each improvement contributes to a healthier ecosystem and society. As one of Moldova's critical infrastructure company, we understand our societal impact and strive for every action to deliver its intended positive effect.

While not directly manufacturing equipment, Moldcell acknowledges its impact through infrastructure creation and device usage. We are committed to finding effective solutions to reduce energy consumption, adopt renewable energy and minimize waste. We have set clear environmental objectives and are determined to achieve them consistently.

Moldcell proudly aligns its priorities with the Moldovan government's efforts to achieve European Union integration. Our industry achievements, including the landmark 2023 roaming tariff agreements with Romania and the EU, directly contribute to this national objective.

We believe connecting people and facilitating communication are fundamental steps on this path. Honoring this belief, we launched "Roaming like Home" packages across Europe on Christmas Eve, recognizing the needs of Moldovans living or traveling abroad to stay connected at affordable rates.

The new packages offer domestic rates for calls, texts, and data within the EU and fostering seamless international communication. By breaking down communication barriers, Moldcell actively supports our country's aspirations for a more integrated and connected future within the European community.

**" We are on an incredibly exciting journey as a company right now, enhancing new technologies and contributing in a sustainable way to each stakeholder."**

For over 23 years, Moldcell has served as more than just a mobile operator. We provide digital solutions that promote #DigitallyHuman experiences, bridging the gap regardless of age, income, or origin. Our ecosystem of apps empowers everyone to participate in the digital world.

In 2023, we launched VoLTE, offering improved call clarity and faster connections. As part of our commitment to future-proof technology, we also made significant upgrades to the core and transmission network. Moldcell continued to build an extensive digital infrastructure, expanding the 4G network by 150 sites and upgrading with new technologies 150 existing ones.

While our Net Promoter Score decreased slightly, we understand the importance of earning customer's trust. That's why we've declared 2024 the "Year of the Customer" through the "Purple Promise" initiative. This movement aims to improve communication, anticipate needs, and proactively solve problems. We encourage all employees to adopt the mantra: "What can I do today to make each customer feel at home in the Moldcell network?"

We sincerely thank our 1.5 million customers for their

loyalty and curiosity. Customer's feedback drives us to deliver more! Confident in our business model and commitment to sustainability, we look forward to shaping a bright and inclusive digital future for Moldova.

New services also contributed to our growth. In 2023, Moldcell took a bold step towards our mission of accelerating financial inclusion and fostering a digital, cashless Moldova with the launch of Moldcell money. As the first mobile operator offering such services in Moldova, we proudly support the national digitization strategy, empowering the unbanked and reducing cash dependency. Within its first year alone, Moldcell money has garnered international recognition, solidifying our commitment to cutting-edge solutions. Being shortlisted alongside industry titans like Ericsson and Netcracker at the prestigious 2023 Gtel Awards in the "Progressing Monetization and Mobile Money" category is a powerful testament to our dedication.

I would like to send great recognition to all employees, who worked as a team together through the most difficult times. Together, we faced challenges head-on, embraced new technologies, and delivered exceptional customer experiences.

The passion, dedication, and creativity of our employees are the driving force behind our success, as reflected in our outstanding 84% Employee Engagement Survey score. While this score represents a slight decrease from 2022, we remain committed to maintaining this positive momentum. To achieve this, we will take concrete steps to thoroughly analyze any underlying challenges and implement targeted solutions that address them effectively.

Investing in our people is our top priority, and we recognize our people's talent as our competitive advantage. In 2023, we focused on well-being, talent acquisition, and personal/professional development initiatives. It's incredibly rewarding to see this commitment validated by two prestigious awards: the internationally renowned **People & Culture Awards** and the national award **Best Employer of the Year 2023**. These accolades solidify our position as a responsible employer committed to cultivating a thriving workplace where our people can flourish.

One way to achieve a sustainable economy is to direct financial flows to economic activities that contribute to it. We see suppliers as partners in our common journey towards a more sustainable economy.

In terms of performance, in 2023 revenues increased considerably, about 7%, with both revenue from service sales and an increase in device sales. Total expenditure (commercial and distribution expenditure as well as general and administrative expenditure) have been impacted by the increase in energy costs.

In 2023 the Company recorded a net profit of 150 million MDL compared to 67 million MDL loss in 2022, and an operating profit of 241 million MDL compared to 22 million MDL in 2022, mainly due to a good performance in 2023 versus year 2022, as well as exchange rate differences, which generated gains in

2023 and losses in 2022.

The Company has made all necessary investments to ensure the required capacity and resilience of the network. Thus, in 2023, 130 million MDL were invested, of which 58 million MDL in the expansion of the radio network, 32 million MDL in the core network, 18 million MDL in the transmission network, 2 million MDL in the fixed internet network, and other investments including various IT investments and new products and services development.

In 2023, Moldcell established impactful partnerships with various universities and organizations across the country, reaffirming our unwavering commitment to education, innovation, and digital inclusion. These collaborations encompass a diverse range of initiatives, including educational cooperation, internship programs, and the promotion of innovative digitization projects in telecommunications and information technologies through various trainings and events.

Recognizing the pivotal role of digital access, Moldcell joined forces with the UN Population Fund and the Future Technologies Project to initiate a pilot program dedicated to advancing digital inclusion in social services and e-health. Our active participation in digital literacy and inclusion initiatives extended to establishing the Third Age University for Digital Skills, presenting the innovative Kindergarten Like project at the UN in Geneva, and spearheading the fourth edition of the Moldcell Academy with a dedicated focus on fostering social entrepreneurship skills.

All the projects implemented by the Foundation have a significant social impact and are related to digital inclusion. For example, the #LikefromGrannies Project involves the digital inclusion of older people through intergenerational dialogue, where teenage volunteers explain to grandparents how to use a smartphone, social networks, applications, access government services, and use financial services. In collaboration with the Ministry of Education, we developed and made available to schools the interactive platform #InternetwithoutWorries. Another project is the partnership with the Association of Creative Industries Companies, supporting the ArtCor and Mediacor center. Social business and Women's economic empowerment are other pillars of Moldcell Foundation activities.

Our achievements are a testament to the strength of our partnerships and industry collaboration. We are grateful to our partners and the business associations Moldcell belongs to.

**Carolina Bugaian**  
Moldcell CEO



## Context

The world continues to face significant challenges. After the COVID-19 crisis subsided in most countries by the end of 2022, geopolitical tensions and the macroeconomic climate signaled a shift in the economic cycle, characterized by supply chain disruptions, energy shortages and a return to high inflation. Within all challenges lie new opportunities. It is essential to understand the context in order to identify and capitalize on these opportunities.

**Macroeconomics** is shaped by geopolitics. The military conflicts in Ukraine and later on in Israel has significantly increased global security risks and countries are considering increasing their defense spending and strengthening their alliances with other countries in order to deter aggression and protect themselves from attack. The delayed impact of past monetary policy tightening could lead to an even more pronounced slowdown in growth, and geopolitical risks remain very high, while this year's busy political calendar adds an extra degree of uncertainty and volatility. This has weighed on the overall economy and is likely to produce a spending squeeze for consumers as real incomes fall.

### Sustainability commitment

In many respects, energy has taken center stage and there is a clear need to reduce consumption to handle supply disruptions and combat climate change. Cost levels also need to be managed from a societal viewpoint to mitigate a growing energy poverty risk and possible financial distress for businesses. In parallel, the urgent need to phase out fossil energy and transition into a net-zero and circular economy remains crucial. On 14 December 2023, European Council decided to open accession negotiations with Moldova, this is a significant milestone on the country's journey to European integration. This status opens up new opportunities for Moldova to collaborate with the EU on a range of issues, including climate change and environmental protection. Moldova is already taking steps to reduce its greenhouse gas emissions and promote sustainable development. For example, the country has adopted a National Climate Change Adaptation Strategy and a National Energy Efficiency Action Plan. The Moldovan government has committed to implementing a number of important reforms in order to progress on its EU path.

### Digitalization

The transition to a greener economy goes hand in hand with a digital transformation of activities. Especially, with the effects of recent global uncertainties like pandemics, war, and increased climate change impacts organizations are keen on transforming their businesses with the help of ICT technologies and hyper-connected digital technologies. Digitalization with sustainability will be the next wave of change in business. By embracing sustainability, we will reduce various forms of risks, generate returns, build resilience, and value

creation for stakeholders. We at Moldcell are continuously developing digital sustainability strategies that prepare our company for a sustainable future. All innovations highlight the need for simplicity and great user experiences that every company needs to embrace to remain competitive. The digitalization of company processes leads to increased productivity and better use of resources. The availability of 100% digital processes will speed up the move towards a circular economy.

### Changing talent market

The talent market is shifting and companies that want to attract and retain top talent need to focus on appealing, purposeful human leadership, company values, opportunities for learning and development, and remote work options. Job seekers want to work for companies that have values that align with their own. They want to work for companies that are committed to social responsibility, environmental sustainability, and innovation.

### Regulation challenges

Despite the growing importance of connectivity and cost pressures, the telecommunications sector remains deflationary. Given the significant investment required to meet connectivity goals, the regulatory framework must be updated to reflect the sector's new realities. The current regulatory and competition model, which was created during the era of old monopolies and is driven by price, is not sustainable in the long term or compatible with infrastructure investment. The debate over the contribution of the largest traffic generators to network investment is ongoing. We believe that it would be in the best interests of all parties if over-the-top companies (streamers, hyperscalers, etc.), which account for a disproportionate share of traffic growth, were to contribute to deployments on a fair share basis.

### Cybersecurity threats

In today's fast-paced digital era, the telecommunications industry plays a vital role in connecting people globally. However, with the rising dependency on technology and increasing interconnectivity, the industry has become a primary target for cyber threats due to the vast amount of data it manages and the critical services it provides. The threat of cyberattacks against companies, infrastructures, and individuals is increasing, leading to a substantial scaling up of efforts to protect communication infrastructures and data integrity. Studies show that telecom companies are twenty times more likely to experience cyberattacks than other industries. These threats not only pose severe risks to the telecommunications companies but also compromise the integrity and privacy of its customers. To safeguard the industry and its customers, urgent measures must be taken to defend against these growing cyber threats. Strengthening network security, conducting regular security audits, prioritizing employee training, fostering collaboration, and developing incident response plans are the strategies implemented by Moldcell for an efficient defense.

# IN BRIEF

## WHO WE ARE

Moldcell is connecting people, businesses and entire communities through mobile communication and digital solutions since 2000. Throughout our history, we have built a strong ecosystem with major service and equipment providers, as well as developed small businesses as start-ups.

## WHAT WE DO

Moldcell is a digital operator with innovation in its DNA. The strategy is built on bringing the best digital experiences to its customers and services that enable and empower their lives. We have a deep social conscience that drives us to use our technology to be agents of improvement in society.

## WHY WE DO IT

We have always strived to bring the best modern technologies at affordable prices to ensure high quality connectivity services to all our customers. We are focused on providing high quality infrastructure to ensure connectivity services to flourish creativity, growth and sustainable business.

## WE PROVIDE



Mobile voice and data



Fixed voice and data



Television



Enterprise Services



Devices



Fintech and digital solutions

We're pleased to present our first sustainability report, aligned with the Environmental, Social, and Governance (ESG) framework. This comprehensive report details our 2023 performance across all three dimensions, adhering to the leading global benchmarks set by the Global Reporting Initiative (GRI) and the GSM Association (GSMA).

Reflecting our commitment to sustainable business practices and transparency, this report utilizes the GRI Standards, recognized as the industry's leading framework for sustainability reporting. We've applied these standards extensively, considering relevant disclosures and indicators to showcase our economic, environmental, and social impact. This commitment underscores our dedication to transparent and standardized reporting practices, aligning with global best practices. Moldcell recognizes the GRI framework's value in fostering consistent, comparable reporting across industries, ultimately increasing stakeholder trust and understanding of our sustainability efforts.

Moldcell's organizational structure is designed to cater to the specific needs of its various businesses, ensuring optimal service delivery for both residential and commercial customers. We offer a comprehensive range of traditional connectivity services alongside a growing portfolio of innovative digital solutions currently under development.

This report focuses on the activities of Moldcell SA, headquartered at 3 Belgrad Street, Chişinău, Republic of Moldova. Notably, Moldcell SA operates as a foreign direct investment and has proudly served the Moldovan market for nearly 24 years. Established in 1999, Moldcell SA operates within the electronic communications and financial services industries.

For the sake of clarity within this report, all references to Moldcell SA will be simply referred to as "Moldcell."

Beyond its core business activities, Moldcell is committed to social responsibility through its collaboration with the Moldcell Foundation. Established in 2020, the Moldcell Foundation is a non-profit, non-governmental, and apolitical organization dedicated to driving positive change in the Moldovan community. Operating independently with its own resources, the Foundation partners with charities and NGOs on impactful projects aligned with its mission of non-commercial social good. This report not only highlights the independent initiatives championed by the Moldcell Foundation but also showcases the broader spectrum of philanthropic and socially responsible projects undertaken by Moldcell in collaboration with the Foundation.

On March 25, 2020, Moldcell has become part of CG Cell Technologies DAC, part of CG Corp Global Group, headquartered in Nepal. CG Corp Global is focused on 15 verticals. The top three verticals are FMCG, in which the global market share of instant noodles market is 2.6% and over 2.8 billion packages per year are produced. CG also deals in beverages, snack food, packaging, brewery and other FMCG products. The second most important vertical is financial services. The Group owns and runs the most successful largest commercial bank of Nepal as well as investment bank, finance company and money

remittance company. The third most important vertical is hospitality. The Group owns and operates 134 hotels worldwide. CG Corp Global has also a venture capital fund in the biotech industry and has invested in many new tech driven companies. CG Corp Global is the largest educational company in Nepal and educational entities in Brighton, Manchester, London, as well as Malaysia and Singapore.

CG Corp Global Group is also the country's largest consumer electronics company, which owns 44% of the Nepalese market. It is also in Nepal's top three building materials company, country's largest independent pump producer, producing hydro-pumps and the power producer with almost 110MW is currently under construction.



### Chairman's Message:

*"With pride and pleasure, I introduce you to CG Corp Global Group, a conglomerate that comprises over 167 companies and more than 123 brands in the global market, with a strength of over 15,000 employees across the world. We are committed to the highest standards in whatever we do. Our quality benchmarks are amongst the best in the world, our ethical standards are high, we are responsive to the needs of our customers and believe in building long-term partnerships with them. We have carried out with distinction our social and environmental responsibilities."*

**Mr. Binod K Chaudhary,**  
**Chairman, CG Corp Global**  
<https://cgcorpglobal.com/>

Guided by the human-centric philosophy of CG Corp Global, Moldcell's activities are demonstrably aligned with sustainable principles. This report invites you to delve deeper into Moldcell' sustainability achievements and future aspirations. Moldcell expresses the most sincere gratitude to its stakeholders for their ongoing support as Moldcell navigates towards a more sustainable future. Recognizing the pivotal role of transparency and accountability in driving positive change, Moldcell remains committed to sharing the progress openly with all its stakeholders.

\* Contact for questions or suggestions regarding the content of this report: [gma@moldcell.md](mailto:gma@moldcell.md)

# 2023

## IN REVIEW

### #DIGITALLY HUMAN

- Offering more than 20 digital solutions that promote #DigitallyHuman experiences, Moldcell's ecosystem of apps is designed to bridge the gap for both individual and corporate customers, fostering inclusion and empowerment regardless of age, income, or origin. Our array of digital tools enables everyone to actively participate and thrive in the digital world.

### PEOPLE

- Attaining 53% representation of female leaders in the extended leadership team
- Accomplishing 82% employee engagement score
- Providing over 34 hours of training per employee, demonstrating the department's dedication to professional development and skill enhancement.
- Investing over 1.3 million MDL in training initiatives

### SUSTAINABILITY

- First Carbon Footprint Measurement: Successfully conducted the inaugural measurement of our carbon footprint, marking a significant step towards understanding and mitigating our environmental impact.
- Reached 22,545 individuals through our digital inclusion initiative, contributing to bridging the digital divide and fostering equitable access to technology.

### FINANCIAL ACHIEVEMENTS

- +1% Market share increase
- +4% EBITDA
- +10% ARPU
- +5% Service Revenue
- +10% Equipment Revenue
- +10% Data Revenue

**1.5 mln**  
**subscribers**

\* ANRCETI report on the Evolution of the electronic communications market in the third quarter of 2023

[Raport CE 9\\_III 2023\\_V3\\_Final.pdf](#)

# 2023 HIGHLIGHTS

## Mobile Financial Service Launch – (MFS)

Within its first year of launch, the MFS product is already gaining international recognition, demonstrating our commitment to developing cutting-edge solutions that deliver value. Being shortlisted alongside industry giants like Ericsson and Netcracker at the prestigious 2023 Glotel Awards in the "Progressing Monetization and Mobile Money" category is a testament to this dedication.



## Smarter network energy consumption

Successfully led the adoption of the Energy Saving Initiative to enhance infrastructure energy efficiency across the network, through the activation of radio network power saving features and initiating an AI-driven PoC at ~100 4G trial sites for optimized cell sleeping times based on adaptive learning of network behaviors. This strategic move resulted in a reduction of up to 10% in energy consumption per site, highlighting a commitment to energy-saving, cost efficiency, and brand's reputation.

## Responsible Employer

In 2023, our efforts garnered global recognition, as we were honored with the title of the best in the **People and Culture** category at the esteemed **World Communication Awards**. Furthermore, in 2023, our endeavors to foster a culture of innovation and excellence were acknowledged by our designation as one of the best employers in the Republic of Moldova, according to the **"Employer Brand Perception Survey 2023"**, conducted by AXA Management Consulting. The ranking was compiled taking into consideration the opinions and responses provided by our employees. These accolades solidify our position as a responsible employer committed to cultivating a thriving workplace where our people can flourish.



# 2023 HIGHLIGHTS

## E-Health launch

On 28th of November 2023, Moldcell company announced the launch of the e-Health service, a groundbreaking initiative for the Republic of Moldova, tailored to the diverse needs of the general public across the country. This service is crafted to address the varied healthcare needs of citizens of all ages, ensuring access to quality medical advice directly from their phones.



## Launch of VoLTE (Voice over LTE) service

Successfully orchestrated the commercial launch and adoption of VoLTE (Voice over LTE) service, ensured seamless transition for voice services to the more efficient LTE platform as a key component of the 3G sunset initiative. The initiative demonstrated foresight in network evolution, aligning with modern telecommunications standards and reinforcing the commitment to providing superior communication experiences while phasing out legacy technologies.



## Digital inclusion, safety, and education programs

Moldcell's initiatives have empowered 22,545 individuals through digital inclusion, safety, and education programs. Highlights include providing smartphones and digital literacy training to seniors, educating children on online safety, offering support for art and media education, awarding scholarships, and promoting social entrepreneurship. Moldcell's commitment to bridging the digital divide and fostering a thriving digital society shines through these efforts.



## 2023 STRATEGY & BUSINESS OVERVIEW

For over two decades, Moldcell has been at the forefront of implementing innovative technologies and exploring new business models to bring a limitless digital experience to our customers. As a reliable provider of connectivity services, our success is attributed to our team of extraordinary people and a reliable network. Moldcell is committed to bridging the digital divide by developing infrastructure and services that are accessible across our market.

Our mission to become more than just a telecom operator remains unchanged. In line with our vision, we aim to become the number one **#1DigitallyHuman operator**. Our journey to become the #1DigitallyHuman service provider by 2030 is not just about technology, but also about people and social responsibility. We recognize that technology is just a tool that helps people connect, develop, and take control of their lives. Our commitment is reflected not only in our services, our employees' growth and wellbeing but also in the activities of the Moldcell Foundation, which draw inspiration from the philanthropic initiatives of the Chaudhary Foundation and our social responsibility projects. It is summing up all Moldcell company's initiatives and product portfolio that has a human being behind and human touch to everything.

**Digitalization is currently transforming societies – bringing both new opportunities and challenges.**

To achieve this goal, Moldcell has developed a strategic direction that emphasizes expanding our operating market and increasing customer loyalty. Through the synergy of our entire ecosystem, we are exploring new industries such as Fintech and various digital solutions to ensure the green transition of our operations.

Moldcell is committed to connecting everyone to the most trusted, reliable, and efficient modern networks. Securing that everyone has access to reliable connectivity and the right digital skills are developed so that no one is left behind and each citizen captures the full potential of digitalization.

At Moldcell, we create a portfolio of products and services adapted to the needs of our customers, improving and extending the offer to strengthen the relationship we have with them. In addition, it is consistent with the Company's purpose and sustainability requirements in terms of accessibility, ethics and positive social impact regarding both the environment and the customer's health.

Our services drive growth and economic development by creating direct or indirect job opportunities and financially contributing to the society in which we operate.



GROW  
**MARKET &  
CUSTOMER  
LOYALTY**



CONVERGE  
**SYNERGY  
ECOSYSTEM**



EXPLORE  
**NEW  
INDUSTRIES**



RELIABLE NETWORK  
**CONNECTING  
CUSTOMERS**



Extraordinary People  
**314 EMPLOYEES  
DELIVERING  
INNOVATION**



## GROW MARKET & CUSTOMER LOYALTY

**DIGITALLY  
HUMAN  
#1**

### We ensure the demand for simple and digital user experiences across channels, products and services

Customer value and loyalty are essential to our growth strategy. We believe that by providing our customers with a superior value proposition and building strong relationships with them, we can create a sustainable competitive advantage and drive long-term growth. We strive to create customer value by offering high-quality products and services at competitive prices, providing excellent customer service, and continually innovating to meet the evolving needs of our customers. We build customer loyalty by focusing on providing our customers with a positive and consistent experience. This includes things like being responsive to their needs, resolving any issues they may have promptly and fairly, and rewarding them for their loyalty.

Moldcell continuously invests in customer research and insights. We want to understand our customers' needs, wants, and pain points so that we can develop products and services that truly meet their needs and exceed their expectations. Focus on acquisitions and strengthening market position with commercial performance allowed us to deliver good financial performance with growth in subscribers total revenues. We are constantly focused on growing and innovating our products and services to meet the ever-changing needs of our customers.

Sales figures for 2023 revealed a commendable 6% increase compared to the previous year, driven primarily by internet services experiencing a 10% growth and telephone sales witnessing a 9% increase. This achievement reflects the dedicated efforts of various departments throughout Moldcell, including retail, e-shop, telesales & call center, enterprise, marketing, finance, legal, and technology. The collective collaboration and expertise across these departments, in conjunction with robust technological infrastructure, demonstrably contributed to this positive sales growth.

Moldcell experienced a 1% reduction in active customers during 2023. This decrease is not attributable to a decline in acquisition efforts. Notably, the influx of over 100,000 Ukrainian refugees utilizing our services in 2022 presented a unique scenario. While observing a 6% decrease in the number of pre-paid customers ("Cartela" subscribers), the number of contractual subscriptions remained stable. These figures highlight the dynamic nature of the customer base, with the 40% share of pre-paid subscribers impacting the overall active customer count due to their higher churn rate.

While the volume of active subscribers did experience a decrease, Average Revenue Per User (ARPU) saw a commendable increase of approximately 13.6%. This encouraging growth can be attributed to two key initiatives: the successful launch of the Family subscription plan and the impactful Christmas campaign. Several factors contributed to increased ARPU in 2023, including growth in data usage, investments in network upgrades, and successful partnerships that boosted device sales.

Thanks to investments in coverage and equipment upgrade we improved our growth in 4G user base and smartphone users, thus, we see the strong rates of digital adoption among Moldcell subscribers and allows to keep our strategical focus on digitalization and growing the ecosystem of digital products for our customers.

In 2023, we launched a number of offers for our customers. For prepaid customers, we launched two major offers: the **Giga Offer** and **Cartela Banii Înapoi**. With the Giga Oferta, customers could enjoy 20 GB of data and 250 national minutes for just 49 MDL. And with the Cartelă Banii Înapoi promotion, customers could get 100% cashback on their refill of 60 MDL or more.

At Moldcell, we understand the trust placed in us by our contractual subscribers. It's a responsibility we take seriously, striving not only to meet, but exceed customer expectations with the range of services we provide to really solve customers problems and help them live an empowered life. Our latest suite of Abonament offers, including **"De zece ori mai mult"**, **"Trafic gratuit lunar"**, **Abonament Next 125**, **Abonament Next 145**, and **Roam like Home with EU countries**, exemplifies this commitment. These offerings are not simply packages; are a reflection of our deep understanding of the customer's needs and desires. More than just minutes, data, and roaming, we deliver value, transparency and a commitment to continuous improvement. We actively listen to customers feedback, refine our offerings and invest in cutting-edge technology to ensure our customers are always connected and empowered.

At Moldcell, we understand that every business is unique, facing its own set of challenges and connection needs. That is why we do not believe in one-size-fits-all solutions. Our dedicated B2B team is committed to continuously crafting personalized offers tailored to the specific requirements of the corporate customer. Our commitment goes beyond simply providing access. We work closely with the corporate customer to identify and overcome any connectivity challenges.



# GROW MARKET & CUSTOMER LOYALTY

**DIGITALLY  
HUMAN  
#1**

they may face, ensuring they have the reliable and robust network for their business needs to thrive. Whether it's optimizing the mobile data consumption, implementing secure communication solutions, or providing dedicated support, Moldcell is supporting the corporate customer every step of the way.

The unwavering efforts of our dedicated Business team have demonstrably paid off, driving impressive results in 2023:

**B2B Revenue:** Achieved a sound increase compared to 2022, highlighting the value proposition we offer businesses.

**Active Subscribers:** Witnessed a significant 10% growth year-over-year, demonstrating our success in attracting and retaining satisfied business customers.

**Market Share Expansion:** Secured a 1.8% increase in the B2B revenue market share in Q3 2023 compared to Q3 2022, solidifying our position as a leading player in the market.

These achievements not only reflect the dedication of the team but also support the commitment to understanding and exceeding the expectations of our business clients. By providing tailored solutions, personalized support, and a reliable network, we continue to earn the trust and loyalty of companies across various industries.

### **Moldcell Facilitates Seamless Connectivity: Roaming Liberalization Delivers Benefits to Customers**

Moldcell takes pride in being at the forefront of affordable and accessible communication. Building on the landmark agreement between the Moldovan and Romanian governments signed in February 2022, which significantly reduced roaming tariffs between the two nations, we are thrilled to announce further advancements in roaming services driven by the Voluntary Roaming Liberalization Agreement signed with the European Union in Spring 2023. These agreements represent crucial steps towards fostering seamless cross-border communication and empowering our customers to stay connected both near and far without cost concerns.

Effective March 15, 2023, Moldcell subscribers enjoyed the benefit of roaming within Romania at domestic rates, eliminating additional charges and enabling unrestricted communication.

Moldcell's Roam like Home service has experienced a surge in customer uptake, with usage rising significantly. This remarkable growth underscores the high demand for a seamless and affordable internet experience, regardless of location.

Continuing this positive momentum, starting December 21, 2023, we implemented reduced roaming rates across numerous EU countries. This expansion delivers substantial cost savings for our customers traveling throughout the EU, ensuring they can stay connected with loved ones, share travel experiences, and engage in mobile activities without limitations.

Moldcell stands firmly behind the Country's initiatives on roaming liberalization, recognizing the immense value it brings to individuals and businesses alike. By implementing these changes, we remain committed to facilitating a connected society and enhancing the mobile experience for our valued customers.



# 1.5mIn subscribers



Cartela



Abonament



Business

Service	Users from Moldova hosted in roaming in Romania	Users from Romania hosted in roaming in Moldova
Roaming internet YoY	225%	44%



**CG Corp | Global**

**moldcell<sup>CG</sup>**



# GROW MARKET & CUSTOMER LOYALTY

**DIGITALLY  
HUMAN  
#1**

## Loyalty and Mclub Program

Moldcell permanently improves its loyalty program, to make it more rewarding and engaging for customers. This strategic initiative involves the introduction of new and enticing rewards, a thorough revamping of the program's structure and measures to facilitate a seamless process for customers to both earn and redeem rewards. The loyalty program extends its benefits beyond mobile services, now encompassing a wide array of goods available in our retail establishments, including the eShop. This enhancement underscores our commitment to delivering value to our customer.

The Moldcell rewarding loyalty program is designed to enhance customer's experience beyond just a reliable connection. The customer, earns loyalty points simply by being part of Moldcell family. These points accumulate with every recharge, subscription payment and service usage. The accumulated points can be redeemed for services, discounted handsets and accessories (up to 50%), and/or a birthday gift.

During 2023, Moldcell's loyalty program witnessed an astounding 999,979,048 points (the equivalent of 99 million MDL) earned by customers. These points were redeemed for diverse rewards, showcasing the program's effectiveness in providing valued benefits and enhancing customer satisfaction.

In addition to the loyalty program, Moldcell also offers the Mclub.md platform, granting extensive discounts. This exclusive benefit provides access to savings of up to 75% at over 140 partner companies across Moldova. By visiting [www.mclub.md](http://www.mclub.md), users can explore offers in various categories such as shopping, car services, beauty, healthcare, dining, and home products.

In efforts to foster long-term customer partnerships, Moldcell actively implements additional initiatives:

- Credit terms for low-segment devices are consistently adjusted, facilitating affordability and accessibility in a price-sensitive market. This ensures customers can readily acquire suitable devices.
- The My Moldcell application provides gamification experience, with the introduction of new "Shake and Win" mobile services. This enhances user engagement and encourages frequent app usage. The diverse lifecycles of these services subtly influence customer loyalty behavior through app interaction.

## Retail network

Few years ago, Moldcell started building its own retail network to be even closer to its customer, provide better customer service and add more value through digitalization.

A wide nationwide network comprising dealer shops, press kiosks, gas stations, grocery shops or even vending machines. We are close to our customers through Exclusive & Non-Exclusive sales channels guided by the principle that anyone can buy a Moldcell number just around the corner, anywhere in the country.

Our commitment to innovation and customer satisfaction resulted in a 10% increase in equipment sales throughout 2023.



**Online Shop**



**58 Direct shops**



**3500 dealers & points of sales**

## Online shop

Moldcell is dedicated to ongoing investments in the advancement of the Online Shop store, with the primary objective of enhancing customer convenience in purchasing and managing services. The focal point of these developments will be the optimization of the Online Shop's user interface, ensuring a seamless and intuitive experience. These enhancements reflect our dedication to meeting the evolving needs of our customers while fostering a more streamlined and user-centric digital platform.

Moldcell's online channel continues to be its fastest-changing and ever-growing sales platform, having an impressive five-year streak of double-digit annual growth. With a 31% year-on-year increase, the online channel demonstrates its exceptional performance and growing popularity amongst customers. Our online store's eCommerce share grown double digit indicating a successful strategy in attracting and converting online shoppers and share of Abonament subscriptions, reflecting customer trust and convenience in ordering their services online. In 2023, Online Shop has hit 2 all-times monthly sales records and it has an increasing year on year share in total equipment sales. As of 2023, eCommerce has been enlarged with a new outbound channel that has helped to considerably increase the share of equipment sales and Abonament acquisitions in total company figures.



# CONVERGE SYNERGY ECOSYSTEM

DIGITALLY  
HUMAN  
#1

## The renewed pursuit of convergence is driven by both internal and external drivers

Convergence should not be seen as just a technology decision but a fundamental strategic one. The demands on the network and from customers of all shapes and sizes are only going to increase. Moldcell is also challenged from new types of 'co-opetition' to respond much faster to market and customer demands. Therefore, we handle these demands and accelerate the beat rate of innovation in a way that provides greater operational simplicity, cost effectiveness and agility.

At Moldcell, we believe that a strong synergy within our ecosystem is essential to provide our valued customers with the best possible digital experience. From mobile services and business solutions to apps, devices, Internet Fix + TV and financial services, we offer a full range of products and services that work together seamlessly.

A diversified range of convergent offerings is provided by Moldcell, seamlessly integrating multiple services into singular offers. These products are designed to optimize the experiences of both businesses and individual consumers through a variety of benefits. Notably, cost reductions, enhanced operational efficiency and streamlined communication channels are among the advantages facilitated by these comprehensive solutions. Here is a brief overview of five of Moldcell's convergent offers:

### Family Abonament

As of 2023, Moldcell introduced **Family Abonament** – TOP chosen Abonament with exclusive digital benefits - crafted with a focus on delivering unparalleled digital features and an exceptional loyalty program. This premium subscription is designed to enhance the telecommunications experience and bring the family closer together.

Family Abonament is a bundle of voice and finance services that is designed for families. It includes mobile phone service, fixed-line phone service, and TV service. Family Abonament is the perfect solution for busy families who want to have a single platform to connect everyone with shared data, access to premium TV channels, and manage the finances seamlessly.

**moldcell  
PLUS**

Internet+TV

### Moldcell Plus

While internet-only plans represent only about 10% of our fixed services sales, we recognize the growing demand for bundled solutions. That's why Moldcell Plus combines high-speed

internet and extensive TV offerings into a single, convenient package. This saves customers money compared to separate plans and provides a seamless platform to manage both services.

Moldcell's Fiber-to-the-Home (FTTH) service saw a steady increase in subscriber base during 2023. This growth underscores the continued interest in high-speed internet and the dedication and effectiveness of the Door2Door team in promoting and delivering this service. We commend their continued efforts and look forward to further expansion in the coming year.

Three packages are offered, featuring internet speeds ranging from 200 Mbps to 500 Mbps and high-definition television channels numbering between 124 and 196. These cater to the needs of even the most demanding customers. To further improve and diversify services, the company plans to become the first TELCO operator in Moldova to offer direct connection to Netflix and access to the leading sports platform, Setanta Sports.

Viewing of TV channels is enabled not only through the provided hardware (STB) but also by an application compatible with all major smart TV operating systems. This application, in addition to offering high usability, allows for reduced equipment purchase costs and minimized environmental impact through the elimination of emissions associated with production, operation, and disposal of the hardware.

For individuals seeking both extensive, high-quality services and cost savings, a comprehensive option is available. This convergent offer provides mobile services for the entire family at a highly competitive price, along with a 50% discount on fixed services for the full contract duration.

In 2023, the Moldcell Plus subscriber base expanded, showing growth in both subscribers and revenue. These developments indicate positive market acceptance and a favorable financial performance for the Moldcell Plus offering. In addition to the expansion of our Moldcell Plus subscriber base and the corresponding increase in revenue, 2023 marked a period of dynamic engagement with our customers. We continued to prioritize delivering value and enhancing user experience, fostering lasting relationships with our subscribers. The positive trends in subscriber acquisition and revenue growth reflect our ongoing commitment to meeting the evolving needs of our customer base and positioning Moldcell Plus as a preferred choice in the telecommunications landscape.



## CONVERGE SYNERGY ECOSYSTEM

DIGITALLY  
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#1

**Virtual PBX** is a voice over IP service that allows businesses to have a professional phone system without the need to install and maintain their own hardware. Virtual PBX can be a good option for businesses of all sizes, but it is especially beneficial for small businesses that want to save money on their telecommunications costs and have a more professional communication system.

At the same time virtual PBX systems provide a compelling proposition for businesses seeking to embrace both environmental sustainability and technological advancement. By minimizing their environmental footprint through reduced hardware utilization and promoting remote work, virtual PBX solutions contribute to a greener future. Simultaneously, their enhanced technological capabilities facilitate improved communication efficiency, operational flexibility and cost savings, offering significant competitive advantages for businesses of all sizes.

As an active champion of virtual PBX, Moldcell plays a crucial role in fostering a tech-driven business landscape in Moldova, equipping companies of all sizes with the tools they need to compete and succeed in the ever-evolving digital world.

**Virtual PBX** +19% subscribers growth  
Smart telephony

**MTM** is a transport manager for cars that uses GPS technology to track vehicles and provide traffic updates. MTM can be beneficial for businesses that need to track their vehicles and improve their fleet management. It can also be beneficial for consumers who want to track their car and get traffic updates. The Moldcell Transport Monitoring (MTM) solution represents the capability to integrate various devices, sensors, and equipment to automate the processes of data transfer, monitoring, and control.



+14% subscribers growth

### Transport Monitoring

Leveraging a confluence of telecommunications and information processing technologies, Moldcell Transport Manager facilitates real-time tracking of asset location and performance, consequently fostering enhanced sustainability through the optimization of various business processes, including

route optimization, improved fleet fuel efficiency and theft prevention, and streamlined fleet maintenance. These digital solutions also contribute to the real business needs with maximum budgetary control and minimal environmental impact.

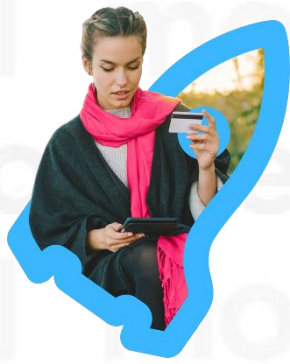
**M2M** stands for machine-to-machine communication. It is a technology that allows machines to communicate with each other without human intervention. M2M technologies are responsible for the greatest part of the emissions reductions, with around 70 percent of the total quantified abatement accounted for by their use in the buildings, equipment, transport and energy sectors. M2M technologies are already being widely used to enable efficiencies that simultaneously deliver both commercial and environmental benefits, which can be achieved without the need for substantial behavior change. There is therefore a strong business case driving their adoption and this is only likely to increase with further demonstrations of success, falling costs and improvements in technologies. Moldcell offers M2M sim cards that can be used in fiscal machines to transfer data. This can be beneficial for businesses that need to collect and analyze data from their fiscal machines.

Recognizing the substantial future potential of mobile communications technology in reducing emissions across diverse sectors like cities, healthcare, and industry, Moldcell remains committed to ongoing investment and promotion of these services and implementation of new technologies, even though their current impact might be limited. Furthermore, the M2M service emerged as a significant contributor on the enterprise side, witnessing the highest number of connections during the same period. This reflects the growing trend towards digitization and optimization within businesses, leading to an increased demand for such services.

**m2m** +39% subscribers growth

### machine-to-machine

Moldcell recognizes the future lies in interconnected solutions. By continually innovating and expanding its converged offerings, the company empowers its customers to stay ahead of the curve and embrace the possibilities of a seamlessly connected world. As evidenced by the diverse offerings presented, Moldcell is committed to providing integrated solutions that seamlessly blend connectivity, entertainment, and communication needs.



## EXPLORE NEW INDUSTRIES

**DIGITALLY  
HUMAN  
#1**

**We evolve our technology and operating model, taking advantage of all technological advances to achieve the best customer experience based on sustainable, efficient and secure infrastructures.**

### Description

On January 24th, Moldcell broke new ground in Moldova by launching Moldcell money, the first mobile operator-backed digital financial service in the country. This innovative step forward aligns perfectly with our commitment to driving financial inclusion and fostering a cashless, digital economy.

Moldcell Money revolutionizes personal finance in Moldova, empowering our subscribers to seamlessly manage their money, make payments, and transfer funds – all directly from their mobile devices. This first-of-its-kind service goes beyond convenience by introducing the unique "Payment with Moldcell number" feature. This allows users to leverage their mobile number funds for everyday needs, from public transport to cinema tickets. By leveraging our existing resources like branches and shop sellers, alongside strategic partnerships, Moldcell Money expands its impact, creating a truly innovative and inclusive financial ecosystem in Moldova.

### Governance and Compliance

Moldcell obtained the license from the National Bank of Moldova (NBM), to enter the market of financial services. The licensing process was a thorough review process to ensure proper set-up of processes, security, risk management, compliance, etc. Moldcell passed a comprehensive audit mandated by NBM with strict checking of IT and business processes in 2023. Strong governance structures underpin the Mobile Financial Services and Business Innovations Direction, ensuring responsible development and ethical implementation.

### Central Oversight:

The Committee for Governance, Risk, Ethics and Compliance (GREC) serves as the highest governing body, overseeing risk management and upholding ethical practices. They identify and mitigate potential risks that could negatively impact the company or service. GREC's oversight and decision implementation ensure responsible service development and adherence to regulations.

### Dedicated Teams:

- **FinTech Section:** Comprises specialists dedicated to navigating the financial technology landscape and ensuring compliance with relevant financial regulations.

- **AML Team:** Focuses on Anti-Money Laundering (AML) strategies and safeguards, preventing financial crime and upholding ethical financial practices.
- **Boosted Legal, Finance & Technical Teams:** Expanded expertise in these areas provides robust legal, financial, and technical support, ensuring adherence to legal frameworks and secure service operations.

Combined, these governance structures foster transparency, accountability, and ethical service delivery for Mobile Financial Services and Business Innovations team in the financial services area.

### Policies

Policies regarding risk management within Moldcell are developed in accordance with the provisions of Law no. 114/2012 regarding payment services and electronic money, Law 308/2017 regarding the prevention and combating of money laundering and terrorism financing, Regulation no. 217/2019 regarding the activity of non-bank payment service providers, as well as Regulation no. 202/2018 regarding the requirements regarding the prevention and combating of money laundering and the financing of terrorism in the activity of non-bank payment service providers.

At Moldcell, we prioritize the safety and security of customer's financial information and transactions in Moldcell Money. To achieve this, we have implemented a comprehensive suite of policies and procedures that comply with stringent regulatory requirements and effectively mitigate potential risks. These policies cover a wide range of areas, ensuring responsible and transparent financial services:

**Financial Safeguards:** Our Funds Protection Procedure, Internal Control Policy, and Electronic Currency Accounting Procedure establish robust internal controls and financial management practices to protect your funds.

**Anti-Money Laundering (AML) and Counter-Terrorist Financing (CFT):** We take our commitment to AML/CFT seriously. Our AML Policy, Procedure for Assessing AML/FT Risk Exposure, and KYC Procedure ensure we adhere to the highest standards in preventing financial crime and safeguarding national security.

**Risk Management:** Our Risk Management Policy outlines a comprehensive framework for identifying, assessing, and mitigating any potential risks associated with Moldcell Money operations.

**Data Security and Privacy:** The Policy on Sensitive Payment Data and Incident Management Procedure



## EXPLORE NEW INDUSTRIES

**DIGITALLY  
HUMAN  
#1**

are designed to protect your personal information and ensure immediate response to any security incidents.

**Technology and Operational Security:** The Information and Communication Technology Risk Management Procedure and SADD Security Risk Management Plan address potential security threats related to technology and ensure the secure operation of Moldcell Money systems.

**Transparency and User Guidance:** The Moldcell Money App User Guide provides clear instructions on how to use the app safely and securely, while the Regulation on Outsourcing Activities within Moldcell SA ensures appropriate oversight for any outsourced components.

Moldcell has payment controls in place that include due diligence procedures for suppliers and business partners, defined from a compliance viewpoint, and controls on payments to certain high-risk countries.

By implementing these comprehensive policies and procedures, Moldcell demonstrates its unwavering commitment to regulatory compliance, robust risk management, and the security of customer's financial information. We are confident that Moldcell Money provides a safe, secure, and convenient platform for your financial needs.

### Training and awareness

Moldcell invests heavily in its employees to ensure they possess the knowledge and skills to deliver exceptional service while prioritizing safety and security within Moldcell money service.

**Regular Product Training:** All shop sellers and call center agents undergo ongoing product training sessions, keeping them updated on the latest features, functionalities, and best practices for using Moldcell Money.

**Dedicated AML Training:** Recognizing the importance of Anti-Money Laundering (AML) compliance, we provide tailored training to shop sellers and the dedicated AML team. This training equips them with the skills to identify and mitigate potential risks associated with money laundering and financial crime.

**In-Depth Expertise for Key Personnel:** Responsible parties receive further specialized training in AML, Information Security, and Compliance. This ensures they possess the advanced knowledge and expertise to effectively perform their crucial roles and safeguard user information.

By prioritizing employee training, Moldcell Money product fosters a team of well-equipped and confident professionals dedicated to providing a secure and

reliable experience for our users.

### Risks and opportunities

Launching any financial service brings inherent risks and opportunities. Moldcell Money is no different, as we navigate the exciting realm of electronic currency and payment services.

We acknowledge the potential challenges that may arise in this endeavor, such as fraud, liquidity, and operational risks. However, Moldcell is implementing robust security measures and fraud prevention systems to safeguard user funds and transactions. We have established sound liquidity management practices to ensure the timely availability of funds to meet user demands. Furthermore, we prioritize operational excellence, investing in reliable technology and processes to minimize disruptions and errors.

Moldcell's dedicated teams carefully assess and manage the inherent risks associated with the specific business model and market conditions. At the same time we acknowledge the critical role of technology and prioritize cybersecurity measures to protect user data and system integrity.

Despite these challenges, we see significant opportunities to empower users and contribute to a more inclusive financial landscape:

- **Cashless Payments in Public Transport:** We aim to revolutionize public transportation through convenient and secure cashless payments in major cities.
- **Reaching Underserved Segments:** We cater to those who may not have access to traditional banking services, including Moldcell subscribers, teenagers, Moldavian citizens abroad, and individuals seeking financial services outside regular bank hours.
- **Financial Inclusion:** We contribute to a more inclusive financial ecosystem by offering convenient and accessible solutions for all.

By acknowledging and diligently managing risks while capitalizing on these opportunities, Moldcell Money product seeks to create a safe, secure, and innovative financial experience for everyone. The launch of Moldcell Money is just the beginning of Moldcell journey to revolutionize personal finance in Moldova. We are unwavering in our commitment to building an inclusive and convenient financial ecosystem and our roadmap paves the way for exciting advancements like Visa Card Integration, Automated Interbank Payment System (SAPI) and Instant Payments (IPS) Integration and expanded services and app features.



# EXPLORE NEW INDUSTRIES

**DIGITALLY  
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#1**

All initiatives, coupled with our steadfast dedication to reducing the cash economy, reflect our vision for a cashless future. Beyond convenience, Moldcell Money embodies our core value of sustainable innovation. We believe in empowering individuals through access to financial services while contributing positively to society.

By embracing the evolving nature of technology and prioritizing sustainable practices, Moldcell Money serves not only as a financial solution but also as a catalyst for progress.



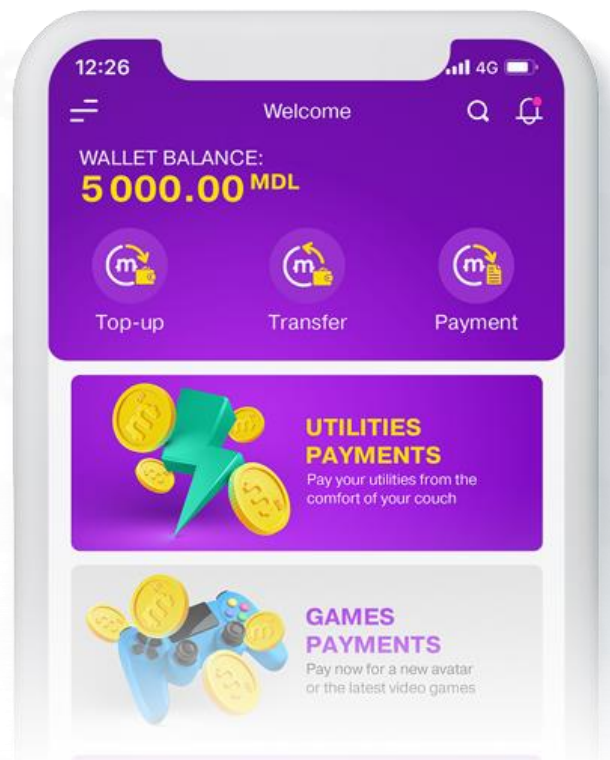
**moldcell money**

Download your  
mobile wallet!



**100 +**  
services available

**30000 +**  
app downloads in  
first year of  
activity



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## EXPLORE NEW INDUSTRIES

DIGITALLY  
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### Health solutions

On 28<sup>th</sup> of November 2023, Moldcell company announced the launch of the **e-Health service**, a groundbreaking initiative for the Republic of Moldova, tailored to the diverse needs of the general public across the country. This service is crafted to address the varied healthcare needs of citizens of all ages, ensuring access to quality medical advice directly from their phones.

In the aftermath of the global pandemic, the significance of e-health services has surged exponentially. Moldcell's e-Health service emerged as a timely solution to meet this growing demand, providing direct access to an extensive network of specialists from both Moldova and Romania. This network comprises experts in physical and psycho-emotional health, psychotherapists, wellness professionals, and more, all without the constraints of physical travel.

Established in collaboration with Hilio, a platform dedicated to well-being and psycho-emotional health services, this initiative signifies a substantial stride in enhancing accessibility to medical guidance for citizens of the Republic of Moldova. Through this platform, users can seamlessly connect with a multitude of specialists from Moldova and Romania, spanning various health fields. Choosing a specialist, scheduling an appointment, and accessing medical advice have never been easier, thanks to Hilio's user-friendly platform.

Moldcell's e-Health service is an extension of the successful pilot project "Digital inclusion for social services and e-health," launched in partnership with the United Nations Population Fund (UNFPA Moldova) and the Future Technologies Project. This initiative aimed to promote online medical consultation in the Republic of Moldova and improve access to health services, especially for people living in rural and remote areas.

For further details on the service and available subscriptions, visit <https://moldcell.md/rom/e-sanatate>



Digital inclusion  
for social services  
and e-health



# DIGITAL SOLUTIONS FOR A GREEN TRANSITION

**DIGITALLY HUMAN #1**

At Moldcell, we are committed to achieving a world in which technology contributes to protecting the planet. That is why we promote the digital and green transition as twin transitions. It is becoming increasingly urgent to accelerate the green transformation of the economy and society to achieve the required level of decarbonisation and limit the global temperature increase to below 1.5°C. The digital transition is key to achieving this while at the same time improving the competitiveness of the economy.

Organizations such as the World Economic Forum and the Exponential Roadmap initiative state that digital technologies can help reduce global greenhouse gas emissions by 15% by 2030 when implementing solutions in industrial sectors, and up to 35% if we consider their ability to transform people's habits. Telecommunications networks are therefore the main and most powerful platform for making progress towards the green transition. At Moldcell, we develop green digital solutions to help our customers in their transition towards more sustainable and competitive business models.

### Digital solutions for environmental challenges:

Moldcell recognized the need for innovative solutions amidst the challenges of COVID-19. This prompted the swift development of **e-SIM** and **e-Abonament**, groundbreaking platforms aiming to transform the customer experience. These offerings eliminated the need for physical contact and paperwork, ensuring seamless service access during a period of heightened safety concerns.

However, Moldcell's vision extends beyond a pandemic response. The company sees e-SIM and e-Abonament as cornerstones of its future, driven by two significant goals:

- **Closer customer relationships:** By empowering subscribers with self-activation and online management, these platforms foster a sense of ownership and control, bringing Moldcell closer to its customers.
- **Environmental responsibility:** Eliminating physical contracts and minimizing in-store visits contribute to a reduced environmental footprint, aligning with Moldcell's commitment to sustainability.

Therefore, the development of e-SIM and e-Abonament marks not just a reactive response to a crisis, but an active pursuit of a customer-centric and environmentally conscious future. Moldcell remains dedicated to continuously enhancing these services,

further optimizing convenience, security, and accessibility for its valued customers.

By prioritizing both convenience and security, e-Abonament and e-SIM marks a significant shift in the Moldovan mobile landscape. This innovative offering empowers customers to take control of their mobile experience, enhancing efficiency and accessibility.



eSIM

**+275%**  
Prepaid users shifting from traditional SIMs to eSIMs

The adoption of eSIM indicates a threefold rise in demand for this service, underscoring its growing popularity and acceptance among users.



e-Abonament

**+38%** within the total Prepaid base

### My Moldcell: Transforming Customer Experience Through Technology

In an era of technological advancement, Moldcell prioritizes customer empowerment through its innovative My Moldcell self-service application. This platform transcends traditional boundaries, removing physical barriers and environmental burdens while elevating the customer experience. My Moldcell application seamlessly activates services, personalizes recommendations, and grants 24/7 access to account details, all from the palm of customers' hand. This customer-centric platform fosters environmental responsibility by reducing paper waste and minimizing in-store visits, while its intuitive interface and proactive notifications create a convenient and engaging experience. My Moldcell app stands as a testament to technology's transformative power, placing Moldcell at the forefront of customer-centric innovation.



my Moldcell

**+11.9%** Sales Growth

**4.6★** App rating

**+3.92%** Active users

**22.3k** Customer Reviews





## DIGITAL SOLUTIONS FOR A GREEN TRANSITION

**DIGITALLY  
HUMAN  
#1**

Moldcell spearheads a transformative journey towards a paperless future and streamlined processes through its innovative trio of digital solutions: M-DOC, e-Contract, and M-ID. These services not only empower users across various segments but also weave significant environmental benefits into their core functionalities. In 2023 alone, the utilization of these digital applications led to the avoidance of more than **1.2 million paper usages**, exemplifying our commitment to sustainable practices and reducing our ecological footprint.

**M-DOC**, employed internally since 2019 and commercially offered to B2B customers since September 2023, enables paperless document management and environmental sustainability.

**e-Contract**, available in Moldcell shops, facilitates digital contract signing and streamlines customer experience, minimizing bureaucracy and paperwork.

**M-ID**, supporting digitalization by providing secure and convenient online identity verification, fosters efficiency and reduces the need for physical presence.



### M-DOC & E-contract services

Eliminates paper usage and physical storage through secure digital platforms, fostering collaboration, accessibility, and a greener footprint. Simplifies contractual processes thus eliminates manual paperwork, minimizing bureaucracy and environmental impact.

**90%** of the internal documentation and

**20%** of the documents signed with B2B clients are electronically signed

Secure online identity verification which facilitates remote access to services and online transactions, reducing the need for physical documentation and travel, thus lessening carbon footprint.

Electronic signing tools provide high levels of security and authenticity, preventing fraud and ensuring document integrity. This reduces the need for rework due to physical loss or alteration.



### Mobile-ID

Collectively, M-DOC, e-Contract, and M-ID propel Moldcell towards a future of technological

advancement and environmental consciousness. By eliminating paper dependence, optimizing processes, and promoting remote interactions, these solutions empower users, enhance efficiency, and contribute to a more sustainable digital landscape. Prioritizing both environmental responsibility and operational efficiency, Moldcell has implemented the **Electronic Archiving and Document Management System (ELAR)**. This groundbreaking tool serves as a critical driver of the company's transition towards a paperless future and significant digitalization of internal processes.

In 2022, the company scanned over 600 thousand pages of documents. In 2023, that number decreased by 200 thousand. This is a significant reduction, and it is likely due to the implementation of the ELAR system and other recycling initiatives.

The ELAR system allows Moldcell to scan documents and store them electronically. This eliminates the need to print and store paper documents, which saves space and resources. The system also makes it easier to access and share documents, which can improve efficiency. Certain procedures, such as eAbonament, are managed without the need to print requests.

In the case of contract termination, upon expiration of the legal retention period, the relevant documents are withdrawn from the archive and subjected to the recycling process, in strict accordance with the applicable legislative provisions.

M-DOC, e-Contract, MobileID, and ELAR are not merely products, but cornerstones of Moldcell's unwavering commitment to progress and environmental responsibility. These innovative solutions are not only embraced internally, streamlining our operations and reducing our footprint, but are also actively promoted externally, offering businesses and individuals a path towards a paperless and efficient future.

Moldcell dedication to continuous development ensures that these services evolve alongside changing needs and technological advancements. By investing in user-centric features, enhanced security, and seamless integration, we aim to continuously elevate the experience for both internal and external users. Moldcell recognizes that environmental responsibility is not a destination, but a journey. By championing these digital solutions, we not only empower our own operations but also contribute to a collective shift towards a greener future. Therefore, we stand firm in our commitment to continuous innovation and environmental consciousness.



## DIGITAL SOLUTIONS FOR A GREEN TRANSITION



**Microsoft 365**

Launched in August 2023, Moldcell Microsoft 365 solution is a cloud-based suite of software tools designed to help the customer achieve more, including top-notch communication applications, design and data management, intelligent cloud services, and advanced security. Using Microsoft 365 applications the client adopts in his area a lot of benefits for the entire environment. By facilitating

Online collaboration and communication, Microsoft 365 helps organizations reduce physical travel and its associated environmental burdens. Powerful data management tools promote responsible storage and usage, optimizing resources and minimizing environmental impact. The adoption of automatic updates ensures the use of the latest software versions, eliminating the need for physical media production and its waste, while enhancing product lifecycle efficiency. Integrated security and privacy features help prevent data loss and minimize cyberattacks, supporting organizations in maintaining a secure digital environment and reducing the negative environmental impact of such incidents.



**m-Security**

M-Security is mobile app-based service, takes care to scan and verify all processes on customers' smartphone. Information, content, WiFi connection, and applications – all are under constant and meticulous control.

By preventing cyberattacks and data loss, the service minimizes the need for resources to remedy consequences and promotes a more responsible use of digital resources. Careful control of WiFi connections and other processes optimizes the device's energy consumption.



**lifebox**

Cloud service which is able to storage all the subscriber's data (documents, photos, videos, reports) in one place.

# #1

# DIGITALLY HUMAN

**GROW | CONVERGE | EXPLORE**



# 1.

## EMBRACING SUSTAINABILITY

**1.1** Mission

**1.2** Stakeholder engagement

**1.3** Materiality assessment

**1.4** Collaborations through associations

**1.5** Awards



moldcell

## 1.1 MISSION “GO BEYOND TELCO”

Moldcell goes beyond traditional telecommunications by actively contributing to the evolution of various industries and introducing convergent solutions that align with customer expectations. Our commitment extends to enhancing the digital capabilities of society, ensuring that we play a pivotal role in driving innovation and meeting the evolving needs of our community.

By fostering strategic partnerships and embracing cutting-edge technologies, Moldcell is at the forefront of shaping a digitally connected future. We prioritize collaborative efforts with key stakeholders, leveraging our expertise to create synergies that transcend conventional boundaries. Through our initiatives, Moldcell seeks to empower businesses and individuals alike. Our relentless pursuit of excellence is not only reflected in the quality of our telecommunications services but also in our dedication to pioneering solutions that contribute to the overall progress and prosperity of the communities we serve. As we continue to push the boundaries of what is possible, Moldcell remains a catalyst for positive change in the dynamic landscape of digital transformation.

### “At Moldcell we bring the entire world in your hands to ENJOY LIFE EVEN MORE”

In 2021 Moldcell launched a transformative purpose and strategy to galvanize the organization and define our next decade of sustainable development.

The ambition was to make Moldcell better for the customers, the employees, the owners and society. Led by a purpose Moldcell has chosen four strategic priorities that explain how the strategy will create value and be better for all Moldcell stakeholders.

Moldcell mission puts people at the center of everything we do. Moldcell aims to be a company that is trusted by customers, employees, suppliers, shareholders and society in general. Moldcell mission has two key elements:

- **Making the world more human:** corporate ethics are at the heart of everything we do, always placing technology at the service of people and protecting the planet through digitalization. We take into account our various stakeholders' expectations and needs in order to build relationships of trust.
- **Connecting people's lives:** this means that we aim to digitalize society as a whole, leaving no one behind and reduce the digital divide in terms of access, affordability, accessibility and training in digital skills. It also drives us to innovate so that we can offer products and services that add value and contribute to improving people's lives and leads us to leverage digital solutions to decarbonize the economy.

The pandemic crisis made our mission even more important: never before has being connected made such a big difference; it has changed the way we

study, work, interact and do business. This new way of doing things, which is more online and digital, also offers environmental benefits. The most obvious example is how remote working reduces employee commuting, which leads to lower fuel consumption and office air conditioning, meaning lower CO2 emissions. The telecommunications sector is a pillar of our society and in the coming years the sector will continue to play a key role in an economic and social recovery and in building a greener and fairer economy for all.

### Sustainability approach

Moldcell Adopts Leading ESG Reporting Frameworks for Enhanced Transparency and Sustainability.

Moldcell is proud to announce its alignment to two leading frameworks: the Global Reporting Initiative (GRI) and the ESG Metrics for Mobile, a sector-specific framework launched by the GSM Association. By adopting these comprehensive standards, we will be able to better measure, report, and demonstrate our ESG value starting from 2023. This commitment reflects a broader shift towards energy-efficient networks, sustainable business practices, and leveraging digital connectivity to improve access to healthcare, education, and financial services. The common metrics defined by these frameworks aim to simplify and harmonize ESG disclosures while adding an industry-specific lens, ensuring comparability, stakeholder relevance, and internal decision-making usefulness. Additionally, our sustainability approach aligns with the UN Sustainable Development Goals (SDGs), ensuring our business strategy and activities contribute to these important objectives. Measuring sustainability performance is essential for translating strategy into action.

### Aligned with the 2030 Agenda

Our corporate purpose combines naturally with the United Nations 2030 Agenda, which explicitly highlights the key role of technology, innovation and communications in addressing the great challenges facing humanity. Deploying infrastructure is essential, but it is not sufficient on its own. Based on this infrastructure, we need to develop services that add value and allow us to get the full socio-economic benefit of technology. There is also a need to increase the digital skills of society and businesses. Moldcell is committed to making this happen. We want to be recognized as a key player in the sustainable development of society, as an enabler to help tackle emerging socio-economic and environmental challenges. To make our mission a reality, we must have clear principles that consistently guide our decisions and actions inside and outside the Company. Brand and culture alignment is also key. Our aim is for Moldcell's corporate purpose and values to be reflected in our conduct, processes and objectives, ensuring consistency between what we say and what we do, so that this shared vision spreads from employees to customers and from customers to society. This culture is strengthened when we are consistent in how we behave within the Company and how we present ourselves.

# UN SUSTAINABLE DEVELOPMENT GOALS

Since 2020, Moldcell, a part of CG Corp Global, has been actively following the United Nations (UN) Sustainable Development Goals (SDGs). Moldcell, in collaboration with the United Nations in Moldova, signed a Memorandum of Understanding to contribute to the implementation and achievement of the Sustainable Development Goals in the Republic of Moldova. Notably, Moldcell holds the distinction of being the first private company to sign such a Memorandum with UN Moldova, signaling the green light for numerous partnerships between Moldcell and UN agencies in Moldova to support sustainable development projects.

In 2020, specific objectives were selected for implementation in collaboration with Moldcell foundation that integrates digital transformation and technology utilization across key areas of digital responsibility: education, society, socially impactful investments, support for the business environment, and assistance in achieving the UN Sustainable Development Goals.

In 2023, Moldcell has expanded its commitment to additional Sustainable Development Goals related to the environment. We pledge to provide transparent and comprehensive yearly reports on our achievements in line with these goals, underscoring our dedication to sustainability and accountability.

In tandem with our environmental commitments, Moldcell aims to integrate innovative and sustainable practices across our operations. We recognize the urgent need to address climate challenges and, in response, have set ambitious targets for reducing our carbon footprint, promoting energy efficiency, and enhancing waste management. By aligning our strategies with the additional Sustainable Development Goals related to the environment, we are committed to fostering a more eco-friendly and resilient future.

Our ongoing commitment is to actively contribute to those goals where we can create the most significant positive impact and mitigate our negative influence in the areas of our operations.

Moreover, Moldcell acknowledges the importance of collaboration in achieving these sustainability objectives. We are actively seeking partnerships with local communities, governmental bodies, and industry stakeholders to leverage collective expertise and resources. Through collaborative initiatives, we aspire to amplify the impact of our sustainability efforts, promoting a shared commitment to environmental stewardship and fostering positive change on a broader scale.



## 1.2 STAKEHOLDER ENGAGEMENT

Moldcell's stakeholder engagement strategy is based on increasing transparency and effective dialogue to build relationships of trust. These relations enable us to identify which aspects are considered most significant by our stakeholders and to identify new trends in the field of sustainability.

Significant stakeholder Moldcells are defined as:

- Customers
- Employees
- Shareholders
- Suppliers and partners
- Society

Moldcell is committed to a number of international guidelines and initiatives related to anticorruption, environmental responsibility, human rights and labor rights, including:

- The UN Universal Declaration of Human Rights
- The core conventions of the International Labor Organization (ILO)
- The OECD Guidelines for Multinational Enterprises
- The UN Global Compact
- The UN Guiding Principles on Business and Human Rights
- The Children's Rights and Business Principles

These guidelines form the foundation of Modcell's Code of Ethics and Conduct. The requirements set by the Code, which go beyond legal compliance and apply to all employees, lay out how to engage with stakeholders in a way that ensures the highest degree of ethical business practices and behavior.

At Moldcell, we have regulations that govern information to markets and other stakeholders in order to guarantee that the information released by Moldcell is known by the markets and other stakeholders, maximizing the communication and quality of this content.

Below are the main publications that report on our activities, which help ensure clear communication and foster transparency:

- Quarterly reports to national regulator that can be reviewed on ANRCETI's website for further insights <https://anrceti.md/> ;
- Consolidated Management Report and publications on the official Moldcell website [www.moldcell.md](http://www.moldcell.md);
- Social media presence: LinkedIn, Facebook, Twitter, Instagram, YouTube and TikTok.

Moldcell maintains ongoing conversations with our stakeholders through active listening, the promotion of two-way and effective communication, and direct, fluid, constructive, diverse, inclusive and inter-cultural dialogue that enables us to know their expectations, identify their priorities and build a relationship of trust.

This ongoing dialogue forms part of our daily operations and is built on each one of the interactions that stakeholders have through the various channels set up for this purpose. The constant monitoring of the main channels for dialogue with major stakeholders

enables us to measure the impact of our relations with and commitment to them. In this way, it becomes possible to establish action plans that meet their needs, boosting positive impacts and mitigating any that might be negative. Below is a list of the main communication channels with our stakeholders:

STAKEHOLDER	CONTACT POINT
Customers	<ul style="list-style-type: none"> <li>• Call Center</li> <li>• Digital channels</li> <li>• Relationship survey (NPS)</li> </ul>
Employees	<ul style="list-style-type: none"> <li>• Employee Engagement Survey</li> <li>• Workplace</li> </ul>
Suppliers & partners	Meetings, consultations
Shareholders	General Shareholder's Meeting
Society	Social media, Press releases, interviews, invitations and responses to media
Government entities and regulators	Meetings with local institutions

By actively engaging through these diverse channels, we nurture crucial relationships with each of our stakeholders:

**Customers:** Their trust and satisfaction are paramount. We listen attentively to their needs, continuously striving to exceed their expectations and build lasting loyalty.

**Employees:** They are the heart of our company, driving innovation and delivering on our promises. We foster their growth and well-being, recognizing their critical role in our success.

**Shareholders:** We value their trust and investment, aiming for sustainable growth that delivers long-term value. Open communication and transparency ensure shared understanding and mutual benefit.

**Suppliers & partners:** Strong partnerships underpin our operations. We collaborate ethically and fairly, recognizing their contribution to our shared success.

**Society:** We operate within a broader ecosystem, committed to responsible practices and positive impact. We engage with communities, contributing to a better future for all.

Investing in these relationships fosters trust, collaboration, and shared success. Every voice matters, and their perspectives guide our decisions. By working together, we build a stronger, more sustainable future for all. Moldcell is dedicated to creating an inclusive and innovation-driven ecosystem where diversity is celebrated, ideas flourish, and collective efforts pave the way for a technologically advanced and socially responsible society.

# 1.3 MATERIALITY ASSESSMENT

Demonstrating our commitment to sustainable growth, Moldcell conducted its first comprehensive materiality analysis in 2023.

The materiality principle directs Moldcell's actions in issues of sustainability that concern stakeholders. In its review of material topics, the requirements in the GRI Sustainability Reporting Standards 2021 (GRI Standards) and a 2023 materiality analysis, Moldcell identified a list of significant topics which have a high impact on the environment, communities and Moldcell's value and business. To obtain input for its materiality analysis, Moldcell explored the trends in the industry, reviewed applicable regulations, mandatory requirements and industry best practices, conducted a peer analysis and media searches, and discussed a range of topics with key stakeholders (e.g., customers, suppliers and employees). Priority topics were discussed extensively with a diverse set of internal and external experts, including Moldcell's governance bodies. Moldcell believes that sustainability must be an integral part of its strategic business planning.

In 2023, we conducted an impact materiality assessment to identify key ESG topics. To further understand the financial implications of these choices, we'll be implementing a double materiality approach in 2024. This robust process established our core material topics, which now guide our sustainability strategy and target setting. We are actively engaged in implementing these targets and building a more sustainable future for our company and stakeholders. The following sources were used for that documentary analysis:

### External:

- Global ESG regulatory context: analysis of international environmental, social and corporate governance standards, as well as legal requirements, globally applied local standards, economic policies etc.
- Benchmark: materiality matrices of the leaders in our sector.
- Non-financial or sustainability reporting standards (GRI and SASB).
- Sustainable Development Goals and targets (SDGs): taking into account the goals to which we can make the most decisive contributions.
- Expectations from our stakeholders by identifying priority issues through the various engagement channels we have with them. For further information, see our table of stakeholder engagement channels.

### Internal:

Besides analyzing relevant internal documentation, we also consulted with cross-departmental areas from an ESG point of view.

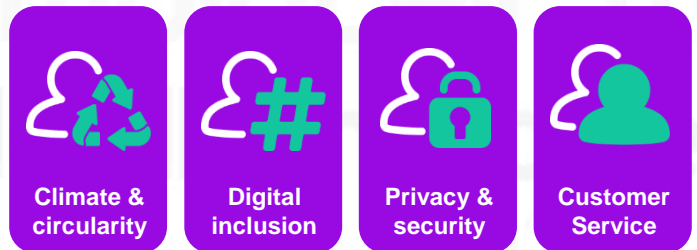
The listed material topics were approved by Moldcell's Executive leadership team and Board of Directors.

These topics, impacts, risks and opportunities will be regularly reviewed as new topics emerge and gain significance over time.

The materiality assessment that took place in 2023 led to the identification of eleven material impact areas. As illustrated below, we have selected four of them as our main focus – Climate and circularity, Digital inclusion, Privacy and security, and Customer Service.

These are the areas that are connected to our core business and therefore offer particular leverage. The remaining eight constitute essential building blocks of an ethical and rights-respecting culture. All impact areas are embedded in our Business strategy.

## PRIORITY MATERIAL IMPACT AREAS



## OTHER MATERIAL IMPACT AREAS

- Responsible Employer
- Online safety
- Digital integrity
- Diversity, inclusion and well-being
- Responsible sourcing
- Business Ethics
- Sustainable products and services

Sustainable success depends on financial, social and environmental resilience. We achieve this goal by strengthening financial stability through growth and cost optimization, by promoting an inclusive culture that encourages employee involvement, and by integrating ESG principles to implement ethics and positive impact in all aspects of our operations.

In conclusion, the comprehensive exploration of our materiality assessment in this chapter has provided invaluable insights into the core aspects that significantly impact our business and stakeholders. By methodically identifying and prioritizing these material issues, we have laid a solid foundation for strategic decision-making and sustainable practices. The dialogue and engagement with our stakeholders throughout this assessment have not only enhanced our understanding of their expectations but have also reaffirmed our commitment to transparency and responsible corporate citizenship. As we move forward, this materiality assessment will continue to guide our actions, ensuring that our endeavors align with the shared values and priorities of our diverse stakeholders, fostering a resilient and mutually beneficial future.

# MATERIAL TOPICS MANAGEMENT

## CONTEXT

## OUR APPROACH

<p>CLIMATE</p>	<p>In the era of global climate consensus, prioritizing climate change responses, such as greenhouse gas reductions and decarbonization investments, is crucial. These endeavors are essential for corporations, fostering trust with customers and the market, ultimately ensuring sustainable growth.</p>	<p>Energy has been in focus for all players of society this past year and electricity consumption is one of Moldcell's most significant environmental aspects. Our strategy to manage energy impacts and costs consists of several parts, including:</p> <ul style="list-style-type: none"> <li>• Increasing energy efficiency through new network hardware and power saving features</li> <li>• Managing power consumption through decommissioning legacy networks and modernizing sites.</li> <li>• To gain a clear understanding of our environmental footprint and guide future sustainability efforts, Moldcell undertook its first carbon footprint measurement following the Greenhouse Gas Protocol (GHG Protocol) standard.</li> </ul>
<p>CIRCULARITY</p>	<p>Shifting from a linear to a circular economy and starting to use natural resources in an efficient way will be critical if we are to tackle climate change and start existing within planetary boundaries that are safe for humanity and ecosystems.</p>	<p>We implement a comprehensive e-waste management strategy, partnering with four reputable companies to ensure responsible handling of electronic waste. Currently, we collect all e-waste generated from our infrastructure for recycling, contributing to the responsible handling of electronic waste. Looking ahead, we have strategic plans to expand our e-waste collection efforts, with a particular emphasis on engaging and encouraging our customers to participate in these initiatives. In 2023, we launched the Trade-in program to give old phones a second life and reduce e-waste. We're committed to expanding this initiative in 2024, minimizing our environmental footprint.</p>
<p>CUSTOMER SERVICE</p>	<p>At the heart of any technology and service lies a commitment to prioritizing customers. Satisfactory services and distinctive experiences, achieved through authentic innovation in customer value, are deemed key in our ongoing efforts for exceptional customer service.</p>	<p>To prioritize long-term customer relationships, Moldcell actively measures customer satisfaction through both Transactional NPS and Competitive NPS. This approach gathers valuable feedback and gauges customer willingness to recommend Moldcell. Building on this commitment, 2024 has been declared the "Year of the Customer" under the "Purple Promise" program. This program focuses on enhancing communication, proactive problem-solving, and anticipating customer needs.</p>
<p>PRIVACY &amp; SECURITY</p>	<p>As digital technology usage expands, prioritizing IT security and privacy becomes crucial. Managing these aspects at an enterprise level, from goal-setting to implementation, is imperative.</p>	<p>Moldcell is always making every effort to protect the privacy of its customers. We comply with all relevant personal information laws and disclose on our homepage <a href="https://moldcell.md/rom/politicile-companiei">https://moldcell.md/rom/politicile-companiei</a> so that customers can easily view it at all times in accordance with relevant laws. In addition, we are enhancing information security core competencies through the upgrading of the information security platform and security infrastructure that combine various technologies.</p>
<p>DIGITAL INCLUSION</p>	<p>Digitalization is currently transforming societies – bringing both new opportunities and risks. Those who are digitally included can make the most of new opportunities. Those who are not risk being left behind when services such as healthcare, banking and education are digitalized, and many social arenas continue moving online.</p>	<p>Moldcell is committed to connecting everyone to the most trusted, reliable, and efficient modern networks. Our work within this area focuses on contributing to equality and inclusion, to make sure that all individuals Moldova capture the full potential of digitalization. Moldcell empowers over 1.5 million subscribers with extensive network coverage: 96.13% 4G, 98% 3G, and 97.22% 2G. Additionally, our digital inclusion initiative has reached <b>22,545 individuals</b>, bridging the digital divide and promoting equitable access to technology.</p>
<p>RESPONSIBLE EMPLOYER</p>	<p>As technology advances in industrial sites, there is a growing trend of increased frequency and scale of occupational accidents. Globally,</p>	<p>Moldcell puts the highest value on protecting the safety and lives of customers, citizens, employees, and all those involved. That is why we continuously declare our commitment to safety and health management and spare no efforts to care, invest in</p>

# MATERIAL TOPICS MANAGEMENT

## CONTEXT

## OUR APPROACH

<p>RESPONSIBLE EMPLOYER</p>	<p>there is a push to raise stakeholder awareness and strengthen regulations concerning occupational safety. Safety issues are gaining significance as they contribute to corporate competitiveness and trust factors.</p>	<p>and support occupational safety. Moldcell prioritizes employee well-being with a comprehensive occupational health and safety management system covering 100% of our workforce. This focus on safety resulted in zero accidents reported on Moldcell premises in 2023.</p>
<p>DIVERSITY, INCLUSION AND WELL-BEING</p>	<p>Human capital is vital for business growth, playing key roles in innovation and performance. A comprehensive approach to recruitment, competency development, and fostering an inclusive culture, including gender diversity, is crucial for long-term corporate competitiveness and success in a dynamic business landscape.</p>	<p>Moldcell is strengthening the leadership needed in the new era with a focus on cultivating business-specific professionals. Simultaneously, we are establishing a culture where our people take the initiative in teaching themselves, emphasizing inclusivity and gender diversity to foster a dynamic and innovative workforce.</p>
<p>SUSTAINABLE PRODUCTS AND SERVICES</p>	<p>The telecommunications industry, once seen as solely a provider of connectivity, is now at a crossroads. Growing consumer and investor demand for sustainability, coupled with the environmental impact of network infrastructure and operations, necessitates a shift towards sustainable products and service.</p>	<p>Moldcell offers over 20 digital solutions that promote #DigitallyHuman experiences, Moldcell's ecosystem of apps is designed to bridge the gap for both individual and corporate customers, fostering inclusion and empowerment regardless of age, income, or origin. We analyze value chains and identify stakeholders to ensure sustainable practices.</p>
<p>ONLINE SAFETY</p>	<p>Telco services and ways of working impact the rights and well-being of children as users of mobile services. Negative impacts on children's rights and welfare affects the trust and the ability of a telecommunication operator to retain and attract customers, employees and access to capital.</p>	<p>Moldcell champions online safety by embedding features in its services and boosting awareness through projects and partnerships. We empower users with the knowledge and tools for a secure digital experience. The #InternetWithoutWorries project is meant to reveal the topic of online safety among Moldcell users and not only, for different age categories and social status. <a href="#">#InternetFărăGriji (moldcell.md)</a></p>
<p>RESPONSIBLE SOURCING</p>	<p>Responsible sourcing practices (supplier requirements &amp; behaviors) impact local economies, livelihoods, and worker rights while enhancing supplier resilience, reducing risks, and protecting reputation.</p>	<p>Moldcell prioritizes responsible sourcing through a transparent procurement process fortified by rigorous due diligence, ensuring ethical and sustainable choices throughout our supply chain.</p>
<p>BUSINESS ETHICS</p>	<p>The significance of ethical management has risen, prompting a need to address potential unethical practices tied to growing social concerns. Enhancing employees' understanding and establishing guidelines to ethical norms will contribute to ethical management.</p>	<p>Moldcell prioritizes ethical governance and fosters a fair trade culture. Our commitment to ethical management encompasses both responsible internal practices and fair trade principles throughout our supply chain. Through comprehensive ethics training, we empower all employees to make responsible decisions. This commitment to integrity builds trust with our customers, shareholders, partners, and communities, fostering a thriving corporate culture.</p>
<p>DIGITAL INTEGRITY</p>	<p>In the digital era, respecting digital rights is not just a choice but an essential responsibility for telcos. As guardians of communication infrastructure, telcos play a critical role in upholding the fundamental rights of users, impacting free expression and privacy. Government limitations on these rights can influence a telco's reputation and overall trust in digitalization.</p>	<p>At Moldcell, we recognize the importance of digital rights in today's connected world. We go beyond mere compliance, actively fostering an environment that respects and upholds the freedom of expression, access to information, and participation in the digital economy for all our users. This commitment extends to every aspect of our operations, including a zero-tolerance policy towards all forms of corruption. We understand that corrupt practices within our value chain can not only be costly but also erode the trust our customers and partners place in us.</p>

## 1.4 COLLABORATIONS THROUGH ASSOCIATIONS

Collaborative initiatives enable us to better understand and act on our impacts, risks, and opportunities. By working together, we learn from experts and affected parties and pool resources to maximize outcome and leverage. Work with our partners contributes to our materiality assessments and enable us to find efficient approaches. Selected examples are presented here.



The GSM Association is a non-profit industry organization that represents the interests of mobile network operators worldwide. Through our collaboration

with the GSMA, Moldcell taps into a wealth of international experience and best practices, ensuring seamless roaming experiences for our customers and minimizing fraud risks.



The Foreign Investors Association (FIA) is a non-profit and non-political association from the Republic of Moldova, aimed to stimulate the reforms and the improvement of the business environment in the Southeastern European countries. Moldcell's CEO, Mrs. Carolina Bugaian is also a member of the Board of Directors of the **FIA**.



European Business Association Moldova is an impact organization, aimed at aligning the national economy and business legislation to the EU standards and promote European values and best business management practices in the entrepreneurial community. EBA Moldova is Member of EBO Worldwide Network. Moldcell is a founding member for EBA Moldova. Moldcell CEO, Mrs. Carolina Bugaian, serves on the as Vice President on Board of Directors of the European Business Association (EBA).



The American Chamber of Commerce in Moldova (AmCham Moldova) is a non-governmental non-profit organization comprising 161 members from a diverse spectrum of businesses. A key tenet of AmCham Moldova's activity is Advocacy, which contributes to the enhancement of investor-friendly relations in Moldova. Moldcell executives are also members of the HR and Fiscal Committee of AMCHAM.



The Association of Women Entrepreneurs in Moldova (AFAM) is an NGO has the mission to support the growth of women's potential in entrepreneurship and management in the Republic of Moldova. At the helm of AFAM as President sits Moldcell CEO, Carolina Bugaian. Mrs. Bugaian is also a founding member of AFAM.



The Association for the Development of Electronic Communications and Innovative Technologies (ACETI) represents a non-governmental, apolitical, non-profit public association, established in order to develop the field of innovations in engineering and digital technologies in the Republic of Moldova, especially in the region of north. Moldcell actively fosters positive change through collaborations with ACETI.



THE MOLDOVAN ASSOCIATION OF ICT COMPANIES ("ATIC") is a business Organization uniting 96 entities and representing an Umbrella Organization that gathers over 9 000 employees. ATIC is the action leading association and the voice of the Moldovan ICT industry that promotes the development of the ICT sector in the Republic of Moldova. Moldcell actively fosters positive change through collaborations with ATIC.



The Chamber of Commerce and Industry of the Republic of Moldova (CCI) is the largest business association in Moldova, which brings together over 1100 members, large, small and medium enterprises from all branches of the economy and is a member of the International Chamber of Commerce (ICC) and the Association . European Chambers of Commerce (EUROCHAMBRES). Moldcell actively fosters positive change through collaborations with CCI. Moldcell's CEO, Mrs. Carolina Bugaian is also a member of the Board of Directors of CCI.

On November 22, Moldcell won the **WORLD COMMUNICATION AWARD IN THE PEOPLE AND CULTURE CATEGORY**, at the prestigious World Communication Awards. This achievement solidify our position as a responsible employer committed to cultivating a thriving workplace where our people can flourish.

## 2023 AWARDS



Moldcell was awarded the prestigious Diploma of Honor for the exceptional contribution to the **EUROPEAN POLITICAL COMMUNITY SUMMIT 2023**. The ward was handed by the President of the Republic of Moldova, Maia Sandu. This achievement demonstrates the dedication and professionalism of the Moldcell team and reflects our commitment to bring the whole world into the hands of subscribers, so that they can live their lives to the fullest.

Moldcell ranked **1ST IN THE TOP OF THE BEST EMPLOYERS IN THE REPUBLIC OF MOLDOVA**, According to the "Employer Brand Perception Survey 2022" study, organized by AXA Management Consulting. Moldcell Moldcell reconfirmed its business position with a human face #DigitallyHuman, ensuring excellent working conditions, a climate based on team spirit and practices where the needs of employees are a priority.



Moldcell was honored with the **GOLDEN MERCURY TROPHY IN THE "BUSINESS ONLINE" CATEGORY**, recognizing its outstanding presence in the digital environment.

**GOLDEN MERCURY TROPHY IN THE "SOCIAL RESPONSIBILITY" CATEGORY** for Moldcell foundation a platform that brings together all the initiatives and projects of corporate social responsibility of Moldcell.

**INTEGRITY AWARD FOR "IMPLEMENTING INTEGRITY STANDARDS IN THE PRIVATE SECTOR"** confirms that Moldcell subscribers enjoy a high quality of service, based on the principles of business responsibility, fairness, ethics and compliance, which Moldcell confidently promotes throughout the community of the Republic of Moldova.

**GOLDEN MERCURY TROPHY FOR WOMEN IN BUSINESS** confirms that Moldcell is delivering equal opportunities to women for growth.

**GOLDEN MERCURY TROPHY IN THE "FAMILY FRIENDLY WORKPLACES"** recognizing our commitment to creating a work-life balance for employees. We foster a supportive culture and work environment that provides both practical and emotional assistance, allowing employees to thrive in both their careers and family lives.

**GOLDEN MERCURY TROPHY IN THE "GREEN ECONOMY"** category for pioneering the market with very innovative and technological solutions aiming to protect the environment.



**Inspire  
Act  
Win**

# 2.

## GOVERNANCE

**2.1** Governance structure

**2.2** Our Board

**2.3** Our Executive Leadership Team



## 2.1 GOVERNANCE STRUCTURE

The corporate structure of Moldcell is the way in which the company is organized and managed. It includes the different departments and functions within the company, as well as the relationships between them.

Moldcell's main governing bodies are:

- The General Meeting of Shareholders
- The Board of Directors
- Audit Committee (the Censor).;
- The Chief Executive Officer (CEO), assisted by the Executive Leadership Team

### Annual General Meeting 2023

The General Shareholders' Meeting is the supreme governing body of Moldcell and is held at least once a year. The decisions of the general meeting of shareholders in matters related to its attributions are binding for the persons holding positions of responsibility and for Moldcell's shareholders. The general meeting of shareholders can be ordinary (annual) or extraordinary. The Company makes available to its shareholders the documents and information that must be provided to them in accordance with legal or requirements in connection with the various items included on the agenda.

In 2023, the General Shareholder's Meeting played a pivotal role in shaping the company's trajectory by making key decisions. These decisions included the review and assessment of financial forecasts, investments, and business plans. The approval of the budget and strategy, along with the review and evaluation of key policies, governance documents, and target setting, were integral to the meeting's agenda. The shareholders also addressed risk reports, organization and management issues, and scrutinized business strategy and operations. Additionally, the approval of the annual report and financial statements marked a significant milestone in ensuring transparency and accountability in the company's overall governance.

In addition to the decisions made during the General Shareholders' Meeting, it is noteworthy that shareholders, during the meeting, possess the right to request information or explanations concerning agenda items or publicly accessible information. This practice reinforces transparency and shareholder engagement, allowing for a more informed decision-making process. If unable to address a shareholder's request during the meeting, the Board of Directors pledges to provide the necessary information in writing after the meeting concludes. This commitment further underscores the company's dedication to openness, accountability, and ensuring shareholders are equipped with the information they need to make informed decisions. The General Shareholders' Meeting emphasized transparent communication and strategic decision-making, reinforcing a commitment to sound governance. Shareholder engagement prioritized aligning business practices with ethical

considerations, guiding the company's growth, resilience, and adherence to best practices for sustained value.

## Moldcell Governing Bodies 2023



### AUDIT Committee (the Censor)

The Audit Committee of Moldcell is responsible for overseeing the financial reporting, internal controls, and compliance of the company. The duties of the auditors include among others:

- Oversee the independent audit of the company's financial statements.
- Review the company's internal controls over financial reporting.
- Review the company's compliance with laws and regulations.
- Consider the company's risk management process, including the output of the GREC committee, which provides independent oversight and recommendations on risk management matters.

The audit committee plays an important role in ensuring that companies are accountable for their financial reporting, internal controls and compliance.

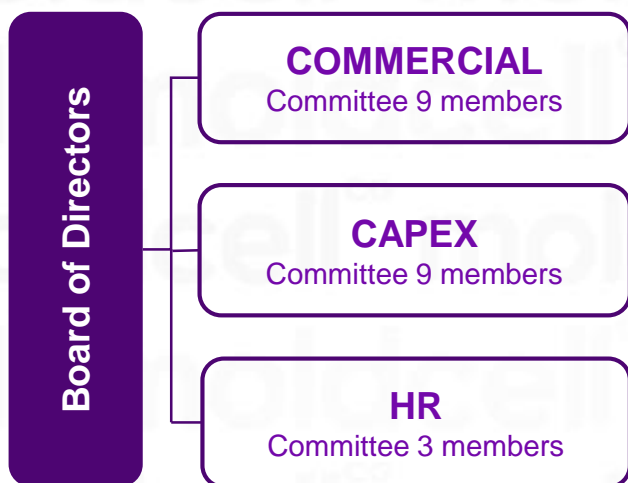
## 2.2 BOARD OF DIRECTORS

The Board of the company represents the shareholders' interests between the general meetings and within its competence, controls and regulates the activity of the company. The board of the company is accountable to the general shareholders meeting.

The Board of the company has the following competence:

- priority directions for Moldcell's activities;
- how shareholders are presented and the material on the agenda of the general meeting for their attention;
- the rules of Moldcell's executive body and decisions on the election of the executive body and the appointment of its head or the early termination of its powers, on the determination of the amount of remuneration and compensation, on the drawing of such responsibility or on the release of liability;
- the monthly and quarterly financial reports of Moldcell's executive body;
- decisions relating to the appointment and dismissal of their directors and amendments and additions made to the charter in connection with it.

The Board of Moldcell submits to the General Meeting of Shareholders the annual report on its activities and on the company operation being drawn up in accordance with the law on the capital market and the regulation of the board of Moldcell.



\* **Nirvana Chaudhary, Chairman of the Board of Directors**

### Organization of the Board

To improve board work efficiency, the Board has appointed a Commercial Committee, a CAPEX Committee and a PEOPLE Committee. The Committees prepare recommendations for the Board and make proposals on matters that require the Board's approval. The Committees also continuously give reports to the Board in relation to its work.

### COMMERCIAL Committee

Overseeing the organization's commercial strategy and performance. The committee ensures that Moldcell has a clear and well-defined commercial strategy, and that it is executing on that strategy effectively. This includes monitoring the organization's sales performance, market share, and profitability. Develops and recommends new commercial opportunities. The committee ensures that the company is building and maintaining strong relationships with its customers. The committee ensures that Moldcell has a strong and consistent brand identity. The Commercial Committee meets at the call of the Chair, or as dictated by specific business needs.

### CAPEX Committee

The CAPEX committee is responsible for reviewing and approving all capital expenditure proposals above a certain threshold. Ensuring that capital expenditure proposals are aligned with Moldcell's strategic plan. The CAPEX committee ensures that all capital expenditure proposals are aligned with the company's strategic plan and that they will help Moldcell to achieve its goals. The CAPEX committee evaluates the financial viability of all capital expenditure proposals, including the costs, benefits, and risks associated with each project. The CAPEX committee monitors the progress of all capital expenditure projects to ensure that they are on track and on budget. The CAPEX committee reported on the performance of all capital expenditure projects to the board of directors on a regular basis. The CAPEX Committee meets at the call of the Chair, or as dictated by specific business needs.

### PEOPLE Committee

Prioritizing a holistic approach to sustainability, the PEOPLE committee shifted its focus in 2023. In a strategic shift, the committee has moved beyond a focus on individual human resources actions. The committee plans the transition to become the Nomination, Remuneration, and ESG Committee by 2024. This transformation will enable the committee to more effectively integrate environmental, social, and governance practices. This change reflects our dedication to:

- Implementing innovative talent programs that fuel our growth and build the workforce of tomorrow.
- Championing equitable and performance-driven compensation systems that attract and retain top talent.
- Leading the charge towards a sustainable future by embedding ESG principles into every decision and action.

On July 1<sup>st</sup> 2023 were appointed two new Board members, Mrs Ingrid Stenmark and Mr. Sami Haavisto as Non-Executive Independent Directors, each bringing extensive technology and telecommunications experience. Also more time was devoted to strategy by holding several strategic deep-

diverse sessions during the year to enhance free-flowing discussions.

All Directors are professionals of integrity, whose conduct and professional career is in line with Moldcell requirements, with extensive experience, in telecommunications, technology, consumer awareness, ESG knowledge, marketing, accounting, auditing, risk management (both financial and non-financial), international experience and team leadership in multinationals. On the other hand, with regard to gender diversity, Moldcell has purposely sought out women who fit the required professional profile. In this regard, Moldcell has made a qualitative leap in terms of the percentage represented by female Directors with respect to the total number of members of the Board of Directors.

The Board of Directors, acting through its corresponding decision-making bodies, endeavors to defend, protect and facilitate the exercise of the rights of shareholders, institutional investors and the markets in general and, in particular, their right to information, within the framework of protecting the corporate interest, which is understood as the achievement of a profitable and sustainable business over the long-term, which fosters its continuity and the maximization of the economic value of Moldcell, all in accordance with the following principles:

- Transparency, truthfulness, immediacy, equality and symmetry in the diffusion of economic/financial, nonfinancial and corporate information by dissemination thereof through the reporting and communication channels, which contribute to maximizing the dissemination and quality of information available to the market and to other stakeholders.
- Published information shall be clearly written and must be true, complete in all material respects and comply with all applicable legal requirements, such that it reasonably provides a true and fair view of the financial and non-financial position, the profits/losses and the business of Moldcell in all material respects.
- Development of information disclosure tools that take advantage of new technology in order to communicate rapidly and effectively using economical means.
- Compliance with applicable national and international laws and the internal rules of Moldcell.

The work of the Board follows an annual cycle, enabling the Board to appropriately address each of its duties and to keep strategic issues, risk assessment and value creation high on the agenda. Board meetings are normally held in Chisinau, Republic of Moldova on a quarterly basis with the online participation of the Board members when abroad. Ad hoc meetings of the Board and its Committees were also held as required during the year.

All board members elected by the General Meeting are considered independent in relation to Moldcell and to the Executive Leadership Team.

In 2023, the Board held 4 ordinary meetings. The Board paid special attention to:

- Strategic options, with specific review of the changing business environment in the telecom industry
- Follow-up of major strategic initiatives within the business operations including CAPEX
- Operating model and organizational issues
- Approval of further integration of sustainability in the company business strategy
- Review of efficiency initiatives and cost-optimisation programs
- Regulatory developments in the telecom industry
- Investments in telecom licenses and spectrum permits
- Issues related to human resources, in particular succession planning, talent and performance management.

With its long-term strategic partners, and individual shareholders, Moldcell is uniquely positioned to thrive in the evolving telco landscape. This composition delivers not only stability and diversification, providing a strong foundation for consistent value creation, but also future growth and potential. The presence of long-term investors, fuels our ambition to unlock exciting opportunities and navigate the dynamic industry landscape.

Furthermore, transparency and accountability remain core values underpinning our operations. Clear ownership structure and strong corporate governance practices ensures responsible decision-making that serves the best interests of all stakeholders, including our diverse shareholder community.

As we move forward, we are confident that this multifaceted and strategic shareholder structure will be instrumental in shaping the future of Moldcell and the broader telco industry.

Embarking on a journey through the distinguished Board of Directors, each member brings a wealth of experience, expertise, and strategic vision. Shaped by diverse backgrounds and industry insights, their distinctive leadership styles contribute to a cohesive force propelling our company forward. Committed to excellence and a shared vision for innovation, they create a dynamic governance framework aligning with the ever-evolving industry landscape. Together, they stand as pillars of inspiration, driving our company towards a future marked by continued growth, resilience, and sustained success.

Their collective wisdom and collaborative spirit form the cornerstone of our organizational success, ensuring a forward-thinking approach that navigates challenges and embraces opportunities in our dynamic business environment.

## BOARD OF DIRECTORS



**Nirvana Chaudhary**  
Chairman of Moldcell Moldcell

### Work Experience and

**other:** Nirvana Chaudhary is the CEO of the Chaudhary Moldcell, Vice-President of the Chaudhary Foundation and President of the Moldcell Foundation. He is a member of the UN Global Compact High Level Steering Committee of the Action Platform, a member of the High Level Task Force for the Government of Nepal Response to Disaster & Disease Control. Previously, he served as Honorary Consul of Serbia in Nepal, Member of the Trade Council of the Ministry of Commerce of Nepal, Honorary Consulate General of Maldives in Nepal and Personal Advisor to the Ministry of Industries.

**Education:** Singapore Management University, MBA from London Business School, MBA from MIT, USA and MBA from Kathmandu University.

**Shares in Moldcell: 0**



**Rahul Chaudhary**  
Board member of Moldcell

### Work Experience and

**other:** Rahul Chaudhary is the Executive Director of CG Corp Global, he holds the position of CEO of the hotel conglomerate CG Corp Global, which includes 141 hotels in 91 tourist destinations, collaborating with 6 renowned hotel brands. Passionate about financial technology, he is the co-founder of Quint, the NFT Marketplace (Blockchain) store that allows users around the world to get their custom NFTs (Non-Fungible Tokens) designed by professionals. Rahul Chaudhary worked at Citibank in Wall Street, New York and Credit Suisse in London.

**Education:** Miami University in Ohio and attended the PDP program at Cornell University.

**Shares in Moldcell: 50%**



**Varun Chaudhary**  
Board member of Moldcell

### Work Experience and

**other:** Varun Chaudhary is the Chief Executive Officer of CG Corp Global. Within the CG conglomerate, Varun is responsible for the launch and development of new products as a strategy to expand the CG brand in India as well as in the international market. His professional management portfolio includes businesses such as: Mega Food Park in Rajasthan, Agro CG Industries, Quick Service Restaurants, cement industry, but also real estate, biotechnology and construction businesses.

**Education:** Varun Chaudhary graduated from the American University of Dubai and holds an MBA from Murdoch University in Australia. He holds honorary titles, awards, as well as the Honoris Causa University Title.

**Shares in Moldcell: 50%**

## BOARD OF DIRECTORS



**Sami Haavisto**

**Board Member, Independent  
Non-Executive Director**

### **Work Experience and other:**

Mr. Sami Haavisto is an investor, international expert and business advisor with extensive professional experience. Since 2020, it has been a member of the Finnish Business Angel Network (FiBAN). At the same time, he worked as a project manager in the field of telecommunications strategy, Mergers and Acquisitions within the Chaudhary Moldcell. Sami Haavisto became a member of the board of directors and held top positions in various companies such as Telia Corporate Holdings, TeliaSonera Eurasia (Istanbul), Ncell, Telia Latvia, Megafon, Audit Committee - LMT. He has gained experience and professional expertise in negotiations related to transactions, takeover processes and integration of legal entities or companies. He is an expert in financial analysis and business control. Throughout his career, he has gained extensive experience in financial activities: reporting, review and forecasting processes, goal setting, strategic planning and financial analysis, and fundraising.

**Education:** Sami Haavisto is a graduate of the Turku School of Business and Business Administration in Finland and holds a Master of Science in Economics.

**Shares in Moldcell: 0**



**Ingrid Stenmark**

**Board Member, Independent  
Non-Executive Director**

### **Work Experience and other:**

Mrs. Ingrid Stenmark is a non-executive director, investor and business advisor in many companies in Scandinavia and Europe. With an experience of more than 20 years in the field of telecommunications, IT or media, as well as Director of the board of directors (Head of CEO) within the largest telecommunications operator in the Scandinavian Peninsula, the company Telia, until June 2020. He has extensive international experience in top positions in listed companies in Sweden, Turkey, Russia and Kazakhstan. Over the years, he has acquired extraordinary professional and leadership skills. Thus, he became an international expert in Mergers & Acquisitions, integration, strategic planning, policies and business regulation, but also in the field of sustainability.

**Education:** Ingrid Stenmark is a graduate of Stockholm University, with a Master's degree in Law. She also attended Ruter Dam's Leadership Program and is a 2021 Readiness Program graduate.

**Shares in Moldcell: 0**

## 2.3 EXECUTIVE LEADERSHIP TEAM (ELT)

The governance framework of Moldcell, sanctioned by the Board, serves the fundamental purpose of providing a structured foundation. This framework ensures that the company possesses the requisite understanding and conditions to fulfill its commitments to customers, shareholders, and employees. It further ensures that operational results align with strategic decisions, fostering an environment where all employees are motivated to collectively strive towards common goals within established boundaries. Additionally, the governance framework seeks to instill a shared, clear understanding of Moldcell's purpose, values, roles, responsibilities, sustainability matters, and the authority to act, creating a cohesive and aligned organizational structure.

The Board and Executive Leadership Team set the boundaries for how employees shall act. Key elements are Moldcell's values, policy framework and the corresponding steering documents, Delegation of Obligations and Authority and the Code of Ethics and Conduct.

The CEO is responsible for the company's business development and leads and coordinates the day-to-day operations in accordance with the Board's instructions for the CEO and other decisions made by the Board.

Headed by the CEO, the Executive Leadership Team (ELT) comprises of the Chief Financial Officer, Chief Commercial Officer, Chief Technical Officer, People and Communication Director, Consumer Sales Director, Enterprise Director, Marketing Director, Mobile Financial Services and Business Innovations Director and Legal Affairs Director. The Executive Leadership Team meets monthly, dedicating these sessions to the meticulous follow-up on strategic and business performance, encompassing aspects such as sustainability, major change programs, risks, and other issues of strategic significance. These collaborative gatherings serve as a forum for informed decision-making, proactive risk management, and aligning the team's efforts with the broader organizational goals. The main responsibilities of the Executive Leadership Team are:

- **Set the strategic direction of the company.** This includes developing and implementing a long-term vision for Moldcell and its products or services, as well as setting specific goals and objectives.
- **Manage the company's resources.** This includes allocating financial resources, human resources, and other resources to achieve Moldcell's goals.
- **Make decisions** about the company's operations. This includes making decisions about product development, marketing, sales, and customer service.
- **Represent Moldcell to the public and to other stakeholders.** This includes communicating with

investors, customers, employees, and the media.

- **Delivering sustainably** through an accountable and empowered organization focuses on creating long-lasting and sustainable value for all our stakeholders by being a financially, socially, and environmentally strong and resilient company.

### Delegation of Obligations and Authority

The CEO has issued a Delegation of Obligations and Authority (DoA), which defines how the CEO delegates obligations and authority to Executive Leadership Team and describes its governance principles. The document also provides general descriptions of obligations and authority and expectations on the Executive Leadership Team.

Moldcell's CEO may be re-elected one or more times for periods of the same length as that of the initial period. Moldcell's executive body shall be unipersonal and is represented by the CEO (General Director) of Moldcell, who is proposed by the Board of Moldcell and elected by Shareholders Meeting for up to 1 year.

CEO shall cease to hold office when the time period for which they were appointed expires, or when so decided by the shareholders at the General Meeting in the exercise of the powers legally granted to them.

### Shareholding targets for the Executive Leadership Team - Follow-up of our performance

The Shareholding targets for the Executive Leadership Team are subject to a comprehensive performance follow-up, wherein the essential aspect of monitoring is emphasized to facilitate the identification of potential corrective measures and strategic planning for the future. This performance follow-up is diligently applied to both organizational unit and cascaded to individual members of the Executive Leadership Team. Through this passive approach, the continuous evaluation of targets becomes integral to ensuring not only the overall organizational success but also the individual contributions of each member are aligned with strategic objectives and long-term planning initiatives.

Furthermore, in the pursuit of organizational objectives, cross-functional targets are meticulously designated, aiming to foster a comprehensive commitment and collaborative effort among the diverse teams involved. These targets serve as strategic milestones that necessitate the collective dedication and coordinated actions of individuals from different functional areas within the organization. The assignment of cross-functional targets is a deliberate approach to encourage a shared sense of purpose, alignment of efforts, and a unified focus on achieving overarching goals. By strategically aligning team efforts across functions, organizations can harness the synergy of diverse skill sets and perspectives, ultimately enhancing efficiency and effectiveness in pursuit of common objectives.

### Business Reviews

The CEO sets goals for the operations based on the direction of the Board. To ensure performance, leaders have annual targets for their respective

operations. The plan for each unit is followed up in business review meetings held monthly and includes financial and operational reviews for the reporting period. The review meeting also includes a review of scorecards including operational, commercial, financial and people performance metrics as well as tracking of business initiatives. The business reviews allow for frequent follow-up of operational key performance indicators (KPIs) on the company. The operational KPIs are a key part of the follow-up and consist of several measurements that give leadership team a good overview of the current state and progress over time.

The Net Promoter Score (NPS) framework serves as a pivotal component in the comprehensive performance evaluation system at Moldcell. This customer-centric metric is instrumental in monitoring and enhancing the overall customer experience provided by the company. The CEO, CFO, CCO, and the Executive Leadership Team actively participate in business review meetings where NPS and other operational metrics are scrutinized. The NPS, intertwined with Moldcell's governance framework, underscores the company's commitment to aligning strategic goals with customer satisfaction, ultimately contributing to sustained operational and financial success.

### 2.3.1 Sustainability governance

In 2023, Moldcell launched an initiative to align the sustainability framework to the ESG (Environmental, Social, and Governance) initiative. This initiative is important because it will help us to reduce Moldcell's environmental impact and secure a better future for the next generations. Shareholders are encouraging Moldcell to adopt and implement sustainable practices.

The Board of Directors sets the company's sustainability strategy and goals, monitors the company's progress towards meeting its sustainability goals, ensures that the company is reporting on its sustainability performance in a transparent and comprehensive manner and provides guidance and support to the executive team on sustainability direction and policy commitments. The Board receives updates on sustainability performance as part of the CEO's quarterly updates to the Board. The Executive Leadership Team implements the company's sustainability strategy and goals, identifies and manages sustainability risks based on collected data and develops and implements sustainability programs and initiatives reflecting the achievements in the company's sustainability report. By aligning Moldcell's sustainability framework to the ESG initiative, we are demonstrating our commitment to reducing our environmental impact and improving our social and governance performance. This is important because it will help us to attract and retain investors, customers and employees. It will also help Moldcell to manage the risks and opportunities more effectively.

Moldcell is proactively and comprehensively aligning its sustainability framework with the Environmental, Social, and Governance (ESG) initiative through a multifaceted approach. The company has demonstrated innovation by developing solutions that seamlessly integrate sustainability principles, emphasizing a commitment to environmental and social responsibility. Actively participating in community outreach programs, Moldcell contributes to initiatives that create a positive impact on both the environment and society at large.

Moldcell has taken a significant step in environmental stewardship by calculating its greenhouse gas emissions and establishing targets to reduce them.

Moreover, Moldcell's alignment with the Global Reporting Initiative standards further underscores its dedication to transparency and accountability in reporting sustainability performance. By adhering to these global standards, Moldcell not only meets industry benchmarks but also communicates its sustainability efforts in a standardized and internationally recognized manner, fostering trust and credibility in its commitment to ESG principles.

As of 2024, the Board of Directors will approve the most important ESG policies informed by material topics relevant to our operations. These policies, reviewed annually, will form our ethical and responsible business framework, guiding all employees through a roadmap of sustainable practices. This roadmap will be complemented by comprehensive training, awareness-raising programs, and opportunities for employee engagement in ESG initiatives. By actively integrating environmental, social, and governance pillars into the core operations, Moldcell aims to ensure sustainability becomes not just a requirement, but a deeply ingrained aspect of the culture, driving measurable progress towards a more responsible and impactful future.

### Experience Meets Vision: Leading Moldcell into New Industries

At Moldcell, we believe our people are our greatest asset, and that conviction starts with our executive leadership team. Each member brings a wealth of experience and expertise, guiding us with a proven track record of success in the industry. Yet, their strength lies not only in individual brilliance but in their agility and collaborative spirit. This team operates seamlessly, fostering rapid decision-making and ensuring all crucial areas are represented.

The shared vision and unwavering commitment to our values truly fuels Moldcell's journey into new industries and innovation. They lead with integrity and transparency, inspiring the entire company to strive for ambitious goals. Their diverse strengths in [mention specific relevant areas] are the spark that ignites creativity and propels us forward.

This blend of experience, collaboration, vision, and strength is not just the foundation of Moldcell's success today, but the driving force behind our exciting future. We are confident that under their leadership, Moldcell will continue to break boundaries and shape the future of our industry. This report delves into the profiles of our exceptional leaders, exploring their diverse expertise and shared vision for driving the company forward.



# MOLDCELL EXECUTIVE LEADERSHIP TEAM

Chief Executive Officer (CEO)  
**Carolina Bugaian**



**Cenk Erguden**  
Chief Finance Officer (CFO)



**Stela Chitoroaga**  
Chief Commercial Officer (CCO)



**Adela Dorofei**  
Technology Director (CTO)



**Gheorghe Hîncu**  
Consumer Sales Director



**Ludmila Babiuc**  
Marketing Director



**Andrei Parlicov**  
Enterprise Director



**Natalia Mihalache**  
Legal Director



**Olga Pavlic**  
Mobile Financial Services and  
Business Innovation Director



**Irina Strajescu**  
People & Communication Director,  
Moldcell; Executive Director  
Moldcell Foundation



# RELIABLE NETWORK

**3.1** Technology for a sustainable future

**3.2** Network security

**3.3** Energy consumption and efficiency

**3.4** Circularity

### 3.1 TECHNOLOGY FOR A SUSTAINABLE FUTURE

Moldcell Company is committed to connecting everyone to the most trusted, reliable, and efficient modern networks. Ensuring that everyone has access to reliable connectivity and the right digital skills is the key to making sure that no one is left behind in the digital world. Our work within this area focuses on contributing to equality and inclusion, to make sure that individuals and societies in Moldova capture the full potential of digitalization.

Digitalization is currently transforming societies – bringing both new opportunities and risks. Moldcell is committed to providing high-quality services to its customers and in 2023 Moldcell continued to make considerable investments to improve connectivity quality for everyone. We're continuously working to bridge the gap in network coverage. Our commitment to nationwide quality means everyone can benefit from a strong and reliable connection.

In 2023, Moldcell prioritized delivering an exceptional customer experience through significant investments in network infrastructure and future-proof technologies. Key achievements include:

**Revolutionizing Voice Services with VoLTE:** We successfully launched VoLTE, seamlessly transitioning voice calls to the efficient LTE platform and aligning with modern standards. This innovation provides improved call clarity, faster connection times, and seamless integration with data services, already benefiting over 10,000 customers.

**Expanding Network Capacity:** To accommodate the growing demand for mobile data, we strategically enriched our spectrum by 5MHz. This significant expansion paves the way for an even better customer experience, solidifying our position as a leading provider of mobile services in Moldova.

**Building a Robust Foundation:** Our dedicated Technology team bolstered network capacity and performance by adding 150 new 4G sites and upgrading over 150 existing ones. These advancements enhance coverage, optimize performance, and prepare for future technological advancements. By proactively investing in the network, Moldcell empowers its customers with better connections, faster speeds, and a superior overall experience. These achievements lay the groundwork for continued innovation and leadership in the telecommunications industry.

#### IT infrastructure

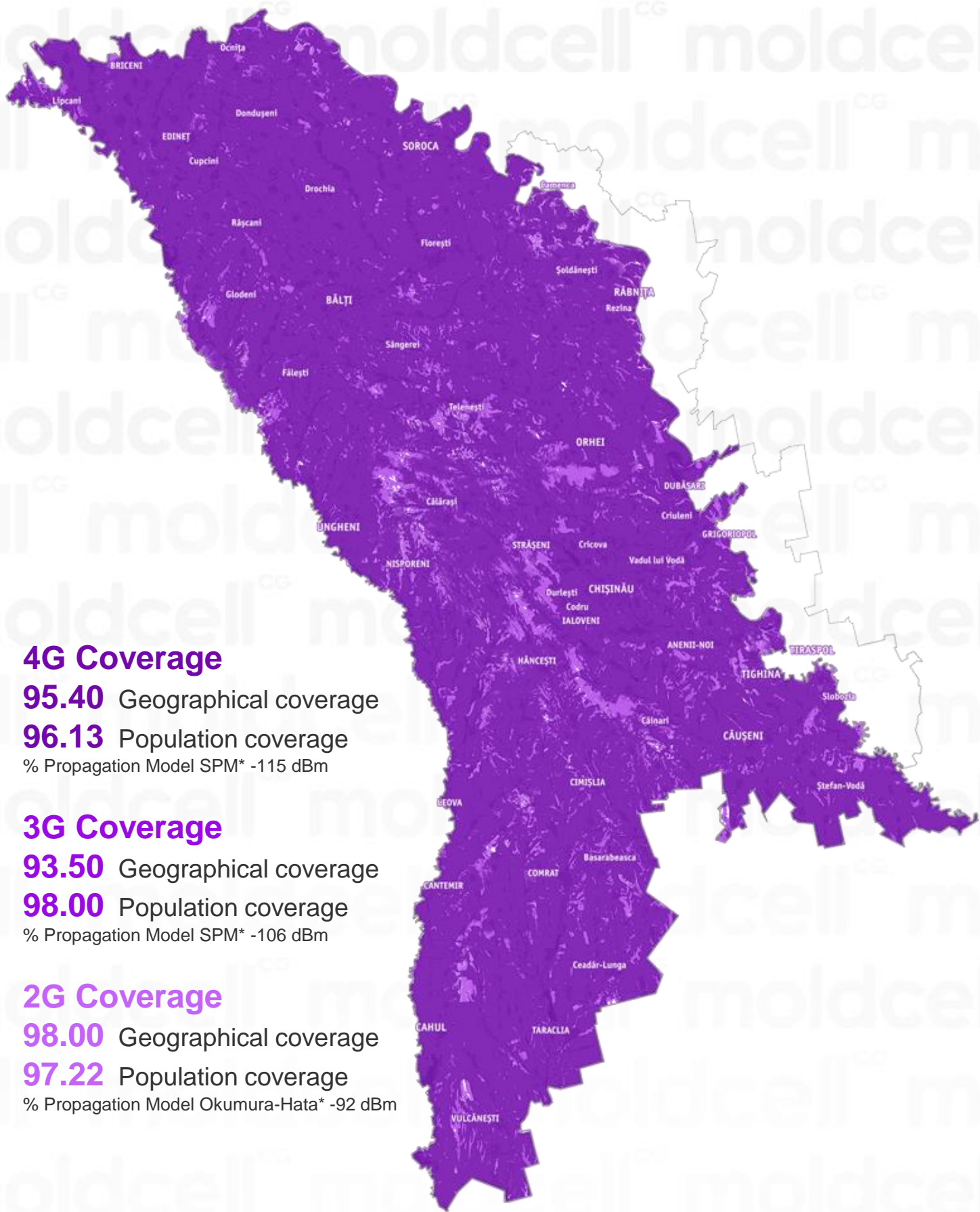
- The operator in Moldova to offer billing with real time charges

#### Strong licensing & spectrum position



#### High quality coverage and high capacity

- High capacity Broadband Gateway
- Redundant National wide FO network
- 85% of the radio sites are Multi Technology



### 4G Coverage

**95.40** Geographical coverage

**96.13** Population coverage

% Propagation Model SPM\* -115 dBm

### 3G Coverage

**93.50** Geographical coverage

**98.00** Population coverage

% Propagation Model SPM\* -106 dBm

### 2G Coverage

**98.00** Geographical coverage

**97.22** Population coverage

% Propagation Model Okumura-Hata\* -92 dBm

## 3.2 NETWORK SECURITY

Cybersecurity, data protection and risk management must be held with the same importance as any other business fundamentals. Moldcell is committed to respect the privacy rights of our customers and keep their information safe. This requires a proactive approach to providing transparent information to users and ensuring that we are handling personal data on customers' terms. Today, societies and individuals depend on our network infrastructure to function. We put significant efforts into securing service continuity and protecting our systems from cyberattacks

The development of geopolitical events is accelerating risks associated with cyberattacks for our customers, our industry and society at large. These risks need to be managed with a broad spectrum of proactive measures that allow us to effectively adapt to rapidly changing security environments. On the human side, we invest heavily in both broad security awareness throughout all parts of our organization as well as in deep expertise in the different security disciplines. We habitually challenge and adjust our security processes to make sure that they are fit for purpose not only from an internal perspective but also through the lens of independent, external security auditors. As for security tools, we recognize that it is key not only to increase investments in a modern and adequate suite but also to master its utilization to the fullest extent possible.

Demonstrating our unwavering commitment to information security, Moldcell has rigorously prepared and updated all necessary processes and policies to align with the stringent requirements of ISO 27001. This comprehensive effort signifies our dedication to safeguarding sensitive data and protecting our systems against evolving cybersecurity threats.

With a target of achieving certification in 2024, we are confident that our robust information security management system will not only ensure compliance but also empower us to continuously refine our security posture and build trust with our stakeholders.

### Work to secure Moldcell's business continuity

As digitalization gains pace, our customers and society as a whole are increasingly dependent on the services we provide. The invasion of Ukraine and subsequent events have put the spotlight on this fact. Therefore, we focus on the robustness and performance of the design and lifecycle of our services.

We ensure the existence of continuity and recovery plans to enhance resilience and mitigate unexpected disruptions. Our Business Continuity Crisis Management (BCCM) framework is applied to critical services, functions, processes, and resources. It identifies crucial dependencies and risks, ensuring an effective response to disruptive events. Additionally, it drives the implementation of continuity measures and

solutions.

Moldcell regularly reviews its cybersecurity strategy and investment in the latest security technologies, processes, and guidelines. Moldcell has a range of policies, guidelines, and training programs in place (e.g., data breach inventory and reporting, information management policy, procedures for managing the data processing inventory). By creating a culture of awareness around cybersecurity and data protection, we ensure that our employees understand the importance of information security and data privacy.

The main actions already adopted by Moldcell to mitigate general cybersecurity risks are: early vulnerabilities detection, access control measures, proactive log review of critical systems, network segregation in zones and the deployment of protective systems such as firewalls, intrusion prevention systems and virus scanners among other physical and logical security measures.

To proactively address the rising sophistication of cybercrime, Moldcell is actively focusing on strengthening its information security posture across several key areas:

- **Adoption of Zero Trust Models:** Embracing zero-trust principles to continuously verify access and minimize attack surfaces.
- **Ensuring the Security of Cloud Services:** Implementing robust security measures within cloud environments to protect data and mitigate cloud-specific threats.
- **Digital Security Controls in the Supply Chain:** Integrating security controls and evaluations throughout the supply chain to address potential vulnerabilities.
- **Storage Infrastructure Redesign:** Modernizing storage solutions to enhance data confidentiality and integrity.
- **Log Management System Enhancement:** Implementing a robust log management system for comprehensive monitoring and threat detection.
- **Granular Access Control:** Enforcing stricter access management policies and implementing least-privilege principles.
- **Rigorous Change Management:** Establishing rigorous change management processes to minimize security risks associated with system modifications.
- **Data Classification and Handling:** Classifying sensitive data and implementing appropriate handling procedures based on its criticality.
- **Identity and Access Management (IDM) Implementation:** Deploying an IDM solution for centralized user authentication and authorization management.
- **Comprehensive Cybersecurity Training:** Enhancing employee awareness activities for users and cybersecurity knowledge through regular training programs.

### 3.3 ENERGY CONSUMPTION & EFFICIENCY

Intensive energy use in the current economic model is one of the main causes of climate change and most pressing challenges we are facing. In their latest report, the UN expert panel warned that the world must cut emissions by 45% before 2030 and achieve net-zero emissions by 2050 on a global scale. Organizations like the World Economic Forum identify climate change as the major risk factor for the world's economy and the investment world is increasingly aware of the need to focus on sustainable investments.

The Energy Security dimension is based on the high dependency of Moldova on gas and oil products imports. Moldova imports 100% of gas and oil products, while 80% of electricity is generated in the administrative-territorial units on the left bank of the Dniester (ATULBD). Its electricity network is interconnected and synchronized with that of Ukraine - and with all of ENTSO-E through the neighbor country - Romania. Until recently, Moldova was heavily reliant upon Russian gas – only recently has a gas pipeline been built, connecting the Republic of Moldova to Romania and respectively to ENTSO-G.

Moldova is a signatory to the Paris Agreement and the decarbonization dimension of Moldova is based on the Paris Agreement of 2015, which is intended to limit global warming to well below 2 degrees Celsius when compared with pre-industrial levels.

Telecommunications operators supply critical infrastructure, and any service interruptions resulting from damage to its equipment can have a major impact on people and the economy. As the scale and frequency of extreme weather events increases, so does the threat to physical infrastructure. Identifying the risks of climate change and commissioning robust mitigation plans is therefore the best practice.

An ever-growing demand for data and data transmission is placing greater pressure on improving energy efficiency through the use of state-of-the-art technologies, including energy management software, and through renewable energy sources, supplier and customer engagement and industry-wide cooperation.

The 2022 energy crisis deeply affected Europe economically, environmentally and socially. At Moldcell, this triggered additional efforts to limit consumption and explore new roles in the broader energy system. Maintaining a healthy environment and reducing damage to nature is important to current and future generations. Reducing our carbon footprint and switching to sustainable energy sources is our major focus for the next years.

Energy has been in focus for all players of society this past year and electricity consumption is one of Moldcell's most significant environmental aspects. Our strategy to manage energy impacts and costs consists of several parts, including increasing energy

efficiency through new network hardware and power saving features, optimizing our datacenters and developing products and services that enable our customers, employees and other sectors to move towards decarbonisation.

Moldcell is deeply committed to the Green Transition, striving to minimize the impact of its business on the environment and follows all relevant environmental laws and regulations. As the traffic in our network grows, the more energy efficient we must become. Moldcell is working with partners such as Ericsson to implement energy efficiency measures for increased data traffic volumes.

Moldcell's services require significant amounts of energy. As we transmit and store more data through our networks (mobile or fixed), the energy needs of our operations increase. Most of the electricity we use is produced by power generation companies in the national distribution network and is still mostly generated from non-renewable energy sources which produce higher greenhouse gas emissions.

In 2023, Moldcell has established a target to initially calculate greenhouse gas emissions, aligning with GRI standard requirements for environmental data. As we embark on a green transition, we recognize the importance of setting science-based targets in the future to align with industry peers. These targets will be set once our operations are prepared to make such commitments.

Our overarching commitment revolves around reducing emissions in alignment with the 1.5°C scenario, encompassing both our entire operation and value chain. We are proactively developing achievable targets to systematically decrease emissions across all facets of our operations. At Moldcell, transparency is paramount, and we pledge to openly communicate our progress. We are unwavering in our exploration of cost-effective renewable energy solutions, fast-tracking our journey toward a sustainable future.

Our current emission reduction targets include:

- Reducing Scope 1 and 2 CO2 emissions
- Improving energy consumption per unit of traffic (MWh/GB)
- Network transformation and legacy shutdown
- Implementing power-saving features (PSF) through server virtualization, remote and data management applications, machine learning and AI applications;
- Modernizing air conditioning and power equipment
- Enhancing lighting efficiency
- Implementing leakage control and adopting new refrigerant gases
- Reducing the use of fossil fuels
- Enhancing efficiency in customer devices
- Fibre network transformation, including fibre-to-the-home (FTTH), fibre-to-the-building-or-basement (FTTB) and fibre-to-the-cabinet (FTTC) upgrades, with the aim of replacing energy-heavy copper-based networks;

Our aspirations concerning Renewable Energy encompass various solutions, including self-generation the procurement of renewable energy

with a guarantee of origin, and long-term Power Purchase Agreements (PPAs). Despite not currently utilizing renewable energy, we are actively exploring affordable implementation strategies, aiming to contribute to the increase in the renewable energy mix. Our focus is on prioritizing non-conventional renewable energy sources and fostering the construction of new parks through medium and long-term consumption commitments, particularly under PPA models.

Moldcell remains dedicated to evolving our practices and embracing sustainable solutions to contribute to a greener and more sustainable future. We have established foundational policies to guide energy consumption and efficiency:

- The Environmental Policy underscores our commitment to sustainable practices, minimizing environmental impact and promoting eco-friendly initiatives.
- The Supplier Code of Conduct ensures responsible sourcing, aligning our supply chain with ethical and sustainable practices.

These policies highlight principles like resource efficiency, sustainable sourcing, product life extension, and waste reduction, actively fostering energy conservation and effectiveness across Moldcell.

At Moldcell we stand for a strong, reliable, protected and modern network. We expand Network coverage and capacity to support huge customers demand for data services everywhere. We constantly perform RAN, Transmission, Core Networks and IT Infrastructure modernizations to keep our network up-to-date to latest technologies. Our IT R&D capabilities are driving development of new products and digital services. Our commitment to environmental responsibility is evident in a series of innovative initiatives that significantly reduce our carbon footprint. These include:

### **1. Managing power consumption through decommissioning legacy networks and modernizing sites, actions that took place in 2023:**

- Deploying outdoor Remote Radio Units with passive cooling, eliminating the need for energy-hungry indoor equipment rooms and their associated cooling systems.
- Implementing smart climate control systems that leverage heat exchange and targeted temperature regulation for batteries and equipment, minimizing the need for traditional heating and cooling solutions. In 2022 was replaced the Compact Node climate unit that reduced by 10% the electricity consumption. Another climate unit replacement took place in 2023. Also in ML Data Centers is used cold aisle for data centers cooling. These actions also reduce the energy consumption of the company.
- Optimizing network efficiency through intelligent power-saving features like disabling unused capacity layers in 3G and 4G networks during low-traffic hours (1:00 AM to 6:00 AM). Moldcell is intensively testing intelligent dynamic energy saving solutions, proposed by couple of

companies. Solutions are based on smart control and analysis of Network performance to dynamically switching-off inactive cells during 24 hours. The most effective solution to be accepted and impended in Moldcell network.

### **2. Multimode Wireless Base Station System**

Based on Software Defined Node (SDN) and Software Defined Radio (SDR) technologies, helps intelligently allocate spectrum and support several standards both on BTS and Radio. This significantly improves energy efficiency as well as reduces size and weight.

### **3. Distributed Base Station and Baseband Pool**

SDR and SDN innovative forms are distributed base station and baseband pool. In distributed base station, the Base Band Unit (BBU) is separated from the Remote Radio Unit (RRU), making network deployment more flexible. A baseband pool allows baseband resources to be reused and shared and network resources to be used more efficiently.

### **4. Network Sharing**

Collaborate with other network operators to share passive infrastructure and resources. Sharing networks leads to reduced duplication of infrastructure.

### **5. Battery purchase**

We are purchasing batteries with long lifespan which reduce the frequency of battery replacements, which, in turn, decreases the waste generated from spent batteries.

**6. Fiber optic** cables are significantly more energy efficient than copper cables. This is because fiber optic cables do not require amplifiers or repeaters as often as copper cables, which can consume a significant amount of power. Fiber optic cables are immune to electromagnetic interference, which can also cause power losses in copper cables. Fiber optic networks can reduce carbon emissions by up to 40%. Moldcell already migrated all electrical long distance circuits from electrical cables to FO links. Moldcell is constantly deploying FO national network and migrate traffic from microwave links to FO links. As a result MW links are dismantled that lead to reduction of power consumption.

Within the **3G Sunset Project**, Moldcell is decommissioning UTRAN sites. In 2023, 100 3G sites were switch-off which should noticeably reduce overall energy consumption in Moldcell network.

### **7. Energy-efficient Hardware:**

- Upgrade older and less efficient base stations (RBS2xxx and RBS3xxx series) equipment with modern, energy-efficient hardware (RBS 6xxx series). Newer technologies and equipment are designed to consume less power while maintaining or improving network performance.
- Legacy SDH transmission equipment is in progress of migration to new technologies. It's supposed that in next couple of years all legacy SDH platform will be swapped to optical Ethernet technologies that are much more efficient in terms of power consumption.

- Most power consumption component of a microwave links is radio unit, Moldcell is in process of swapping radio units to new generation ones that can provide much more efficiency, and power consumption is reduced by 25% while providing much bandwidth capacity.
- On microwave links are configured power saving features, link ATPC (Automatic Power Control), that allow to reduce transmission power of radio unit during good weather, and automatic increase of power only during bad weather condition.
- Moldcell is using smart meters and monitoring software that allows the evidence of the efficiency of electricity consumption. In additional – sites are equipped with WEB interface that allow us to connect remotely to the sites and check alarms and faults on the distance.
- Diesel generators on the sites are used only in emergency cases during power outages for Transmission HUBs for business continuity.

And finally, we are not only protecting our network assets, data, and clients from cyber-attacks but also protecting our country environment by implementing energy saving programs. We are committed to driving innovation and pioneering new technologies

### 3.3.1 QUANTIFYING RESPONSIBILITY: ENERGY CONSUMPTION AND EMISSIONS ASSESSMENT

In the preceding section, we explored a comprehensive overview of Moldcell’s initiatives and strategies directed at mitigating energy consumption and advancing sustainability. Subsequently, we will transition to an in-depth examination of our environmental performance, specifically delving into the calculations related to Scope 1 and 2 emissions, in alignment with the GRI standard. This section aims to offer a quantitative insight into our steadfast commitment to responsible energy practices and their measurable impact across our operations.

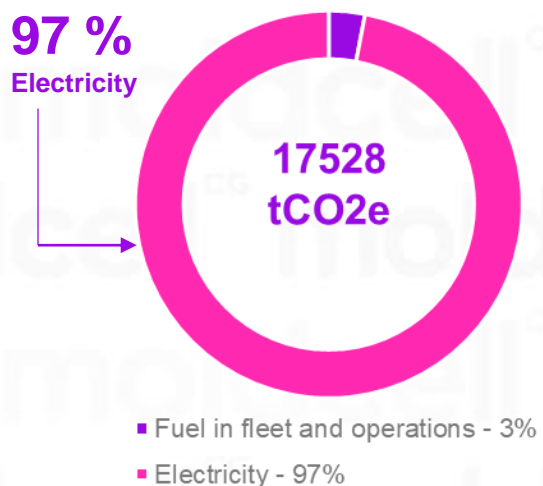
We meticulously calculate and validate our carbon footprint with the assistance of an external party, adhering to the international GHG Protocol Corporate Accounting and Reporting Standard. This standard is developed by esteemed organizations, namely the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD). Our approach is further guided by the Scope 3 Guidance for Telecommunication Operators, a comprehensive framework developed collaboratively by the GSM Association (GSMA), the Global Enabling Sustainability Initiative (GeSI), and the International Telecommunication Union (ITU-T).

Moldcell's emissions originate from both Scope 1 and Scope 2 sources. In Scope 1, direct emissions result from sources that are owned or controlled by Moldcell, such as the combustion of fossil fuels in company-owned vehicles and the operation of on-site power generation. These direct emissions are within our organizational boundaries and are a direct consequence of our day-to-day operational activities.

Moldcell's Scope 2 emissions originate from purchased electricity used to power our operations. These indirect emissions, linked to the electricity production process, fall outside our direct control. Electricity is the main source of our energy consumption, playing a critical role in driving our business. Notably, over **97%** of this substantial energy usage directly supports the efficient operation of our telecommunications network, ensuring seamless service delivery. In 2023, Moldcell's energy consumption amounted to **33619 MWh**. This energy is predominantly attributed to electricity usage in powering our networks, data centers, and retail outlets. The electricity used by Moldcell is generated from conventional energy sources. Consequently, the first and most important area is transitioning to renewable energy to run the Moldcell’s business and reduce the carbon footprint.

By understanding and addressing emissions in both Scope 1 and Scope 2, Moldcell aims to comprehensively manage its carbon footprint and contribute to sustainable practices.

Scope 1 and 2 Emissions



Fuel sources	2022	2023
Electricity	24918	31259
Diesel	398	435
Petrol	1310	1582
Natural gas	656	343
<b>Total, MWh</b>	<b>27282</b>	<b>33619</b>

We employed the location-based method to calculate our Scope 2 emissions. This approach reflects the average emissions intensity of the electricity grid in our region. As electricity markets may not always provide complete transparency on specific energy sources, this method is particularly suitable. Additionally, using location-based factors from reputable sources like the International Financial Institutions Technical Working Group on Greenhouse Gas Accounting (IFI TWG) and UNFCCC allows for easier comparisons of our emissions with other organizations operating in the same geographic area. We utilize MWh to CO<sub>2</sub>e conversion factors provided by these institutions to ensure accurate calculations.

The rise in energy consumption can be attributed to the installation of additional equipment aimed at enhancing coverage. This includes the deployment of new LTE sites, the expansion of existing sites with new LTE technology (2G/3G), the installation of additional Remote Radio Units (RRUs) to bolster capacity at existing LTE Carrier Aggregation sites, and the incorporation of additional "Remote" sites.

The emissions within our value chain (Scope 3) play a substantial role in shaping our overall carbon footprint. Almost half (**46%**), of these emissions are attributed to our supply chain. Notably, the prominent contributors are the categories of "purchased goods and services" and "capital goods" (**59%**), as defined in the Corporate Value Chain Accounting & Reporting Standard of GHG Protocol.

Given the size of our company, it is challenging to coordinate or collaborate extensively with larger suppliers in our industry to directly impact these emissions. Nevertheless, recognizing that we share common challenges with our main suppliers and the rest of the sector, it remains essential to explore avenues for cooperation in order to collectively reduce our value chain emissions.

The Scope 3 category that notably influences our emissions is additionally linked to the utilization of sold products, specifically categorized as "Category 11. Use of sold products." Approximately **32%** of our emissions stem from the usage of products sold to our customers.

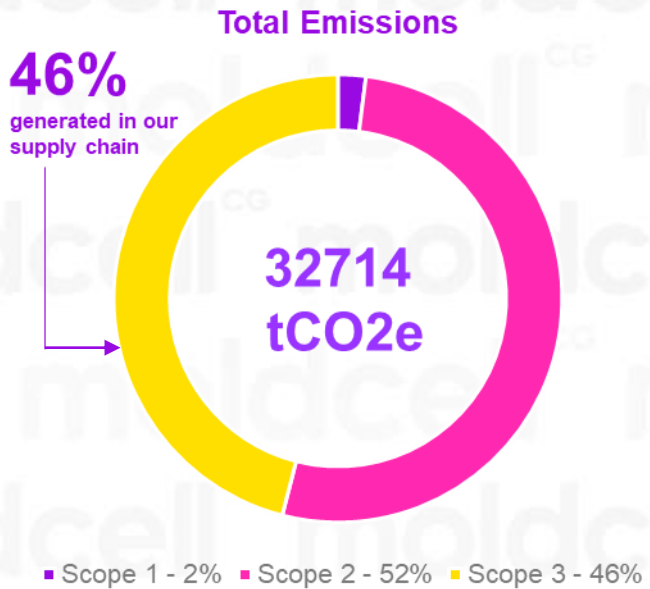
Despite societal reservations, Moldcell remains committed to increasing awareness regarding the benefits of using refurbished equipment. Our efforts focus on promoting eco-design and encouraging the reuse of routers or mobile phones, aiming to effectively reduce emissions generated by these electronic devices throughout their lifespan.

In our ongoing commitment to decarbonization, we have established a new climate change target for our 2023 procurement process as well. This initiative directly tackles our supply chain emissions by prioritizing the acquisition of recycled or sustainably sourced products. By focusing on eco-friendly materials and responsible production practices, we aim to reduce our environmental footprint. We're aiming to have at least 5-10% of our annual office purchases come from environmentally friendly categories, setting a clear benchmark for progress.

From office supplies to furniture and equipment, we're actively seeking out products made from recycled content or sourced through sustainable practices.

By shifting towards more sustainable procurement, we're contributing directly to our decarbonization goals, reducing our impact on the environment and promoting responsible business practices.

This initiative is just one step in our broader effort to build a more sustainable future. We believe that responsible procurement choices can make a real difference, and we encourage our partners and suppliers to join us on this journey towards a greener tomorrow.



Greenhouse gas (GHG) emissions (tones of CO <sub>2</sub> e)	2022	2023
Scope 1 GHG emissions	569	589
Scope 2 GHG emissions (location-based method)	13481	16911
Scope 3 GHG emissions	3913	15214
Total Scope 1 and Scope 2 GHG emission (*location-based)	14050	17500
Total GHG emissions (Scope 1, Scope 2 and Scope 3)	17985	32714
<b>Scope 3 emissions by source (tones of CO<sub>2</sub>e)</b>		
Purchased goods & services & Capital goods	3884	9041
Waste generated in operation	28,82	28,85
Business travel	-	32
Employee commuting	-	475
Use of sold products	-	4942
End-of-life treatment of sold products	-	273
Downstream Leased Asset	-	422

Emissions from transportation activities (Category 4 Upstream transportation and distribution and Category 9 Downstream transportation and distribution) are not segregated and are reported within our Scope 3 calculations under the Product and service category. This consolidation is due to current limitations in our accounting framework, preventing the identification of costs specific to these categories.

As our focus on environmental transparency grows, we are exploring ways to refine our methodology to ensure accurate allocation of emissions within the Greenhouse Gas Protocol (GHG Protocol) framework. We recognize the importance of a more granular accounting approach, and we're committed to exploring future opportunities to enhance our reporting on specific Scope 3 categories.

**Energy intensity per data traffic** is an important metric that we follow, given the increasing demand for data transmission through our networks. Currently, the competitiveness of Moldovan economic operators is low compared to that of the EU and the access of local companies to the EU market is rather difficult, energy intensity being one of the main underlying factors.

Energy intensity 2023	
Data traffic (kWh/GB of data)	0,385

Emissions intensity 2023	
Data traffic (tCO2e/GB of data)	0,37

### Addressing Omissions in Emission Calculations from Scope 3

Following industry best practices and considering our specific value chain, we have determined that several Scope 3 categories stipulated by the Greenhouse Gas Protocol, such as Processing of sold units, Franchises and Investments, are not applicable to our telecommunications industry. Several factors contribute to the inapplicability of each category:

**Processing of Sold Units:** Telecommunications predominantly involves providing services rather than tangible products. As a result, the processing of sold units is not a characteristic aspect of our industry operations. The primary focus lies in delivering communication services through network infrastructure, minimizing reliance on the traditional sale and processing of physical units.

**Franchises:** Unlike industries with franchise models, the telecommunications sector typically operates without physical franchise establishments. Our business model centers around network infrastructure and service provision, minimizing the relevance of franchise-related energy consumption and emissions.

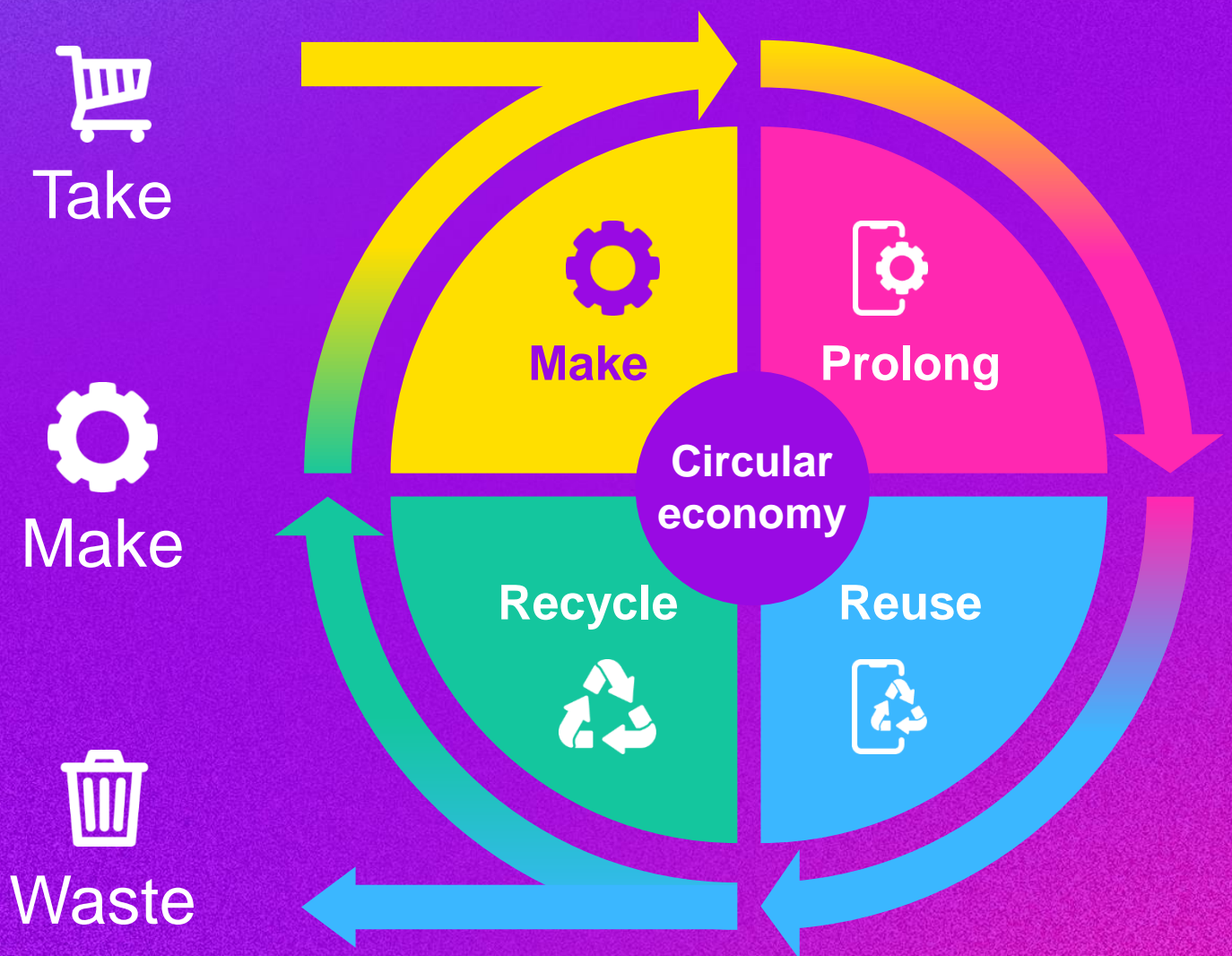
**Investments:** While we've entered the Fintech industry with a mobile financial solution, our current service primarily focuses on facilitating payments, not

offering credits. Therefore, the "Investments" category within Scope 3 of the Greenhouse Gas Protocol is not currently relevant to our company's emissions profile. Unlike traditional investment categories included in this category, telecommunications companies like ours invest heavily in network infrastructure, which is critical for service delivery. The energy consumption and associated emissions related to these investments are not directly applicable to our Scope 3 emissions, as they fall within the core activity of building and maintaining our network.

We are committed to sustainability and continuously evaluating our environmental impact. As our business evolves, we will reassess the applicability of different Scope 3 categories to ensure accurate reporting and contribute to a greener future.

# 3.4 CIRCULARITY

Rapid technological changes and accompanying customer behaviours shorten network equipment life cycles, resulting in higher production and increased waste. Electronic waste (e-waste) is one of the fastest growing waste streams in the world. Moldcell applies a combination of techniques to reduce e-waste, for example recycling according to applicable laws, refurbishing to prolong electronic equipment service life, and establishing long-term partnerships with industry leaders in recycling.



### 3.4 CIRCULARITY

Shifting from a linear to a circular economy and starting to use natural resources in an efficient way will be critical if we are to tackle climate change and start existing within planetary boundaries that are safe for humanity and ecosystems. Our strategic focus lies on moving up in the waste hierarchy to prevent/reduce waste and increase reuse and recycling rates.

The majority of waste generated from the Moldcell's retail operations and offices consists of paper, cardboard, residual waste, plastic packaging and e-waste (working with specialized contractors to reuse or recycle packaging and e-waste). Most of the waste generated by the Moldcell's infrastructure operators consists of decommissioned network equipment and packaging materials. The hazardous waste generated by the Moldcell consists primarily of electronic devices and lead acid batteries used as emergency backup power supplies for our radio base stations. Hazardous waste and e-waste is disposed of in compliance with applicable laws.

Total waste produced by Moldcell in 2023 reached approximately 70,3 tones, the majority of waste being non-hazardous. In this category, paper and cardboard accounted for the main part.

We acknowledge that currently, all our office waste ends up in landfill. This reality falls short of our environmental aspirations, and we are committed to making significant changes. We are taking concrete steps towards improvement. In 2023, we successfully recycled 3,47 tons of paper and cardboard, and we are committed to significantly increasing this amount in the coming years. Paper is a crucial raw material in our operations, and prioritizing its recycling aligns perfectly with our environmental goals. Over the next years, we are dedicated to implementing effective recycling and waste reduction programs to minimize our landfill reliance and contribute to a more sustainable future.

On the other hand Moldcell managed to fully recycle the e-waste from our radio network. Batteries, accumulators, electrical and electronic waste accounted for most of the hazardous waste – totaling 9,33 tones in 2023, and we have managed to recycle or sent to recovery 100%.

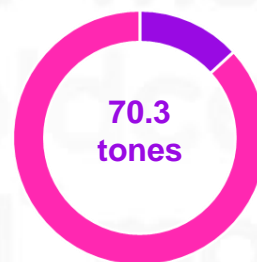
This includes proper handling and disposal of hazardous waste and electronic waste (e-waste) from our network operations that is separated for collection. It is important to note that Moldcell strictly follows all applicable laws and regulations in disposing of its waste.

#### Circularity targets

- To reduce the generated waste progressively by improving methods of collecting and recycling waste, such as paper, plastic and cardboard waste produced by our operations.
- Prioritize reusing and reselling of our decommissioned network equipment, and by doing so prolong its useful life, before recycling the rest of it, thus not allow any equipment to end up in a landfill.

- Moldcell partners with certified e-waste recycling companies to ensure the proper disposal and responsible recycling of all discarded electronics, minimizing environmental harm.
- Enabling circularity in other sectors - digitalization can accelerate the circular shift by enabling various sectors to use energy, fuel, water, and other resources in more efficient ways. In many cases, digital solutions also enable dematerialization. These effects are sometimes indirect but reflect the importance of our core business – connectivity.
- Empowering customers to choose sustainability - in our retail operations we recognized that the main e-waste impact is from unused devices that our customers do not dispose of properly or leave forgotten in their homes. Launched in 2023, our Trade-in program makes upgrading easy while giving old phones a second life. We're committed to expanding this effort in 2024, reducing e-waste and maximizing the positive environmental impact of every new phone purchase. In the forthcoming years, we aim to enhance the annual phone take-back rate by 15%, underscoring our dedication to sustainable practices and the responsible management of electronic waste.
- Our circularity targets include responsible sourcing in procurement, with a commitment to prioritize purchasing recycled or sustainably sourced products for at least 5-10% of office supplies.

Total waste



■ Hazardous - 9.3 tones ■ Non-hazardous - 61 tones



**100% of hazardous waste is recycled or recovered**

Waste by type (tones)	2022	2023
Total amount of waste generated	66,36	70,33
a) Total amount of non-hazardous waste	58,06	61,00
Residual waste	57,48	57,50
Paper and cardboard	0,60	3,47
b) Total amount of hazardous waste	8,30	9,33
Batteries and accumulators	2,60	3,63
Electronic waste	5,80	5,7

## Fueling Eco-Conscious Choices

Moldcell is dedicated to equipping its workforce with the knowledge and tools necessary for environmentally conscious decision-making in both professional and personal settings. Our initiatives encompass diverse strategies, including sustainability workshops, the utilization of carbon footprint calculators, and active engagement in green commuting campaigns.

To further heighten employee awareness and involvement in environmental affairs, we are developing comprehensive training programs and campaigns. These efforts are designed to educate our workforce on environmental issues, advocate sustainable practices, and empower them with the skills to contribute to our environmental objectives. Creating a culture of environmental responsibility through targeted actions and communication, Moldcell encourages active employee participation in our environmental management initiatives.

Regular communication of initiatives such as Earth Day and the National Forest Extension and Rehabilitation Program via the intranet ensures our employees and dedicated Moldcell Foundation volunteers are informed and involved in activities promoting environmental protection. This extends to raising awareness about the adverse impacts of human behavior on the environment.

In line with our commitment to environmental stewardship, Moldcell marked Earth Month and our company's anniversary by planting an acacia forest in Tomai village, Leova district, in April 2023. Another tree-planting activity followed in November 2023 in Nisporeni district. Additionally, Earth Day 2023 was commemorated to enhance awareness about environmental issues and foster sustainable practices across our organization.

Elevating our dedication to sustainability, Moldcell inaugurated the Green Talks series in 2023—an interactive platform fostering open discussions for employees to connect, gain insights, and actively engage with environmental issues and sustainable living practices.

Green Talks synergizes with existing initiatives such as Hobbies Hub, where employees already convene online to explore diverse topics with expert guidance. As we extend this learning journey into 2024, our emphasis lies in cultivating eco-awareness and empowering individuals to make impactful choices that contribute to personal well-being and environmental conservation.

The series equips our employees with tangible takeaways and actionable steps to seamlessly integrate sustainable practices into their daily lives, both within the workplace and at home.



# Hobbies HUB #WeAre Moldcell

## From Ideas to Impact

Green Talks for a Sustainable Future



# 4.

## CUSTOMERS - THE DRIVING FORCE BEHIND OUR SUCCESS

- 4.1 Customer excellency-driven approach
- 4.2 Responsibility in our products and services
- 4.3 Elevating the Customer Voice
- 4.4 Digital rights

**moldcell<sup>CG</sup>**



## 4.1 CUSTOMER SERVICE: A GOVERNANCE-DRIVEN APPROACH TO POLICY

Customers are one of the main stakeholders and at Moldcell we work to offer them a unique experience, acting with integrity, commitment, simplicity and transparency in order to build relationships based on trust. One of the most important issues in our materiality analysis is to ensure responsible conduct towards customers. In this analysis, we have identified, among other aspects, customer relations and adaptation to customer needs as issues that have a double impact on society and on Moldcell's image. We must always meet our customers' expectations and build a relationship based on trust.

### Governance

Moldcell's dedication to exceptional customer service is demonstrably embedded at all levels of the organization. The Board of Directors plays a pivotal role in setting the strategic direction, approving a comprehensive plan that integrates Net Promoter Score (NPS) targets as key performance indicators. This commitment is further echoed by the Commercial Committee, where close monitoring and evaluation of tariff plans and their potential impact on customer satisfaction take center stage. Local teams, empowered by clear targets and continuous improvement plans approved by the Commercial Committee, actively drive service excellence at the ground level. The local teams play a vital role in implementing and customizing the common customer service strategy. This enables us to address regional nuances and meet the unique needs of our subscribers. The activities of the local teams take place through, but are not limited to:

**Call Center Operations:** Our call centers operate locally, manned by skilled professionals who are well-versed in regional dynamics. In 2023, our call centers handled around 609k customer queries nationally, showcasing our commitment to responsive and efficient service.

**Service Centers:** Our service center agents play a critical role in providing exceptional customer service. They are extensively trained to handle a wide range of customer enquiries, ensuring a seamless experience. In 2023 Moldcell provides a diverse range of products and services through its own network of 58 shops.

**Customer Solutions:** Local teams are empowered to provide innovative and tailored solutions to customer issues. This includes resolving product-related concerns, assisting with service-related queries, and ensuring a positive overall experience.

**Retention Strategies:** Local retention team focus on understanding and addressing customer concerns, implementing personalized strategies to enhance customer loyalty.

Local teams actively engage in feedback loops,

collecting insights from customers to continuously improve our services. Also, we are committed to investing in the ongoing training and development of our local teams, ensuring they stay up-to-date with industry trends and customer expectations. This comprehensive approach ensures that our governance model is not only responsive but also proactive in meeting the evolving needs of our subscribers.

### Policies

Our main customer-related internal policies and regulations are as follows:

#### 4.1.1 Data Privacy and Protection Policy

Moldcell is committed to respect the privacy rights of the customers and keep their information safe. This requires a proactive approach to providing transparent information to users and ensuring that Moldcell is handling personal data on customers' terms. Today, societies and individuals depend on Moldcell network infrastructure to function.

Regulatory requirements and concerns about data privacy from customers is another area which involves complex risk and compliance solutions. Compliance failures can lead to corporate fines and loss of customer trust. Telecommunications services inevitably entail the need to process a wide range of personal customer data, and we therefore strive hard to ensure customers always understand why we process their personal data and their rights in that process.

As for the respective compartment, Moldcell has in place the Privacy and Personal Data Protection Policy approved within the Moldcell company, the provisions of which are strictly followed throughout its activity. Moldcell supports and respects international human rights laws and standards. Moldcell recognizes that privacy is important to its customers, employees and other stakeholders and is committed to respecting and protecting their privacy.

Acting in accordance with the provisions of the Privacy Policy and protection of personal data, Moldcell establishes high and consistent standards in respect of confidentiality and protection of personal data. By virtue of that Policy, the primary objective of the company is to ensure that individuals with whom Moldcell interacts have confidence in the fact that Moldcell respects and protects confidentiality. Another objective is to reduce legal and regulatory risks, as well as reputational and brand exposure in this regard. Moldcell implements and undertakes rigorous measures to ensure network integrity and data security in order to protect confidentiality.

In order to ensure the confidentiality and protection of personal data, Moldcell acts in strict accordance with the provisions of the Law on the protection of personal data of the Republic of Moldova, with the recommendations and guidelines of the director of the National Center for the Protection of Personal Data of the Republic of Moldova, which is a autonomous public authority, independent from other public authorities, natural and legal persons, the object of which is the defense of the fundamental rights and

freedoms of natural persons, in particular the right to private life in relation to the processing and cross-border transmission of personal data. In addition to the national legislation, Moldcell takes into account the provisions of the European Union legislation in the field of confidentiality and protection of personal data, and considering that the Republic of Moldova has the status of a candidate country for joining the European Union, Moldcell analyzes all issues related to confidentiality and protection of personal data by analogy with the provisions of Regulation (EU) no. 2016/679 of the European Parliament and of the Council on the protection of natural persons with regard to the processing of personal data and on the free movement of such data and repealing Directive 95/46/EC, also taking into account the European Union Guidelines on confidentiality and data protection.

The principles applied by Moldcell for the activities of the respective field are expressly provided in the company's Policy regarding the confidentiality and protection of personal data, which is public and is placed on the company's official website: [www.moldcell.md](http://www.moldcell.md). These principles relate in particular to the use of best practices for information and transparency. The collection, processing and storage of personal data of both subscribers and company employees is carried out according to the legitimate processing criteria and the principles established by the Law on the protection of personal data of the Republic of Moldova. One of the primary objectives of the company is the implementation and application of appropriate technical and organizational measures to ensure the confidentiality and protection of personal data.

The employees of Moldcell are familiar with the Privacy Policy and protection of personal data, systematically being trained about the responsibility they bear in the process of collecting, processing and storing personal data and everyone's obligation to respect the confidentiality imposed by law, signing written non-disclosure agreements.

At the same time, we would like to mention that, in order to ensure a high level of confidentiality and data protection, Moldcell systematically evaluates the privacy risks associated with the processing of personal data, developing appropriate risk mitigation strategies if necessary. After the risk assessment, Moldcell, as the case may be, signs with the other contracting parties (clients, partners) Confidentiality Agreements and Personal Data Processing Agreements, which contain clauses aligned with national and international legislation in the respective field.

Likewise, we consider it important to mention that, in compliance with the Policy indicated above, Moldcell has a Personal Data Processing Instruction, which is mandatory for Moldcell and for the company's employees, being approved for establishing the mandatory legal requirements regarding confidentiality and data protection with personal character. And, for the purpose of correctly and transparently informing the company's customers, Moldcell also approved the Information Note

regarding the processing of personal data, which is also public and can be accessed on the official website of Moldcell. [www.moldcell.md](http://www.moldcell.md). In order to exercise their rights regarding the processing of personal data, Moldcell subscribers can address any question/concern to the e-mail address [datepersonale@moldcell.md](mailto:datepersonale@moldcell.md)

With a steadfast commitment to protecting customer data, Moldcell is pleased to report that throughout 2023, there were no substantiated complaints concerning breaches of customer privacy or losses of customer data. We continuously invest in robust security measures and rigorous adherence to data protection regulations, prioritizing transparency and accountability in all our operations.

**Fair and Transparent Billing Policy:** Moldcell billing policy follows international standards to ensure fairness and transparency. We provide clear and detailed invoices, avoiding hidden fees, and promptly address any billing discrepancies.

**Accessibility:** Aligned with international human rights standards, Moldcell ensures that all customers are treated with dignity and respect. We promote diversity and inclusion, prohibiting discrimination based on race, gender, religion, or any other protected characteristic. Moldcell strives to make the products and services accessible to all customers, regardless of abilities or disabilities. Throughout 2023, Moldcell engaged in a comprehensive accessibility audit of its entire retail network, encompassing 58 shops. The evaluation revealed direct access for people with disabilities to 54 locations, with only 4 shops identified as lacking full accessibility. In response to these findings, Moldcell is committed to taking all necessary steps to rectify the identified shortfalls within its own network and to actively advocate for the implementation of similar accessibility standards throughout the broader network managed by distributors and dealers.

Moldcell's dedication to accessibility extends beyond physical spaces to encompass all its service offerings. The **ACCESSIBLE Subscription**, developed in collaboration with the Moldcell Foundation partners, the Association of the Deaf from Moldova and the Association for the Blind from Moldova, exemplifies this commitment, providing tailored solutions for customers with disabilities. By removing potential barriers like credit limits and complex options, this initiative demonstrates Moldcell's holistic approach to inclusive customer service, mirroring the accessibility efforts undertaken within its retail network.

These initiatives demonstrate Moldcell commitment to ethical business practices, customer-centricity, and corporate responsibility. They form the foundation of Moldcell customer-related initiatives, fostering trust and long-term relationships with our diverse customer base.

**Customer Communication Policies:** Moldcell communication policy emphasizes clear and honest communication. Moldcell ensures that customers are informed about changes in services, product updates, and any potential disruptions well in advance.

**Customer Complaint Resolution Policies:** Moldcell

complaint resolution policy is designed to meet a structured process for handling customer complaints promptly and fairly, ensuring customer satisfaction and loyalty.

## 4.2 RESPONSIBILITY IN OUR PRODUCTS AND SERVICES

### Taming Customer Dissatisfaction for a Stronger Brand

All Moldcell operators have teams that focus exclusively on bringing down the number of dissatisfied customers and reducing complaints, regardless of the channel through which they reach us. This includes the following measures:

- Moldcell provides channels through which customers can exercise their right to complain at any time, 24 hours a day, 365 days a year. Moldcell ensures that customers can exercise their right to complain at any time through various channels, including online platforms, dedicated helplines, and in-person service centers. Customers are encouraged to submit complaints verbally or in writing, providing flexibility in their preferred communication mode.
- Moldcell reports the trends in the number of complaints and resolution times to the competent authority, as well as other information required about the quality of the service Moldcell provides, in accordance with the guidelines and parameters set by the regulatory body in Republic of Moldova. The following table provides the details of Moldcell main operations, the corresponding regulatory bodies and the websites where the customer can find the information we provide:
  1. The National Regulatory Agency for Electronic Communications and Information Technology (ANRCETI) - [office@anrceti.md](mailto:office@anrceti.md)
  2. State Inspectorate for the Supervision of Non-Food Products and Consumer Protection (ISSPNPC) - [secretariat@isspnpc.gov.md](mailto:secretariat@isspnpc.gov.md)
  3. National Center for Personal Data Protection (CNPDCP) - [centru@datepersonale.md](mailto:centru@datepersonale.md)
  4. Audiovisual Council  
[office@consiliuaudiovizual.md](mailto:office@consiliuaudiovizual.md)

In 2023, we recorded an increase in the number of registered complaints compared to 2022. This increase reflects our commitment to transparency and encourages customers to voice their concerns. Despite the increase in complaints, our average complaint resolution time was less in 2023 compared to the legal requirements of 14 days, or 30 days with prior notice from the client.

Moldcell's comprehensive approach to managing customer complaints underscores the commitment to resolving issues promptly, improving customer satisfaction, and respect the regulatory standards.

The increase in registered complaints in 2023 reflects Moldcell dedication to openness and continuous improvement in addressing customer concerns. By prioritizing ongoing training programs and resource provision, Moldcell empowers its customer service team to tackle customer complaints with both effectiveness and empathy. This dedication to employee development lies at the heart of Moldcell's commitment to exceptional customer service, as is further elaborated upon in the People section of this report.

### 4.2.1 Transparency and Clarity: Empowering Informed Customer Choices

At Moldcell, clear and accessible communication is fundamental to building trust with the customers. In 2023, Moldcell made significant strides in enhancing the transparency and clarity of the marketing and labelling practices, fostering informed decision-making for all users.

**Simplified Data Plans:** Moldcell prioritizes and simplifies the data plans, eliminating complex terminology and ensuring ease of comparison. Customers now benefit from transparent summaries and detailed breakdowns of costs, data limits, and additional fees associated with each plan.

**Accessible Documentation:** Building an accessible digital environment is a continuous journey. While Moldcell offers various accessibility features currently, the company understands the ongoing need for improvement. Therefore, Moldcell is dedicated to proactively researching and implementing additional alternative document formats and accessible channels within our website platform. Moldcell values the customer's feedback and welcomes suggestions as Moldcell strives towards an inclusive online space for all customers .

**Multilingual Communication:** Committed to serving the diverse customer base, Moldcell emphasizes multilingual communication across all channels. Moldcell ensures key information and documentation are available in various languages relevant to Moldovan audience, promoting seamless engagement for everyone.

During 2023, Moldcell had no incidents of misleading advertising or unclear billing statements resulted in fines or penalties. This reflects Moldcell's unwavering commitment to transparency and continuous improvement in all aspects of the marketing and labelling practices. Moldcell remains dedicated to empowering its customers with accurate and easily understood information. By continuously refining the communication strategies and investing in accessibility initiatives, Moldcell builds even stronger trust and fosters loyal relationships with its valued users.

#### 4.2.1.1 The Power of Certified Quality

While continuous training empowers our customer service team to address concerns swiftly and empathetically and understanding that product quality directly impacts customer satisfaction, Moldcell takes further proactive measures to minimize complaints through its unwavering commitment to quality. This

dedication manifests in the exclusive sourcing of certified products, guaranteeing unwavering adherence to the highest safety and performance standards. Moldcell specializes in delivering telecommunication services, leveraging partnerships with established manufacturers to offer the latest equipment and ensure optimal performance. According to the legislation of the Republic of Moldova, specifically Law No. 235 of 01.12.2011, manufacturers and sellers who sell electronic products on the territory of the Republic, must assume responsibility for the conformity of the delivered products. The products, regardless of the country of their manufacture, must have the CE mark. This mark indicates that the products have been evaluated by the manufacturer and that they comply with European standards in terms of safety, health and environmental protection.

As confirmation of European certification, each product must have a Declaration of Conformity in Romanian (if it is in English, the declaration must be translated into Romanian). The declaration of conformity is issued by the National Accreditation Center or any other authorized representative from the manufacturer's country of origin.

Based on the Declaration of Conformity, the manufacturer confirms on his own responsibility that the products are in strict compliance with European directives and standards:

- Safety and health
- Electromagnetic compatibility
- Effective use of the radio frequency spectrum
- Environment (Directive 2011/65/EU: EN IEC 6300:2018)

In the case of inspections carried out by market surveillance authorities, the presence of Declarations of Conformity for each product is mandatory.

During 2023, incidents that could have an impact on the health and safety of customers due to the non-conformity of the products were not recorded.

## 4.3 ELEVATING THE CUSTOMER VOICE

For many years already, Moldcell is measuring both Transactional and Competitive NPS to gauge customer satisfaction and their willingness to recommend, collecting valuable feedback at the same time.

**Transactional NPS** is an ongoing process and the feedback is collected by means of SMS after the customer is having an interaction with Moldcell, by call or shop visit. The survey includes a question about the willingness to recommend Moldcell, a question about the satisfaction with the customer service and an open-ended question to collect free text with suggestions for improvement. All the feedbacks are processed by responsible persons and the customers are being called upon necessity.

Customer service satisfaction score is part of the

monthly assessment of each agent and many improvements have been performed thanks to the insights provided by the customers.

Moldcell uses the Customer Satisfaction Index (CSI), the result of the satisfaction question asked in the transactional surveys (conducted at the end of each contact), is used for the management/ remuneration of customer support providers. It evaluates factors such as communication skills, problem-solving abilities, and overall customer satisfaction with the resolution process. The CSI is used to identify areas for improvement in agent performance. Regular feedback and training programs are implemented based on the index results to enhance the quality of customer interactions.

**Competitive NPS.** Since 2016, Moldcell has been conducting an annual Net Promoter Score (NPS) Competition to measure customer loyalty and satisfaction. The process is managed with the assistance of an accredited and impartial company to ensure objectivity and accuracy in the results. The main question is about willingness to recommend and why. The other questions may slightly differ depending on the focus for that year ranging from value for money, customer service, service quality to intention to leave. The Competitive Net Promoter Score is part of the company level targets and serves as important baseline for customer experience strategy of the company.

After receiving survey results, an in-depth analysis is conducted to understand trends, patterns, and key drivers of customer satisfaction. This analysis is vital in identifying specific touchpoints that contribute to customer loyalty or dissatisfaction. Based on the analysis, an action plan is developed to address areas that need improvement. The plan is designed to be comprehensive, involving cross-functional collaboration to ensure a company-wide commitment to enhancing the customer experience.

The primary goal of the Competitive NPS is to gather valuable insights into customer loyalty and identify areas for improvement. It serves as a key performance indicator, aligning with our commitment to delivering exceptional customer experiences. The insights gained from the surveys are instrumental in maintaining the position as a customer-centric organization.

While Moldcell's Competitive NPS score in 2023 exhibited a slight decrease compared to 2022, it is believed that this could be attributed to external macroeconomic factors such as inflation, rising prices, and uncertainties stemming from the ongoing war at the country's border. Nonetheless, Moldcell remains committed to actively listening to customer feedback and leveraging the valuable insights gleaned from the survey to refine its offerings and services, fostering improved future performance.

### **Voice of the customers: Shifting from Reactive to Proactive Customer Engagement**

In 2023, Moldcell launched the "**Voice of the Customer**" program to identify the most critical processes and "pain points" where immediate action can yield significant improvements for both the

operations and customer experience. This comprehensive initiative goes beyond simply providing immediate responses to customer concerns raised through one of our contact channels. Instead, it leverages the collected feedback as a powerful tool to prioritize structural improvements throughout the company's processes. By systematically addressing recurring issues, Moldcell proactively mitigates and prevents similar incidents from impacting others. Ultimately, this program not only fosters a seamless customer journey but also empowers Moldcell to shift from a reactive stance to a proactive approach, allowing Moldcell to anticipate and ultimately exceed customer needs.

The program includes regular meetings, reporting and analysis to assess the effectiveness of implemented improvements and to identify further areas for enhancement, such as: procedures simplifications and / or automations, products adjustment, etc. The program facilitates a cultural transformation within the organization, emphasizing a customer-centric mindset. It encourages all departments to view customer feedback as a valuable resource for driving positive change.

The "Voice of the Customer" program is a strategic initiative that positions Moldcell as a proactive problem solver. This program reflects the commitment to deliver an exceptional customer experience and driving positive change throughout the organization.

## 4.3 DIGITAL RIGHTS

As a telecommunications operator, Moldcell is subject to laws that require the company to support law enforcement and security on these topics. When deemed essential, Moldcell will work with respective national law enforcement authorities to protect the safety of individuals and the public from crime and terrorism and protect critical infrastructure. Strict policies and processes are in place to ensure that all received requests regarding security comply with applicable laws.

Moldcell's robust Privacy and Freedom of Expression Policy outlines our clear commitments and procedures when handling requests related to user surveillance that could potentially pose significant risks to user privacy and freedom of expression. This policy reflects our dedication to balancing the interests of both our customers and the company. Moreover, we actively integrate potential risks to user privacy and freedom of expression, including those pertaining to children and young people, within our comprehensive risk management framework, aiming to minimize any negative impacts on our valued users.

Moldcell upholds international human rights standards, adhering to the principles enshrined in the Universal Declaration of Human Rights (UDHR), the International Covenant on Civil and Political Rights (ICCPR), and the International Covenant on Economic, Social and Cultural Rights (ICESCR). Our commitment extends to the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. Moldcell

defines two types of requests from governments/ authorities:

**Conventional requests** are day-to-day requests that are typically of lower risk, such as daily secret real-time wiretapping and monitoring by the police based on court orders. Such requests are received and handled by dedicated local teams.

**Unconventional requests** are requests that may have serious impacts on users' freedom of expression and privacy. Examples include demands to shut down Internet access, blocking of websites or requirements to retain data for surveillance when legislation is unclear. Throughout 2023, Moldcell received requests to limit specific internet content primarily from the National Agency for Regulation in Electronic Communications and Information Technology and the Intelligence and Security Service. These requests included:

- The blocking of unauthorized gambling sites according to the Paragraph (3) of Article 51 of the Law on the organization and conduct of gambling games no. 291 of 16.12.2016 authorizing restrictions on access to unauthorized gambling platforms <https://moldcell.md/rom/business/node/33390>
- The restriction of access to web pages identified as media portals promoting misinformation, inciting hatred and war, during the declared state of emergency according to the Provision of the Government of the Republic of Moldova no. 1 of February 24, 2022, mandating the blocking of subscriber access to sources disseminating online content that threatens national security through fake news <https://moldcell.md/rom/news/site-uri-media-blocate-solicitare-autorit%C4%83%C8%9Bilor-update-23-martie>

All actions were undertaken in accordance with existing legal provisions. Recognizing its responsibility in the digital realm, Moldcell prioritizes the safety and wellbeing of all its subscribers, from children and teenagers to parents and grandparents. Efforts are directed towards ensuring that users can safely utilize the provided services and navigate the internet with awareness of both its risks and benefits.

The online security guide, available on [www.moldcell.md](http://www.moldcell.md), serves as a valuable information and instruction resource. It aims to raise awareness, inform users about potential online risks and threats, and equip them with practical advice and recommendations. Additionally, the guide directs users to competent institutions where they can report online abuse, illegal content, or harmful material involving children.

The "InternetFărăGrijă" platform ([www.ifg.moldcell.md](http://www.ifg.moldcell.md)) was created as part of Moldcell's educational project in partnership with the International Center "La Strada." This platform tackles the topic of online security for diverse audiences, spanning different age groups and social backgrounds. By providing educational materials and interactive tools, it empowers our customers and other users to navigate the online world safely and responsibly.

## Electromagnetic fields (EMF)

At Moldcell, public health and safety are our top priority during mobile network construction. We strictly adhere to national radio frequency management guidelines set by the National Service for the Radio Frequencies Management. This ensures our equipment placement meets all applicable regulations for electromagnetic field (EMF) exposure limits.

During network planning, we use industry best practices and may conduct on-site measurements to verify compliance. We also actively engage with local and national authorities, as well as industry organizations, to address public concerns and ensure transparency in our network construction processes.

To guarantee compliance with national health standards, all EMF calculations are conducted by a third-party company using data provided by Moldcell. These calculations and the subsequent approval from the National Agency for Public Health (ANSP) are documented and permanently archived for future reference. In collaboration with ANSP we ensure the electromagnetic field levels of our stations are within safe limits. Their approval, based on thorough evaluation, gives us the go-ahead for construction.

## Moldcell's Commitment to a Superior Customer Experience

Moldcell prioritizes the customer's experience, actively pursuing enhancements to build strong, lasting relationships with our valued customers. We believe these investments are not just costs, but strategic drivers for our future. By continuously refining touchpoints and exceeding expectations, we cultivate loyalty, advocacy, and ultimately, sustainable growth for both Moldcell and our customers.

We understand customer experience excellence is a continuous journey. We welcome your feedback and suggestions as we explore innovative ways to elevate your Moldcell experience. Let's collaborate to cultivate a future where customer satisfaction is not just a goal, but the core of everything we do.

Visit our website or contact our customer service team to learn more about our initiatives and share your voice. We value your partnership in building an even better Moldcell experience.

[www.moldcell.md](http://www.moldcell.md)

[moldcell@moldcell.md](mailto:moldcell@moldcell.md)

<https://moldcell.md/rom/whistleblowing>



**#InspireActWin**



# EXTRAORDINARY PEOPLE

**5.1** Fostering Diversity, Inclusion, and Well-being as a Responsible Employer

**5.2** Attraction retention and talent management



## 5.1 FOSTERING DIVERSITY, INCLUSION, AND WELL-BEING AS A RESPONSIBLE EMPLOYER

*Moldcell's success is built on the foundation of its people. Our team members are more than just employees; they are a diverse Moldcell of persons who bring unique perspectives and talents. We prioritize our people's growth, development, and well-being to foster a workplace culture that values innovation, creativity, and excellence.*

Moldcell is committed to respecting human rights and aligning its practices with international human rights commitments. We recognize the essential role of human rights in fostering a fair, inclusive, and sustainable workplace.

Our dedication to human rights is reflected in the following:

**Compliance with relevant international human rights standards:** We adhere to the principles of the Universal Declaration of Human Rights, the International Labor Organization (ILO) Core Labour Standards, and other relevant international human rights instruments.

**Integration of human rights into our policies and procedures:** We have embedded human rights considerations into our corporate governance, business operations, and human resources practices.

**Continuous improvement:** We regularly review and update our policies and practices to ensure alignment with evolving human rights standards and best practices.

**Stakeholder engagement:** We actively engage with stakeholders, including employees, communities, and NGOs, to identify and address potential human rights risks and impacts.

Some specific examples of our commitment to human rights include:

**Promoting diversity and inclusion:** We foster a diverse and inclusive workplace where all employees are treated with respect and dignity, regardless of their background or identity.

**Providing fair and equitable compensation:** We offer competitive compensation and benefits packages to all employees.

**Ensuring safe and healthy working conditions:** We prioritize the health and safety of our employees and have implemented robust safety protocols across our operations.

**Protecting freedom of association and collective bargaining:** We respect the right of our employees to join unions and engage in collective bargaining.

We are committed to continuous improvement in our

human rights performance and actively work to ensure that our operations respect the rights of all individuals.

In 2023, Moldcell focused on three key areas: well-being, talent acquisition, personal and professional development. We are aware that our people are our greatest asset and investing in them is essential to our success. By focusing on their well-being, we aim to create a positive and supportive work environment where they can thrive. At the same time, we continuously seek out and attract the most talented and highly qualified individuals to join our team.

Moldcell is committed to providing career growth and development opportunities for all employees so that they can continue to learn, grow, and reach their full potential. By investing in these three key areas, Moldcell is confident that it can maintain the position of a leading telecommunications company and deliver the best possible services to its customers.

**The People Committee** at Moldcell holds the reins of talent management, defining strategic actions and measurable targets to drive employee-centric initiatives. Leveraging the combined expertise of departmental heads within the broader People and Communication team, this collaborative body addresses a variety of areas. Remuneration packages, diversity and inclusion efforts, effective employment practices, and talent retention strategies are all meticulously crafted and implemented to ensure a holistic approach that contributes to both employee well-being and organizational prosperity.

Many of our internal rules and policies are related to People. The following are the most important:

- People Policy: A multi-layered framework for employees that includes board-approved foundations: Human rights, ethics, purpose, values, focus areas, strategy, Group policies, CEO instructions and guidelines;
- Occupational Health, Safety and Well-being policies;
- Remuneration Policy;
- Anti-discrimination policy;
- Development policies etc.

### 5.1.1 Staffing indicators

Moldcell continued to prioritize its employees in 2023, with a focus on growing the team and investing in its people. Balancing innovation with resource optimization, Moldcell implemented process transformation initiatives in 2023. This resulted in a shift in the workforce, bringing the total employee count from 339 to 314, while outsourced personnel increased from 116 to 118. The trend reflects our commitment to evolving efficiently while continuing to offer fulfilling employment opportunities and contributing to the success of both our company and the community. By age, employees aged 30 or more and under 50 account for the highest share. Moldcell is deeply committed to fostering local talent. With 99% of our employees hailing from the Republic of Moldova, we prioritize investing in and empowering our fellow citizens, contributing to the nation's growth and development.

Total number of employees		
By employment type	Permanent	240
	Temporary	65
	Part-time	9
By gender	Female	182
	Male	132
	< 30	66
By age	30 - 50	234
	>50	14
	Management gender	
	Female	27
	Male	24

### 5.1.2 Employment: New employee hired and employee turnover

We believe it is important to offer our staff flexible working conditions that fit their needs at every stage of their lives. This includes the opportunity to work part-time, but also the guaranteed option of returning to work when the employee no longer wants to work part-time. We also offer this to young parents so that they can balance starting their career through training or a part-time cooperative study course with the demands of family life as a single parent.

Transparency and ethical recruitment are core values at Moldcell. We understand the importance of responsible talent management, aligning with the principles outlined in the Global Reporting Initiative standard.

Moldcell's commitment to employee turnover and hiring practices are reflected in these areas:

#### Employee Turnover:

- We track employee turnover rate regularly, analyzing contributing factors to identify areas for improvement.
- We strive to create a positive and engaging work environment that minimizes voluntary turnover.
- When involuntary turnover occurs, we conduct exit interviews to understand reasons for departure and gather valuable feedback.

#### Hiring Process:

- We prioritize diversity and inclusion, ensuring our workforce reflects the communities we serve.
- We utilize ethical and transparent recruitment practices, avoiding any discrimination based on protected characteristics.

- We offer competitive compensation and benefits packages to attract and retain top talent.
- We invest in training and development opportunities to help employees reach their full potential.

Moldcell reports relevant data on employee turnover rates, reasons for leaving, and new hires by gender and age group, as well maintain open communication with stakeholders regarding our talent management practices.

By adhering to these principles, we aim to foster a work environment where employees feel valued, respected, and empowered to contribute to our shared success.

Total No of new employees			
Newly - employed	By gender	Male	15
		Female	12
	By age	< 30	14
30 - 50		12	
> 50		1	

Total No of turnover employees			
Turnover	By gender	Male	38
		Female	28
	By age	> 30	26
		30 - 50	34
	< 50	0	

Voluntary turnover		85
Internal announcement rate for candidates (%)		100

The number of new employees and the number of turnover employees by age and gender includes the number of permanent and temporary(contract-based) employees who have an employment contract directly with Moldcell. The ratio of Moldcell's recruitment of technology-related employees (permanent employee basis) to total new recruitment recorded 63% in 2023. This is an outcome of increasing recruitment of technology personnel for key ICT areas. The turnover rate in 2023 decreased with 3,8% from the previous year. The biggest impact on turnover is caused by employees from retail and call center departments. Moldcell treats equally employees in the process of recruitment, evaluation, compensation, and education, and contributes to expanding and maintaining employment by continually implementing various welfare systems.

### 5.1.3 Principles of the Remuneration Policy

The main focus of Moldcell's remuneration strategy is to attract, retain and motivate professionals of the Company, enabling it to achieve its strategic targets within the highly competitive and globalized setting in which it performs its business, by applying the most appropriate measures and practices for such purpose.

This remuneration policy aims to be the basis for further instructions and guidelines intended to clarify Moldcell's approach on designing and implementing remuneration practices for employees at all levels. Based on the foregoing, the principles of the Remuneration Policy are the following:

- create a transparent system of determining the appropriate level of remuneration throughout all levels of the Company;
- encourage people to perform to their highest level;
- allow Moldcell to compete in each relevant employment market;
- provide consistency in remuneration throughout the Company;
- align the performance of the business with the performance of key individuals and teams within the Company.

#### Total remuneration

The remuneration to the Executive Leadership Team shall be based on the principle that it is the total remuneration that shall be considered. The total remuneration shall be competitive, but not market leading and shall be evaluated against a set of peer group companies within the similar industry and of comparable size and complexity. It shall also create prerequisites for international recruitment and diversity within the Executive Leadership Team.

The overall compensation package may include a fixed base salary, additional remuneration, and various benefits. It's important to note that the Executive Leadership Team is eligible for an annual performance bonus, representing a form of variable remuneration. The fixed base salary will be determined based on factors such as competence, responsibility, and performance. Moldcell is committed to providing a comprehensive and competitive remuneration structure that aligns with industry standards and rewards the exceptional contributions of our executive leadership.

Market benchmarks are made regularly. The individual performance is evaluated and be used as a basis for the annual review of fixed base salaries. The performance is evaluated in relation to the fulfilment of annual pre-determined targets which shall include financial, employee and sustainability targets. The contracts that currently regulate the Executive Leadership Team performing their duties and responsibilities are of a commercial nature and include clauses that are normally used for these kinds of contracts. These contracts have been approved by the Board of Directors and have not suffered any significant modifications in 2023.

Employee compensation is a crucial investment for any company, impacting both talent acquisition and retention. Striking the right balance between offering competitive rates and budgetary constraints is key.

Leveraging industry insights from Mercer LLC and PwC's annual market reviews, we analyze base salaries and total cash compensation for key benchmark jobs. This data-driven approach helps us ensure our compensation packages remain competitive, attracting and retaining the top talent who drive our success.

All remuneration practices at Moldcell take the following principles into consideration during the design and implementation phases.

- **Grading system** – The remuneration system is competency-based, meaning that promotions and salary increases are determined solely on an employee's skills, capabilities, and other professional characteristics. We employ a structured grading system to evaluate employee performance and potential, ensuring that contributions are duly rewarded and that career advancement opportunities are based on merit.
- **Competitiveness and positioning** - The remuneration process should be competitive on the market, but not necessarily the absolute leader, also taking into account the financial capacity of the company.
- **Position evaluation** - Together with other factors, Moldcell's remuneration structure should take the competence required, responsibility, complexity and business contribution of the positions into consideration when identifying remuneration levels.
- **Compliance** - All remuneration structures at Moldcell should comply with local statutory requirements and collective bargaining agreements.
- **Cost Effectiveness and Administrative Efficiency** - Remuneration programs should be delivered to employees in an optimally effective manner, both in terms of cost effectiveness and administrative efficiency.
- **Performance orientation** - In identifying remuneration levels for individuals, corporate, team and individual performance should be taken into account.
- **Equal opportunity** - Remuneration decisions should only be made based on the guidelines outlined in policies and instructions. Discrimination related to factors like race, gender, age, religious or ethnic affiliation are under no circumstances allowed.

#### Annual total compensation ratio

Moldcell is committed to responsible compensation practices that support talent retention and ensure fairness across our employee base. In 2023, the annual compensation ratio of the highest-paid individual to the median annual total compensation for all employees (excluding the highest-paid) was 26%. Due to specific confidentiality grounds, information relating to the CEO's compensation is not publicly available. The remuneration expenses of Moldcell's management for the year 2023 are detailed and available for review in the annual audited financial statements for 2023.

#### 5.1.4 Market presence: Ratios of standard entry level wage by gender compared to local minimum wage

At Moldcell, we apply the principle of equal pay for equal work or for work of equal value. That is to say, we compensate equally for equal work regardless of the employee's gender. We carry out detailed analyses of gender pay data in order to identify possible inequalities and establish measures to rectify them. We do this by considering all items related to salary, benefits and other short and long-term incentives, i.e. all payments received by the employee during the year. Gender pay inequalities or gender pay gaps are based on a comparison between the average total pay of men versus the average total pay of women in the workforce.

At Moldcell, we provide competitive salaries that significantly exceed the local minimum wage of 4000 MDL. It's crucial to clarify that this elevated salary structure pertains specifically to our sales staff, constituting 28.6% of our total workforce. Notably, this group benefits from a fixed base salary and an additional bonus, which is a variable component linked to their individual sales performance. The more they achieve in sales, the higher the bonus they receive, resulting in a monthly income increase of 20% on average for retail employees in 2023. However, due to confidentiality concerns, certain specific details may not be disclosed, and we are reevaluating the inclusion of this information in our public statements.

#### Male-Female Salary Difference (%)

While the higher percentage of women in our workforce (55%) can influence the overall pay gap, it's crucial to go beyond this initial observation. This means the gap may reflect these differences, not necessarily direct gender discrimination. Systematic differences in experience, education, and job titles between genders can create a phenomenon called compositional bias. To gain a more accurate picture, we analyze the pay gap within subgroups categorized by relevant characteristics and conduct comprehensive pay gap and gender parity analysis. This analysis reveals disparities caused by gender segregation in professions (e.g., more men in tech, more women in support) and imbalances in career advancement for men and women. We're actively addressing these issues by:

- Intensifying efforts to recruit, promote, and retain female managers.
- Reducing gender segregation in tech, IT, and commercial roles by actively recruiting and upskilling more women for these positions.
- Addressing individual, unexplainable pay inequalities in the same roles through a clear correction process.

Our compensation system is designed to be fair and objective, using a grading structure based on experience, education, and position, not gender. We're dedicated to ensuring fair compensation for all employees. We're currently evaluating the Gross Pay Gap, a foundational metric, to understand the overall

pay difference between genders. In the future, we plan to conduct a more comprehensive analysis for the Adjusted Pay Gap. This analysis will consider additional factors such as job category, function, experience level, and work schedule, providing a clearer view of equal pay for equal work. We will share this information once the analysis is complete. We align internal pay bands with international salary surveys from Mercer and PwC to provide a more accurate picture of equal pay for equal value positions.

Closing this gap necessitates structural, social, and cultural changes that demand a long-term commitment. Moldcell is working on four directions to eliminate the gender pay gap:

- Ensuring equal pay so that men and women earn the same pay for the same job.
- Increasing the proportion of women in leadership and income generation positions.
- Promoting gender parity in the Company's highest governing bodies.
- Strengthening the commitment to work-life balance and co-responsibility. Awareness-raising and new models of flexible working are key elements to reverse this situation.

Moldcell is committed to pay equity for all employees. We regularly analyze our compensation data to ensure fairness and are open to feedback to continuously improve our practices.

#### 5.1.5 Proportion of senior management hired from the local community

Moldcell actively fosters a pipeline of local talent, resulting in a senior management team where 90% hold deep roots in the Republic of Moldova. This ensures our leadership reflects the local context and drives growth aligned with the region's needs. At Moldcell, diversity isn't just a word, it's the vibrant tapestry of our governance bodies and workforce. We firmly believe that inclusivity unlocks the full potential of our people, leading to innovative solutions, dynamic work environments, and a flourishing organization. Here's how we champion diversity at every level:

**Employee diversity:** We celebrate the uniqueness of every individual under our Moldcell umbrella. Our workforce embraces multiculturalism, gender equality, and inclusivity for people of all abilities. This diversity of thought and experience sparks creativity, fosters stronger connections, and drives us towards shared goals.

**Fostering inclusivity:** Beyond welcoming diversity, we actively cultivate an environment where everyone feels valued, respected, and empowered to thrive. We invest in inclusion initiatives to break down barriers, create equal opportunities, and celebrate individual strengths.

**Continuous improvement:** We recognize that the journey towards true diversity is never-ending. We actively learn, adapt, and evolve our policies and practices to ensure they remain inclusive and reflect the changing needs of our diverse workforce and communities.

We embrace individual differences and nurture a culture of inclusivity, where everyone can contribute their unique voice and perspectives to drive our collective growth.

At Moldcell, we believe in fostering a world where women thrive and unleash their full potential. This isn't just a commitment, it's reflected in our ongoing actions to empower women both within our company and beyond. **Within Moldcell, women hold significant leadership positions, constituting 70% of our executive leadership team.** Guided by our CEO, Carolina Bugaian, who serves as a powerful role model, we actively promote self-confidence and goal-setting among our female workforce. Through engaging events such as panel discussions and workshops, including Carolina's "Empowerment Journey" speech, we celebrate the diverse experiences and perspectives of successful women leaders.

March 2023, as we celebrate Women's Empowerment Month, our commitment to action is evident through various impactful initiatives. Collaborating with the Women's Law Center, we conducted a workshop titled "Being Strong in the Face of Gender Stereotypes and Discrimination," equipping women with essential tools to overcome obstacles. Moreover, in solidarity with women affected by global crises, we hosted Ukrainian refugee women through our "Empowerment of Women affected by crises" project, providing them with valuable insights into Moldcell, exploring potential career pathways, and nurturing their professional growth. As a symbolic gesture of our unwavering support for peace and harmony, we planted a Magnolia tree—a timeless emblem of encouragement and well wishes for women everywhere. These initiatives exemplify Moldcell's steadfast belief in the transformative power of women to drive positive change. In addition to our internal efforts, we have forged strategic partnerships with organizations like AFAM - the Association of Business Women from Moldova, further amplifying our impact in advancing women's empowerment.

Gender Diversity	
Women in the workforce	182
Women in the Board of Directors	1
Women in the management positions	8
Women directors	7
Women in middle management positions	12
Women hired < 35 years in 2023	6
People on the staff with disabilities	4
Young people – under 30	66

Furthermore, our nomination at the World Communication Awards in the "Women in Telecommunications" category underscores our ongoing dedication to championing women's achievements on a global stage. At Moldcell, we are committed to continuous action, creating an environment where all women can not only succeed, but thrive.



### 5.1.6 Health and Safety

We promote the physical and mental health of employees, both in the workplace and in their personal and family environment.

#### 5.1.6.1 Occupational health and safety management system

The occupational health & safety management system is implemented due to legal requirements. The system is based yet not limited to the following laws: Constitution of Republic of Moldova art. 43, Law nr. 186/2008, government decisions, local constructional standards, internal regulations. All our employees (100%) are covered by occupation health & safety management system. It requires employer to avoid professional risks and hazards, evaluate and combat professional risks, adjustments of workplaces for the needs of the employees, development and implementation of corresponding policies and instructions, insure safe working conditions.

#### 5.1.6.2 Hazard identification, risk assessment, and incident investigation

The procedures have been established to identify, revise and assess annually the work related risks. The principles and actions applied for hazards and risks identification are specified in Moldcell Health and Safety Manual and Health & Safety Policy Statement and fully comply with legislation in force. Work related hazards and risks are assessed on a routine basis once a year as well as in case of incident/accident by certified employee, the results are checked by related managers/competent employees. The audit of the process is conducted as to insure the quality of the process. All employees are informed about how to communicate the work related incidents/accidents, the description of the process is set in Instruction on communication of work accidents. In 2023, 0 accidents have been registered at Moldcell premises. The processes used for investigations of work related incidents/accidents are set by legislation in force. Also Annual Prevention and Protection Plan sets a series of activities as to avoid risky situations, injuries or ill health.

### 5.1.6.3 Occupational health services

The occupational health services are provided by in-house certified employee. Along with it the company provides the voluntary health insurance for all its employees as well as provides consultancy on its usage, recommends best medical services and best participants. All employees benefits from regular health check-ups (once in 2 years) during their working time without supporting any cost from the employee. All the actions with regard to occupational health services are legally compliant. Along with this employees are regularly informed about health related subjects by means of emails, workshops, informal discussions.

### 5.1.6.4 Worker participation, consultation, and communication on occupational health and safety

At Moldcell, we emphasize transparent and proactive communication regarding the health and safety of our employees. We are committed to providing them with comprehensive and up-to-date information through various methods, tailored to individual needs. Open dialogue is essential to us. We encourage a culture of feedback, where employees feel free to express any concerns or issues related to their workplace safety. We believe that their active involvement is crucial for identifying and eliminating potential risks.

### 5.1.6.5 Worker training on occupational health and safety

Regular online trainings are organized for all employees with mandatory testing and registration of the results. Besides, thematic certified trainings with regard to fire safety, first aid were organized in 2023. All our operations maintain comprehensive Emergency Plans, involving dedicated teams trained in first aid, rescue, unlocking, and firefighting. These teams participate in annual emergency response exercises alongside civil protection officials, ensuring a well-coordinated response to any potential incident. All employees pass through mandatory electrical safety training with testing and registration of the results. Each new employee receives health and safety training within Induction Program for new employees. Along this employees pass through workshops with psychologists, nutritionists as to ensure good knowledge of best practices to maintain good health. All trainings are legally compliant and the selected topics provide all the needed information. All health and safety trainings, workshops and seminars are provided during working time online and offline.

### 5.1.6.6 Promotion of worker health

All employees are provided with voluntary health insurance. This benefit ensures access to most qualitative state and private medical institutions. Besides, each employee once in 2 years passes through health check-up during his working hours as to make sure no health related risk arose. The company regularly implements initiatives that promotes the culture of wellbeing at all levels.

### 5.1.6.7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships

We foster best practices in health, safety and well-

being in our supply chain and with our partners. All our suppliers accept the Supplier Code of Conduct, which sets out compliance obligations in this area. Our suppliers' activities involve greater risk of suffering an occupational accident, and therefore we focus on promoting and reinforcing best practices in occupational health, safety and well-being when working with them.

### 5.1.6.8 Workers covered by an occupational health and safety management system

All employees are covered by an occupational health and safety system. Main guidance and principles are set in Safety Information & Guidance for Moldcell contractors.

Trainings carried out during 2023:

- **First Aid Training organized by Labor Inspection**
- **Health & Safety Training for Management Team organized by Labor Inspection**
- **Well-being health programs**

At Moldcell, we understand that employee well-being extends far beyond a safe working environment. It's about nurturing a holistic experience that encompasses physical, social, and mental well-being. While robust Occupational Health and Safety (OHS) systems are our foundation, we weave a vibrant tapestry of initiatives, workshops, and programs that empower our employees to thrive in all aspects of their lives.

We know that employees value the right to a safe and healthy work environment. We therefore base our action on communication and open dialogue while seeking to make employees feel comfortable in sharing their incidents and concerns. This is reflected in the annual employee commitment survey, in which 87.1% feel that Moldcell supports employee well-being.

This commitment to employee well-being extends beyond the survey data, as evidenced by our current absenteeism rate, which we will now explore. The absenteeism rate is a percentage that reflects the proportion of scheduled workdays employees are absent from work during a specific period. It serves as a metric to measure employee absence patterns within an organization.

This rate specifically considers absences resulting from various forms of disability (e.g., illness or flu) and is not limited to work-related injuries or illnesses. It excludes permitted absences such as holidays, study leaves, maternity or paternity leaves, and family leaves.

The reported absenteeism rate of 1.33% reflects the influence of factors such as legal parental leave and the high number of employees with young families. Parental leave for medical needs related to children is included in the total absences, contributing to this rate. The presence of young children can lead to increased absenteeism. Children are more prone to

illness, requiring parental leave for care or medical assistance. The current rate of 1.33% falls within the usual benchmark of a "healthy" absenteeism rate of around 1.5%. However, understanding the reasons for absences allows us to implement strategic measures to reduce them further.

Understanding the underlying reasons for absences allows us to implement strategic measures for further improvement. These strategies include offering flexible work arrangements to facilitate better work-life balance, promoting open communication to address absence reasons effectively, and actively encouraging employee well-being through health and wellness initiatives. By adopting these approaches, we aim to create a supportive and healthy work environment, mitigating factors contributing to absenteeism and fostering an engaged and productive workforce.

Our focus on people well-being has been instrumental in achieving our goals and providing our subscribers with the best possible services. We will continue to prioritize the well-being of our team members as we move forward, recognizing that they are the key stakeholders in delivering our Digitally Human strategy and pursuing their own growth and development paths. Our people are more than just a resource; they are valued members of the Moldcell team, and we are committed to providing them with the tools and support they need to maintain their physical and mental health.

Absenteeism data	Male
Number of hours of absenteeism (men)	4008
Number of hours of absenteeism (women)	4488
Total absent days	1062
Total working days (2023)	253
Absenteeism rate (%)	1.33
Occupational disease rate (men)	0
Occupational disease rate (women)	0

### 5.1.7 Parental leave

Moldcell has policies to provide active support to reduce employees' childbirth and childcare burden. Moldcell has expanded the system to allow both male and female members to use parental leave for up to three years, strengthening the institutional foundation for employees' work-life balance. We also have holidays, leaves, and reduced work hour schemes (reduced work hours for pregnant employees, prenatal checkup leaves, childbirth leaves, and leaves for school-aged childcare, among

Maternity/Paternity leave and Parental Leave	Male	Female
Total number of employees who were entitled to parental leave	6	27
Total number of employees who took parental leave	6	27
Total number of employees who returned to work during the period subject to this report after concluding their parental leave	6	5
Total number of employees who returned to work after concluding their parental leave and who were still employed by Moldcell 12 months after returning to work	<b>All of them work after parental leave</b>	
Rate of return to work by employees who take parental leave	100%	100%
Rate of retention for employees who took parental leave in the last 12 month	100%	100%

others) for important occasions in employees' lives such as pregnancy, childbirth, and childcare. We design our benefits package to best suit the needs of our various employees. While full-time employees have access to fully remote work options as part of their comprehensive benefits, we strive to offer relevant perks and support to all team members, regardless of their employment status.

### 5.1.8 Employee/Management relations

At the heart of any thriving organization lies a strong, collaborative relationship between employees and management. This dynamic partnership demands mutual respect, open communication, and a shared commitment to finding common ground, even amidst differing perspectives. Building trust requires recognizing the value and expertise of both sides, engaging in active listening, and upholding ethical practices in all interactions.

By investing in training, communication skills, and a culture of open dialogue, Moldcell can cultivate a relationship where employees and management thrive alongside each other. When trust, respect, and collaboration become the guiding principles, the result is not just a satisfied workforce and engaged leadership, but an organization that surpasses individual goals and achieves shared success.

At Moldcell, we are committed to treating our employees with respect and fairness. In the unfortunate event of staff reductions, we provide a two-month notice period to impacted employees. This allows them time to adjust to the change and seek

new opportunities.

At Moldcell, we recognize the essential role labor unions play in safeguarding employee rights and fostering constructive dialogue. We uphold the core principles of freedom of association and collective bargaining as defined by the International Labour Organization (ILO). While we currently do not have a formal collective bargaining agreement in place, 6.9% of our workforce fall within eligible categories for potential union representation. We respect the right of any employee to join a union and actively discourage any discriminatory practices against union members.

### 5.1.9 People well-being

As a responsible employer, we value the physical health, social and digital well-being of our people and make sure we provide them with all the resources they need to stay active and engaged.

In 2023, our commitment to enhancing well-being remained steadfast as we continued to implement personalized wellness programs and adopt a flexible work schedule based on the "hybrid" model. This innovative approach, allowing four days of office work and one day of remote work, not only promotes work-life balance but also empowers our people with a sense of confidence and autonomy.

We also offered our employees regular health checks, access to medical services and a risk based health checkup. We believe that prevention is essential to maintaining good health.

Throughout the year, we curated an array of team-building events, volunteer opportunities, interest clubs, and family-centric activities aimed at strengthening the bonds within our workforce.

At Moldcell, we believe people well-being goes beyond individual development. That's why we're dedicated to fostering a strong social community where colleagues can connect, share experiences, and support each other. While existing initiatives like Parenting Club, Health & Nutrition Club, Book Club and the Moldcell Football Team are a great start, we recognize the potential for further expansion. Sharing experiences, exchanging knowledge, and finding solidarity with colleagues facing similar challenges fosters a sense of belonging and can alleviate stress. Similarly, the Moldcell Football Team provides a unique outlet for physical activity, friendly competition, and team spirit, uniting employees beyond their professional roles. Expanding our social offerings allows us to cater to a wider range of interests, creating a truly inclusive environment where everyone feels valued and connected.

At Moldcell, we believe that people well-being extends beyond professional lives. That's why we actively engage not only our employees but also their families, fostering a strong and supportive community that thrives together. Some of the activities during 2023: Kids' Month: This dedicated initiative highlights our commitment to children's well-being. We partnered with the "OK" Financial Education Foundation to offer financial fitness sessions tailored to different age groups. Children learned valuable lessons about

smart money management, saving, responsible spending, and even opening bank accounts.

Financial Fitness for Adults: Partnering with OK Foundation again, we provided financial literacy workshops for employees, empowering them to make informed decisions and achieve financial well-being.

One of the highlights of the year was the Kids Day event, where Moldcell Park was transformed into a magical amusement park, spreading joy to both adults and children.

In 2023, we continued to support local initiatives that promote physical activity. We took great pride in serving as the general sponsors of the Gustar Festival, an event that brought together our employees and the wider community for two days of lively concerts and festivities. Additionally, we were proud to sponsor the Chisinau Marathon through the Moldcell Big Hearts Kids Marathon 2023 and Christmas Marathon, which encouraged not only our employees but also their children to embrace an active lifestyle and find the right balance between online and offline activities. The event included exercises, breathing techniques, and information on the benefits of proper running.

The Month of Good Deeds united us as a team through blood donation campaigns and donations of supplies for children from socially vulnerable families.

We organized several events throughout the year, including football matches and running marathons, allowing our employees to participate in fun activities that support their overall health and well-being. We continued with sports program - UpFit that allows our employees to attend more than 90 fitness clubs. In 2023 the program has been extended with swimming pool options.

Furthermore, our Commercial Team Gala event, Moldcell anniversary celebrations, Halloween contest, and beloved annual Christmas Eve gathering served to unite our community and inspire excellence in our endeavors.

These collective efforts have cultivated a professional, inclusive, and collaborative corporate culture, where connection and support are valued at the highest level.

Notably, the reinstatement of our Welcome Day event provided new Moldcell team members with a warm introduction to our community, fostering a sense of belonging from day one.

Our dedication to local economic development initiatives and community service remained unwavering. Through employees' volunteer efforts and philanthropic activities, such as aiding earthquake victims in Turkey and supporting refugees from Ukraine, we demonstrated our commitment to making a positive impact. Additionally, initiatives such as supplying backpacks for children from socially vulnerable families underscored employees' dedication to uplifting our local community.

Each month, we dedicated time to various causes, including the women empowerment, personal

development of employees, and environmental initiatives aimed at greening Moldova.

### Digital well-being

At Moldcell, we recognize the increasing role technology plays in our lives and understand the importance of striking a balance between its benefits and potential drawbacks. That's why we prioritize digital well-being for our people, empowering them to develop healthy tech habits and maximize their personal and professional lives. Leading by example, our Executive Leadership Team actively engages in initiatives such as the Digital Wellbeing course, gaining valuable insights from expert Konstantin Dragov.

We foster open discussions through initiatives like Hobbies Hub, a platform where employees connect online and learn from specialists on various topics. Throughout 2023, our people enjoyed popular sessions featuring practical tips on parenting, leadership development, time management, and achieving work-life balance.

Moreover, recognizing the importance of ongoing learning and self-improvement, we designated September as the month of knowledge and self-development. During this period, every employee had the opportunity to select a development course, fully funded by the company. We also conducted comprehensive trainings on digital security, ensuring that each team member gained essential knowledge in safeguarding digital assets. In collaboration with "OK" Foundation, we extended our commitment to holistic employee development by offering financial education courses for employees and their children, promoting financial literacy and well-being beyond the workplace.

Furthermore, we organized professional courses in SQL and Data Science, providing our people with opportunities to enhance their proficiency in these critical areas.

By providing diverse and engaging initiatives, Moldcell empowers employees to thrive in an increasingly digital world. We believe in personal growth and strive to create a supportive environment where individuals can achieve their full potential, both inside and outside the workplace.

## 5.2 ATTRACTION, RETENTION AND TALENT MANAGEMENT

### 5.2.1 Training & Education

Attracting, developing and retaining talent is fundamental to the success of Moldcell. People well-being is not a one-time investment, but an ongoing commitment. Therefore, Moldcell regularly evaluates the programs and initiatives to ensure they meet the changing needs of all team members. In 2023, Moldcell received valuable feedback from the

employees through surveys and one-on-one meetings, which helped the company to identify areas, improve and tailor the well-being programs to better suit their needs.

Throughout the year, Moldcell implemented new policies and initiatives aimed at promoting people well-being, from wellness programs and health benefits, to flexible working hours and a positive work culture. Moldcell has organized team building events and activities, volunteer opportunities and interest clubs to help the employees connect with their colleagues and build supportive relationships.

The focus on people well-being has had a significant impact on the company's results. By prioritizing the mental and physical health of the team members, Moldcell has created a work environment that is conducive to peak performance and increased productivity.

Investing in highly qualified people is a key aspect of Moldcell's success. We highly appreciate that our people are our greatest investment, and that's why we prioritize talent acquisition and development. Throughout 2023, we have been actively seeking talented and highly qualified individuals to join our team. We have implemented a rigorous recruitment process to ensure we hire the best people for the job.

### 5.2.2 Programs for upgrading employee skills and transition assistance programs

At the same time we have provided our people with continuous training and development opportunities to help them stay abreast of the latest industry trends and technologies. We expanded our employee training and development programs, offering our people a wide range of opportunities to enhance their skills and knowledge.

- Sales Trainings - #IamNegotiator for B2B & B2C employees
- Database Administration & SQL Fundamentals – for Technology Department
- IT Recruitment for HR Business Partner
- HR MBA for HR Business Partner
- Product Management by UC Berkeley Executive Education
- Feedback Giving for Management Team
- Essentials of Leadership & Management for Management
- Coaching
- Ethics & Compliance trainings
- Health & Safety Trainings
- Google Project Management
- Professional Courses for the Accounting, Acquisition and Legal teams
- Training for Trainers
- UX/UI Design
- Digital Wellbeing
- Moodmap
- Microsoft Excel Courses
- English Courses

We also implemented new policies and initiatives to ensure that all our team members feel valued, respected, and supported. Our team members have access to ongoing coaching and mentoring programs, career planning resources, and leadership development opportunities. We encourage our people to take ownership of their professional development and provide them with the support they need to achieve their career goals. By investing in highly qualified people, we ensure that Moldcell continues to lead the telecommunications industry in Moldova.

We continuously strive to offer our people new opportunities and challenges to help them reach their full potential. In 2023, we saw significant growth in our team's skills and expertise. Many of our employees took on new challenges and responsibilities, contributing to the company's success and achieving their own personal and professional goals. In fact, we had a total of 14 team members who were promoted to management positions across various departments, including CEO, CFO, customer service, sales, and technical support.

In addition to promotions, we also offered our employees a range of training and development opportunities throughout the year. We provided access to online courses, workshops, and mentorship programs, all designed to help our team members stay up-to-date with the latest industry trends and technologies.

By investing in our people' career growth and development, we not only support them in achieving their goals, we create a culture of innovation, creativity, and excellence that benefits both our employees and our subscribers and also contribute to the continued success of our company.

Attracting, developing and retaining talent is fundamental to the success of our Company. We want our teams to have whatever they need to overcome present and future challenges. We know that professional careers have shifted from being vertical and stable to more cross-cutting and flexible, meaning that our development is no longer conditioned by our current job, but rather by what we want to become in the future.

The situation arising from the COVID-19 pandemic has presented us with an opportunity to accelerate the digitalization of learning.

- On the one hand, we are evolving the profiles and skills of our professionals to meet specific business-related challenges.
- On the other hand, we provide an open choice of training options so that each employee can play a leading role in their own development. The formats (videos, podcasts, video games, interviews, role play sessions, articles, etc.) are tailored to the needs of each person in hybrid and collaborative environments.

Average hours of training per year per employee	2023
Average training hours per employee	34.5
Total number of training hours provided to employees (314 employees)	16894
Executive training hours men	475
Executive training hours women	923
Middle management training hours men	649
Middle management training hours women	1357
Other professionals training hours men	6327
Other professionals training hours women	7163

In 2023, we continued to prioritize the professional growth and development of our employees. We provided various resources, including training and coaching opportunities, to help them learn new skills and advance their careers. We encouraged our employees to attend industry conferences, workshops and other professional development opportunities to enhance their knowledge and skills. In addition, we provided opportunities for both horizontal and vertical growth within the company, allowing employees to explore different career paths and reorient themselves professionally.

Our goal is to continue to foster a culture of continuous learning and development to ensure our team members are equipped to succeed both in their current roles and as they grow within our company. Company is providing soft and hard skills trainings.

**Soft skills:** Communication skills, Feedback giving, Presentation Skills, Analytical skills, Time Management, Finance for Non-Finance, Technical for Non-Technical, Fundamental of Legal, Excel and English courses;

- **Hard skills:** Fundamentals of SQL, Fundamental of Data Science, Fundamentals of Mobile Network, Leadership & Management Skills, Business Analytics, Project Management, IFRS and Online professional courses.

### 5.2.3 Investing in Our People: A Commitment to Growth and Innovation

Moldcell prioritized employee development in 2023 through strategic investments in training and development, resulting in a **27.25% increase** in training expenses (MDL 1.4 million) compared to

2022 (MDL 1.1 million). In addition to the substantial increase in training expenses, it's noteworthy that Moldcell's commitment to employee development extends beyond financial investments. The

**27.25%** rise in training expenses signifies our dedication to fostering a culture of continuous learning and professional growth within the organization. The expanded training initiatives in 2023 not only reflect a financial commitment but also underscore our belief in the long-term benefits of skilled and empowered employees.

Furthermore, this investment aligns with our strategic vision, emphasizing the pivotal role of employee development in achieving sustainable growth. The targeted training and development programs are designed to enhance individual capabilities, contributing not only to personal growth but also to the overall success of the organization. Moldcell recognizes that an educated and skilled workforce is a driving force behind innovation, adaptability, and resilience in an ever-evolving business landscape.

As we continue to prioritize employee development, this investment reinforces our commitment to cultivating a workforce that is not only well-equipped for their current roles but also prepared for future challenges. It is a testament to Moldcell's proactive approach in nurturing talent, fostering a positive work environment, and ensuring the continuous evolution of our organization.

### 5.2.3 Percentage of employees receiving regular performance and career development reviews

Moldcell has a performance review process for all employees. The same timetable, guidelines and tools are shared. Moldcell's performance review process aims to provide a fair and transparent evaluation of all employees' contributions, identify areas for development, and support future growth. This process typically involves the following steps:

**Goal setting:** At the beginning of the review period, employees and their managers jointly establish clear and measurable goals aligned with the company's objectives.

**Regular feedback:** Throughout the year, managers provide ongoing feedback to employees on their performance and progress towards goals. This feedback can be formal (e.g., mid-year reviews) or informal (e.g., regular one-on-one meetings).

**Self-assessment:** Employees also have the opportunity to reflect on their own performance and provide their manager with feedback on their experience.

**Performance review meeting:** At the end of the review period, manager and employee hold a formal meeting to discuss the employee's performance against goals, strengths and weaknesses, and opportunities for development.

**Development planning:** Based on the review discussion, manager and employee collaboratively develop a plan for future development, which may include training, mentorship, or new challenges. Moldcell emphasizes open communication and transparency throughout the performance review process. The company also provides resources and support to help employees achieve their development goals and excel in their roles.

Percentage of employees subject to performance reviews (2023 - %)		
By gender	Men	30
	Women	70
By professional category	Executives	7
	Middle Management	19.3
	Other professionals	73.7
Total		36.3%

In 2023, we conducted performance reviews for 36.3% of our employees. The remaining staff, primarily in sales with variable compensation tied to achieving objectives, undergo monthly evaluations to ensure alignment with goals and continued success.

Moldcell places a high priority on implementing a robust and comprehensive performance review process for all employees. Our commitment extends beyond the current system, as we consistently strive to enhance and refine our performance review mechanisms. This dedication is rooted in our overarching goal of aligning individual and organizational objectives to foster a culture of continuous improvement and shared success. Our performance review process is designed to be inclusive, transparent, and supportive, emphasizing open communication between employees and management.

Moreover, Moldcell recognizes that an effective performance review process contributes not only to the professional development of our employees but also to the overall success of the company. We prioritize providing constructive feedback, identifying areas for improvement, and acknowledging achievements, creating a positive and growth-oriented atmosphere within the organization.

# INTERNATIONAL AND NATIONAL RECOGNITION

One of the pillars of Moldcell's strategy pertains to Extraordinary People, for whom well-being serves as the cornerstone of a productive and successful workplace. In 2023, our efforts garnered global recognition, as we were honored with the title of the best in the **People and Culture** category at the esteemed **World Communication Awards**. This accolade epitomizes Moldcell's company culture, where the team of Extraordinary People is at the heart of our success. Within the People and Culture category, the judges selected organizations that exemplify a steadfast commitment to employee well-being, the development of digital skills, and the cultivation of a positive company culture. Furthermore, in 2023, our endeavors to foster a culture of innovation and excellence were acknowledged by our designation as one of the best employers in the Republic of Moldova, according to the "**Employer Brand Perception Survey 2023**," conducted by **AXA Management Consulting**. The ranking was compiled taking into consideration the opinions and responses provided by our employees. These achievements underscore our unwavering dedication to employee well-being, talent development, and continuous improvement. Our people-centric approach extends beyond merely promoting an exceptional workplace; it generates a positive ripple effect that resonates with our valued customers. Thus, Moldcell is more than just a workplace - it's a collaborative environment where success is not merely a destination but a collective goal shared by extraordinary individuals. Moldcell remains steadfast in its commitment to attracting and retaining top industry talent, and we look forward to witnessing our team's continued growth and success in the years ahead.

*We look forward to many more years of growth, success, and making a positive impact in the community.*



**#InspireActWin**

# 6.

## LEADING WITH INTEGRITY

- 6.1** Culture of sustainability
- 6.2** Risk Management
- 6.3** Business ethics and transparency



## 6.1 CULTURE OF SUSTAINABILITY

A pioneer in responsible business practices, Moldcell initiated its Ethics and Compliance Program in 2013, laying a strong foundation for a decade of unwavering adherence to international sustainability standards and continuous refinement of its compliance framework. Sustainability is one of the defining issues of our generation. Around the world, consumers, employees and regulators increasingly expect companies to act responsibly and add value to society.

Sustainable operations is a vital part of Moldcell Company's strategy, being at the core of business. During recent years, Moldcell has put a lot of effort to improve the way of running a responsible business. Moldcell operate in some of the world's most challenging markets and we must therefore apply strict codes of conduct, regulations and internal controls.

One of Moldcell main challenges is to consolidate a culture of ethics and compliance designed to ensure the Company's future and sustainability, and contribute to guaranteeing the trust of all Moldcell stakeholders. The nature of Moldcell business, compliance with various national and extraterritorial regulations, and the progressive demand for specific compliance programs, represent a challenge to implementing this culture. Therefore, Moldcell constantly adapts its compliance activity. Moldcell fosters training and awareness-raising initiatives, as a basic element of its compliance program, in order to consolidate this culture so that Moldcell employees can adopt ethical and responsible decisions in the face of the dilemmas and conflicts they face during their daily activities

To ensure that we make progress on the most important areas and meet increasing reporting expectations and requirements, a number of goals guide our work and reporting. In 2023, Moldcell updated its business strategy with a broad range of topics with particular focus on Environmental, Social and Governance (ESG) performance. Moldcell recognize that by placing greater focus on ESG performance, we can build stronger relationships with stakeholders and create financial value.

Moldcell is committed to a number of international guidelines and initiatives related to anti-corruption, environmental responsibility, human rights and labor rights, including:

- The UN Universal Declaration of Human Rights
- The core conventions of the International Labor Organization (ILO)
- The OECD Guidelines for Multinational Enterprises
- The UN Global Compact
- The UN Guiding Principles on Business and Human Rights
- The Children's Rights and Business Principles

Moldcell's sustainability actions are ruled by these guidelines, which extend beyond mere legal compliance and encompass all employees. Engagement with stakeholders in a manner that guarantees the utmost ethicality in business practices and conduct is outlined in our sustainability approach. By adhering to these established practices, Moldcell is empowered to identify both potential business threats and opportunities, ultimately paving the way for the development of effective mitigation plans that ensure a sustainable future.

## 6.2 RISK MANAGEMENT

Moldcell has an established risk management framework in place to regularly identify, analyze, assess, and report business, financial as well as ethics and sustainability risks and uncertainties, and to mitigate such risks as appropriate. Moldcell's Risk Universe includes areas that are identified and prioritized together with Executive Leadership Team, as the most material risks that impact Moldcell's strategic objectives and operations. Risk management is an integrated part of Moldcell's business planning process and monitoring of business performance

### 6.2.1 Moldcell Risk Universe

#### War at the border of Moldova

**Description:** The continuing war between Ukraine and Russia. High perceived risk for financial institutions to finance projects in Moldova. Risk of gas and electricity supply. People migration.

**Objective:** Protect company assets and ensure services provisions. Finding source of finance for additional projects.

**Potential Impact:** The outbreak of a war in the Odessa region has the potential to have a significant negative impact on Moldcell's operations, including the damage or destruction of infrastructure, the loss of customers, and the reduction of new project opportunities.

#### Mitigation activities:

- Moldcell has a full asset insurance coverage, however it will take time to recover and rebuild the affected network.
- Network capacity has been strengthened.
- Necessary amount of mobile RBSs have been prepared.
- Transmission flows between Moldovan operators have been increased.

#### Power supply continuity and electricity price increase

**Description:** During 2023 significant changes in energy supply of Moldova were operated in order to ensure that the black-out cases from 2022 are not repeated.

In November 2022 Moldova has faced 2 full black-outs and as a result Moldcell network was affected in the areas without diesel generators and short battery life. Further network resilience was made by battery replacement. The electricity prices have increased over 150%. The annual electricity costs have increased from 79mMDL in 2022 to 87mMDL in 2023.

**Objective:** To reduce the impact of potential power cuts of up to 3-4 hours was performed battery backup replacement on multiple critical mobile network sites with very low battery backup time 0-30 minutes.

**Potential Impact:** The company will have to absorb the financial impact of the unearned revenue.

**Mitigation activities:**

- Energy saving actions implemented and promoted;
- Emergency batteries for main hub sites acquired and installed;
- Acquired new diesel generators
- Price adjustment of tariff plans to compensate the energy costs.

**Competent workforce headhunting by local market**

**Description:** Risk of losing the competent workforce abroad due to instable political and economical country situation, has increased the competition and fight for talents on the local market. The fight for the professionals on the market became more aggressive and we are under risk of losing the employees due to the higher/better offers.

**Objective:** The increased level of engagement and loyalty of the key contributors toward the company as employer. Readiness for taking necessary actions for replacing the key contributors in case of need. Increased level of commitment of all company employees.

**Potential Impact:** The functional processes are highly affected due to the fact that many of the specific positions are not possible to have successors or internal replacement. Risk likelihood could be decreased by increasing the salary levels according to the market level, which requires additional OPEX.

**Mitigation activities:**

- Identifying several successors levels and continuous follow-up of key contributors' positions performance, plans, commitment and satisfaction and adaptation of our actions toward the identified risks.
- Continuous monitoring and revision of remuneration structure of critical jobs and their positioning vs market pay.
- Strengthening the immediate management in motivating, empowering and retraining all the employees, especially the key employees by conducting the proactive actions.
- Salary adjustments performed.

**Cybersecurity threats.**

**Description:** Moldova's strategic location bordering an ongoing war zone makes it a constant target for cyberattacks. This heightened vulnerab the nation's

telecommunications industry, placing ility extends to essential infrastructure and sensitive customer data at risk. As digital connectivity becomes increasingly interwoven with daily life, safeguarding the telco sector becomes not just a business imperative, but a national security priority. Preventive measures combined with preparedness and efficient continuity planning, incident management and crisis management are key to avoid unwanted consequences from incidents and disturbances.

**Objective:** Ensure operational continuity following a cyberattack through data backup and recovery systems, incident response protocols, and redundant infrastructure.

**Potential impact:** Failure to meet our customers' security and quality requirements and expectations may have an adverse impact on our business, leading to indirect sanction costs, fines, contract penalties, damage to our reputation, and/or churn. New security and national security regulatory requirements may impact how we build our infrastructure and our ways of working, potentially leading to cost increases.

**Mitigation activities:**

- Operational processes have been deployed to ensure the security requirements of customers and authorities are met.
- Strengthening of security awareness and culture through training.
- A comprehensive risk management framework is implemented to proactively identify and mitigate potential vulnerabilities in the operational performance of all business-critical services and platforms, ensuring continuous service improvement and alignment with ISO standards.

**6.2.2 Risk Management Governance**

Understanding the company's complex risk universe serves as the foundation for exploring the dedicated governance body tasked with upholding and guiding the company's risk management practices.

**Governance, Risk and Compliance (GRC)**

Risk management is essential for reducing the probability that the corporate objectives will not be met. In order to safeguard Moldcell business we need to be aware of risks that may harm our goals, businesses, customers or brands and also be able to prioritize and manage the risks. We also need to acknowledge that profits and an increase of shareholder value are outcome of successful risk awareness and management of negative risks as well as positive risks (i.e. opportunities).

At Moldcell, we prioritize responsible growth and sustainable operations. Our comprehensive risk management approach is outlined in our **Risk Management Policy**. This policy clearly defines:

- **Line Management Responsibility:** Each business unit leader owns and actively manages the risks associated with their operations.
- **Functional Responsibility:** Dedicated risk management specialists provide guidance, tools, and support to ensure effective risk identification, assessment, mitigation, and monitoring across the organization.

This dual focus on ownership and collaboration ensures a proactive and integrated approach to managing risks, safeguarding our business and stakeholders.

Line management is responsible for implementing risk management in the ordinary line organization and daily work (i.e. identification, assessment, mitigation and reporting). Functions, within each specific risk area, are responsible for deciding on how to manage risks (i.e. guidelines regarding identification, mitigation, execution and reporting), monitor risks and compliance follow-up of the GRC framework. This instruction is mandatory and applies to all entities where Moldcell has management responsibility.

The functional responsibility for Risk Management is divided into three main risk areas:

- Business & Finance
- Sustainability
- IT & Security

Each line manager has the responsibility to secure that each employee is aware of his/her responsibility to assess risks that have potential impact on the achievement of objectives. The GRC process is implemented and integrated into regular working processes. For all risks subject to risk treatment the risk level and status for mitigation activities shall be continuously monitored by line management according to the decided schedule:

- In ordinary management meetings;
- In dedicated forums e.g. projects, programs, committees etc.

Output from the continuous monitoring is reported to each main risk area forum according to the decided schedule. Compliance assessments (e.g. internal or external audits, corporate reviews, assessments against requirements or incident statistics) shall be input to risk assessment if there are deviations from the wanted state, internal or external regulations.

The Business Assurance team within Finance department proactively conducts risk and compliance evaluations and assessments, on a regular basis and in a timely manner, to ensure that all employees are aware of and take steps to comply with the relevant requirements. Compliance indicates the conformance to external as well as internal requirements, such as applicable legislation and regulation, international standards and norms, and company's policies and instructions.

**The Governance, Risk, Ethics and Compliance (GREC) committee** is the primary governing body for risk and compliance follow-up. The purpose of the Moldcell GREC committee is to act as the primary governing body for risk management and compliance throughout Moldcell Company. GREC meetings are held at least quarterly and provide a forum for management updates, discussion, decisions and follow-up on risk and control mitigation activities and initiatives within the different risk areas and sustainability focus areas.

Management proactively conducts risk and

compliance evaluations and assessments, on a regular basis and in a timely manner, to ensure that all employees are aware of and take steps to comply with the relevant requirements. Compliance indicates the conformance to external as well as internal requirements, such as applicable legislation and regulation, international standards and norms, and company policies and instructions.

The aim of the continuous risk management process is to ensure all risks that may help or hinder the achievement of Moldcell's objectives are regularly assessed, managed, and monitored. The risk management process promotes transparency, feasibility, and traceability and Moldcell strives to fully integrate risk management into all business processes. Management ensures that a personal sense of responsibility and common view on, and awareness of, risk is established among employees, as well as facilitating the accountability for risks in daily decision making. Risk reporting is integrated into the business planning process and risks are reviewed at business reviews and escalated through the line organization.

The risk management framework is to ensure that risks are being managed within the company's risk appetite, as well as provide holistic visibility and assurance to the Board, management, regulators and customers. Information gathered through the assurance activities are aligned and provided to GREC and the Audit Committee. The aligned approach from assurance functions supports management's decision making with comprehensive views of the company's overall risks, current levels of control and effectiveness of mitigating activities.

### 6.2.3 Policy framework

Complementing the dedicated risk management governance body, a robust network of policies is implemented to guarantee adherence to legal requirements, ethical principles, and sustainable practices, thereby safeguarding the company's long-term success.

To ensure ethical behavior throughout Moldcell, we take several lines of action such as identification of non-compliance risks, policies and procedures, due diligence controls, training and awareness-raising, consultation, internal reporting mechanisms for potential infringements, discipline and recognition, as well as possible remediation plans. Moldcell aims to continuously develop and implement training on integrity and compliance for suppliers and other commercial partners.

The policy framework consists of the steering documents company policies and instructions, which are core elements in managing and directing Moldcell. The Executive Leadership Team secure that necessary company policies and instructions are issued within their respective area of responsibility. All company policies and instructions are binding for all entities in which Moldcell has management responsibility. Board has delegated to the CEO to issue instructions for more detailed governance in areas of overall importance for the operations.

Moldcell instructions and policies are reviewed, and updated if considered necessary. All company policies and instructions are stored and published in a common database available to all employees and certain categories of contingent workers.

The most essential elements of Moldcell's control environment are the company policies with related instructions as well as detailed company directives. Management at all levels is responsible for ensuring that the organization complies with the Delegation of Obligations and Authority issued by the CEO, the financial governing documents, the reporting framework, and other Moldcell requirements.

Finance and Legal departments are responsible for monthly monitoring and, if significant, communication of changes in legislation, listing requirements and financial reporting standards affecting financial policies, instructions, or directives.

#### **Management in the company is responsible for ensuring that:**

- Periodical financial statements and reports comply with Moldcell's accounting policies;
- Activities to mitigate the risks, as specified in the Moldcell risk catalogues, have been implemented and are performed.

Moldcell SA supports harmonized and standardized financial accounting processes and controls across the company and its subsidiary Moldcell Technology SRL.

#### **Moldcell public policies:**

<https://moldcell.md/rom/politicile-companiei>

- Code of ethics and conduct
- Privacy policy
- Security Policy
- Anti-corruption policy
- Anti-corruption instruction
- Code of conduct for suppliers of the Moldcell company
- Policy on Freedom of Expression in Telecommunications
- Moldcell Code of Conduct for third parties - sponsorship and donation contracts

#### **Descriptions of Moldcell internal Policy categories:**

##### **Commercial Policies:**

**Focus:** Defines the commitment to consistently providing high-quality products and services that meet customer needs.

**Examples:** Customer service standards, product development guidelines, pricing and discounting principles, marketing and advertising regulations etc.

##### **Finance Policies:**

**Focus:** Establish rules for managing financial resources responsibly and efficiently.

**Examples:** Budgeting and accounting procedures, expense management protocols, risk management frameworks etc.

##### **Communication and Events:**

**Focus:** Guide internal and external communication practices, including event management.

**Examples:** Brand messaging guidelines, employee communication channels, social media protocols, sponsorship and donations planning and approval processes etc.

##### **Technology Policies:**

**Focus:** Ensure secure and responsible use of technology resources.

**Examples:** Data security and privacy protocols, acceptable use of IT equipment, software licensing and compliance, technology accessibility standards.

##### **Human Resources, Health & Safety:**

**Focus:** Foster a respectful and healthy work environment for employees. To provide the employees with an overview of Moldcell's values and expectations in relation to people and well-being.

**Examples:** Recruitment and selection procedures, anti-discrimination and harassment policies, occupational health and safety regulations etc.

##### **Legal Affairs:**

**Focus:** Ensure compliance with all relevant laws and regulations.

**Examples:** Contract review and approval procedures, intellectual property policies, regulatory compliance protocols etc.

##### **Responsible Sourcing:**

**Focus:** Implement ethical sourcing practices throughout the supply chain.

**Examples:** Supplier selection criteria, due diligence evaluation and sustainability considerations.

##### **Sustainability Agenda:**

**Focus:** To set the standards for ethical business practices throughout the operations, respect and safeguard privacy and data protection by setting high and consistent standards and ensure that we proactively manage potential environmental impacts.

**Examples:** Code of Ethics and Conduct (covering anti-corruption and anti-bribery, conflicts of interest, etc.), internal reporting and whistleblower protection, environmental footprint reduction goals, community engagement initiatives etc.

##### **Internal Security and General Administration:**

**Focus:** Define governance, control, and implementation of security measures.

**Examples:** Physical security procedures, data security protocols, access control procedures, risk management and emergency response plans etc.

##### **Mobile Financial Services:**

**Focus:** Establish specific regulations and practices for mobile financial services.

**Examples:** User authentication and fraud prevention, anti-money laundering and know-your-customer (KYC) procedures, data privacy and security for financial transactions etc.

## Action plan and commitments

To ensure ethical behavior throughout Moldcell, several lines of action are taken: identification of non-compliance risks, policies and procedures, due diligence controls, training and awareness-raising, consultation, internal reporting mechanisms for potential infringements, discipline and recognition, as well as possible remediation plans.

All business processes across Moldcell include controls regarding the initiation, approval, recording and accounting of financial transactions. Major processes, including related risks and key controls, are described and documented in a common and structured way. Controls are designed to ensure that necessary actions are taken to either prevent or detect material misstatements and to safeguard the assets of the company. Controls for the recognition, measurement and disclosure of financial information are included in the financial closing and reporting process, including controls for IT applications used for accounting and reporting.

Moldcell continuously monitors and updates the policies and procedures based on changes in regulations, identified risks, and emerging best practices. By fostering a culture of transparency and accountability, Moldcell encourages all employees to report any potential concerns or breaches of the ethical and financial control standards. We believe this multi-layered approach ensures the long-term sustainability and responsible growth of Moldcell.

## 6.3 BUSINESS ETHICS AND TRANSPARENCY

### 6.3.1 Compliance with laws and regulations

In its normal course of business, Moldcell is involved in a number of legal proceedings. These proceedings primarily involve claims arising out of commercial law issues and matters relating to telecommunications regulations and competition law.

Moldcell operates in strict accordance with the provisions of the legislation of the Republic of Moldova. As a provider of electronic communications services, Moldcell is guided by the provisions of the Electronic Communications Law no. 241/2007, Regulation on the provision of publicly accessible electronic communications services approved by the Decision of the National Agency for Regulation in Electronic Communications and Information Technology no. 48/2013, Regulation on number portability National Agency for Regulation in Electronic Communications and Information Technology no. 34/2011 and other normative acts in force in the field of electronic communications. In the same way, Moldcell complies with the provisions of the Audiovisual Media Services Code, and the Mobile Financial Services activity is guided by the provisions of Law no. 114/2012 regarding payment services and electronic money, as well as another relevant normative act.

Moldcell has a legal department that is responsible for

dealing with legal issues that could affect the business. All the necessary measures are taken to ensure the companies' compliance with the applicable legislation in the field of electronic communications, with the regulations on the protection and confidentiality of personal data, the protection of consumer rights, intellectual property rights, etc.

Periodically, the evaluation or more over the analysis of the compliance of the companies' activity with the legal regulations, the identification of potential legal problems and the proposal of solutions for their remedy, as well as the risk of occurrence in the future, are carried out.

Moldcell very seriously analyzes legislative changes that may affect the activity of companies, ensuring that they are always up to date with new regulations and adapts internal procedures and policies, as appropriate.

At the same time, the litigation files in which Moldcell is involved are monitored and administered, and as a result defense and representation strategies are drawn up both before the public authorities, legal bodies and before the courts. In 2023, only one incident was detected by the Audiovisual Council of the Republic of Moldova, but an insignificant monetary fine was applied to the Moldcell company, and later Moldcell took the necessary legal measures, removed the non-conformities found by the Audiovisual Council and remedied the situation.

Moldcell is actively involved and contributes to the debate, formulation and adoption of the legal framework of the Republic of Moldova in the field of entrepreneurship, electronic communications, as well as in general to the process of consultations and public hearings on draft normative acts organized by the competent authorities. The aim of these actions is to ensure a balanced and sustainable approach that reflects the needs and requirements of the electronic communications sector.

As a provider of electronic communications and e-money services, Moldcell analyzes legislative proposals, provides feedback on their impact on the services offered, customers and the sector as a whole. If necessary, relevant data and information about the electronic communications services and payment services provided are made available to the competent authorities, which can be used to substantiate and subsequently guide the process of developing balanced legislation.

### 6.3.2 Anti-corruption

Moldcell's commitment to compliance manifests through a two-pronged approach, approved by the CEO. Firstly, a focus on preventive controls cultivates a culture of ethical conduct through ongoing training and awareness initiatives encompassing anti-corruption, criminal prevention, and sanctions. This is complemented by continuous assessments to proactively identify and mitigate compliance risks.

Secondly, Moldcell implements rigorous compliance-based protocols for assessing suppliers and business partners, ensuring alignment with international sanctions regimes. These protocols undergo

continuous improvement to guarantee ongoing effectiveness and adaptability.

By prioritizing both internal cultural cultivation and external partnership vetting, Moldcell sets a high bar for ethical business conduct, demonstrating a steadfast commitment to responsible operations and long-term sustainability. This holistic approach not only safeguards compliance but also fosters a culture of trust and integrity, solidifying Moldcell's position as a leader in responsible business practices.

### 6.3.3 Anti-Competitive Behavior

Moldcell, as a provider of electronic communications services, carries out its activity in strict accordance with the provisions of the Competition Law no. 183 of 11.07.2012 and other normative acts regulating the field of competition, taking into account all their amendments and additions. Similarly, Moldcell is governed by the recommendations of the Competition Council, which is an autonomous public authority that ensures compliance with competition legislation, through actions to prevent anti-competitive practices, remove competition violations, promote and increase the competitive culture.

Moldcell has approved the Competition Policy by which it is committed to comply with the high standards of business conduct by acting in a responsible manner based on: the Code of Ethics and Conduct, the Anti-corruption Policy and Instruction, as well as the Privacy Policy.

Moldcell is a follower of free and fair trade and makes all possible efforts for honest competition and ethical conditions within the limits of the legislation in force of the Republic of Moldova, carrying out its activity based on the legal norms directed against illegal practices based on unilateral behavior/abuse of position dominant. The Moldcell company makes efforts to adopt the principles and objectives of the Competition Policy, and as a result it does not engage in illegal practices and does not carry out any business activities, which violate the legislation relevant to the field of competition both at the national and international level. Moldcell employees are informed and familiar with the responsibility and obligation to comply with the Competition Policy. Likewise, employees are encouraged to speak up and raise concerns about actual or potential violations of the Competition Policy.

In addition to the Competition Policy indicated above, Moldcell has an Instruction regarding compliance with the legislation relevant to the field of competition, which is binding both for the company and for all its employees. The purpose of the respective Instruction is to establish the set of requirements for Moldcell to comply with the national legislative framework, but not least to take into account the European Union competition legislation for the purpose of carrying out its activity in the European Economic Area. All possible legal measures are taken in order to inform all employees and the proper implementation of the Instruction, as well as the information regarding the obligation to comply with this instruction.

During the course of its activity, Moldcell tends to

ensure that every employee of the company follows the Competition Policy and the Instruction against anti-competitive behavior, or the violation of the competition legislation attracts imposing sanctions according to the provisions of the Competition Law of the Republic of Moldova no. 183/2012.

Moldcell reiterates its unwavering commitment to fair competition. In 2023, we maintained a clean record with zero incidents of anti-competitive behavior, anti-trust or monopoly practices.

### 6.3.4 Process to remediate negative impacts

#### 6.3.4.1 Code of ethics and conduct

The Code of Ethics and Conduct (the Code), approved by the Board and Executive Leadership Team, provides high-level guidance on the essence of the company's policies and instructions regarding various topics. It helps creating a Moldcell way of doing by defining a common ethical compass, setting clear standards and expectations on how to act and helps in recognizing that doing business with integrity is a shared responsibility. The different chapters of the Code reflect the company's policies and instructions and they provide practical and instructional information with reference to where to find more information. The Code applies to everyone at Moldcell – employees, directors, members of the boards, contractors, consultants, and freelancers. The Code is made accessible for all internal and external stakeholders. The Code of Conduct is reviewed on an annual basis to reflect Moldcell's current strategy and footprint. Training in the Code's content is mandatory, and by the end of 2023, 86% of employees had completed the annual compliance training program. The program, which concluded with a knowledge check quiz, will be re-offered to those who did not participate initially to ensure full compliance.

#### 6.3.4.2 Governance

The Ethics and Compliance Officer and the Due Diligence Officer are two additional roles responsible for handling compliance matters at Moldcell. The matters raised are then escalated and discussed at the GREC meetings. This structure ensures that compliance matters are handled by a dedicated team of experts, and that they are given the appropriate level of attention by the company's leadership. It also allows for a more holistic view of compliance issues, as the GREC meetings are attended by representatives from different departments across the company.

Moldcell' culture of ethics and conduct is led and driven at the highest level with a firm commitment to zero tolerance of corruption and bribery, and to other best business practices. Moldcell has clear objectives regarding responsibility and the definition of key risks in this area, mainly focused on the identification of non-compliance risks, policies and procedures, due diligence controls, training and awareness-raising, consultation, internal reporting mechanisms for potential infringements, discipline and recognition, as well as possible remediation plans.

The internal regulations reflected in our Code, with regard to integrity, ethics and compliance are listed below:

- **Anti-bribery and corruption**
- **Freedom of expression**
- **Customer privacy**
- **Third parties and Supply chain**
- **Occupational health and safety**
- **Environmental responsibility**

#### **6.3.4.3 Complaint and remedy mechanisms: Concern and Whistleblowing Channel**

Moldcell has a whistleblowing channel which is available to employees and stakeholders (suppliers, shareholders, customers, investors and society in general), where they can report, on an anonymous or personal basis, any alleged irregularity or act in breach of the law or of internal regulations. This channel is available 24/7 on Moldcell website and on the Moldcell's intranet to enable access by all the stakeholders.

When processing the complaints reported, the principles of confidentiality of the data provided, respect and substantiation apply. All individuals who report a breach are protected in accordance with applicable legislation or regulation. In accordance with the policies Moldcell has specific controls in place to detect and remedy possible cases. This takes the form of disciplinary action and/or termination of contract. If you believe there are deficiencies in Moldcell Company's financial reporting or if you suspect any misconduct within the Moldcell Company you may report your concerns at: [whistleblowing@moldcell.md](mailto:whistleblowing@moldcell.md)

In 2023, as in previous years, the handling of these queries has made it possible to identify improvements in complaint and remedy mechanisms, but also in policies and procedures for the internal management of enquiries submitted by stakeholders.

#### **6.3.4.4 Conflicts of Interest**

Moldcell policy establishes clear principles and procedures to prevent and manage potential conflicts of interest involving directors, senior executives, and significant shareholders. These principles aim to ensure the ethical conduct of all individuals in such positions and protect the best interests of the company. Moldcell has established a comprehensive process for handling conflicts of interest, including:

- **A dedicated reporting system:** Employees can easily report any potential or actual conflicts of interest through a secure, computer-based system.
- **Internal and external reporting:** Both internal and outsourced employees are obligated to report conflicts of interest.
- **Regular monitoring and review:** The company regularly reviews conflict of interest reports and takes appropriate action to address any identified conflicts.

All Moldcell employees, regardless of their position, have the responsibility to disclose any potential conflict of interest as soon as it arises. This includes conflicts related to:

- **Outside activities:** Any work, business ventures, or investments outside the Moldcell Moldcell.
- **Family relationships:** Relationships with family members who may have interests conflicting with the company.
- **Personal assets:** Ownership of assets that could create a conflict of interest.
- **Other relevant reasons:** Any other situation that could potentially compromise the employee's ability to act in the best interests of the company.

#### **6.3.4.5 Political neutrality**

Moldcell is politically neutral. We do not take a direct or indirect position for or against any political party and we do not make donations (0€) to political parties or to organizations, whether public or private, linked to political parties. This does not prevent us, in compliance with prevailing legislation, from making our views known on matters that may affect the management and sustainability of the Company, through lobbying activities. Moldcell provides many types of services affected by different business sectors (fixed and mobile connections, television and digital services). Our expenditure on contributions to industry bodies and to organizations performing representative activities for Moldcell amounted to 27.650 Euro in 2023, the money was allocated to international and national industry bodies like: GSM Association (GSMA), Foreign Investors Association (FIA), European Business Association Moldova (EBA), Moldovan Association of ICT Companies (ATIC), American Chamber of Commerce in Moldova (AmCham Moldova), Association for the Development of Electronic Communications and Innovative Technologies (ACETI), Chamber of Commerce and Industry of the Republic of Moldova (CCI).

# 7.

## SUSTAINABLE FINANCE

**7.1** Fiscal transparency

**7.2** Responsible sourcing

The need to shift towards a decarbonised and socially fair global economy is embodied today in greater regulatory pressures around ESG matters and an obligation to redirect capital flows in line with a sustainable growth model.

Moldcell has identified climate change as a significant risk. However, it also recognizes substantial opportunities linked to cost savings through energy efficiency and adopting renewable energy, as well as the potential for business growth in digital solutions aimed at assisting customers in decarbonizing their operations. The risk posed by rising temperatures could have a significant financial impact, particularly by increasing electricity consumption for cooling our network equipment. Additionally, transition scenarios, which offer essential parameters for assessing the effects of moving towards a low-carbon economy, provide crucial insights into understanding potential future outcomes under a scenario where temperature rise is limited to 1.5°C.

### Financial impact of climate change risks

**Physical** - Temperature increase and Extreme weather events. Climate change poses a dual threat to our network: rising temperatures escalate cooling costs, while extreme weather amplifies disruption risks.

**Financial impact:** Increased operational costs due to the replacement of damaged assets. Decrease in revenues due to service unavailability.

**Mitigating activities:** To manage this risk, we have several lines of action to reduce the electricity consumption related to cooling. We support a variety of energy efficiency projects, both to reduce air conditioning consumption (e.g. free cooling, liquid cooling, modernization of equipment, etc.) and regarding the network equipment itself, including technical specifications for the network equipment so that it can operate at higher temperatures. To manage this risk, Moldcell has:

- a) Business Continuity Plan that set out how to restore essential functions that have been interrupted.
- b) A Crisis Management Team to manage high-impact threats.
- c) Moldcell's insurance model takes into account the possible impact on assets due to the occurrence of extreme weather events.

**Electricity price increases** The telecommunications sector is fossil-fuel intensive, and is highly dependent on electricity consumption for its networks. For this reason, an increase in electricity prices due to a new regulation in the electricity generation sector may impact our energy OpEx.

**Financial Impact:** Increase in operational costs.

**Mitigating activities:** To manage the risk of rising energy prices and reduce our exposure, we are implementing several initiatives. These include energy efficiency actions and actively pursuing agreements to purchase renewable energy. By reducing our electricity consumption and transitioning to cleaner sources, we aim to mitigate the impact of rising energy costs and contribute to a more sustainable future.

**Products and services:** Moldcell has identified opportunities in a low-carbon economy to grow the business by selling products that reduce the carbon emissions of our customers and other sectors. In this regard, digitalization will be essential in tackling the transition to a low-carbon economy.

**Financial impact:** Increased revenues as a result of higher demand for products and services that contribute to the decarbonisation of the economy.

**Mitigating activities:** We see the future potential of technology as an opportunity, with digitalization being essential to tackle environmental challenges. Moldcell is developing new digital services which have the potential to optimize our customers' resource consumption and reduce their impact on the environment.

The determining factors for the performance of the markets in 2023 were high inflation and monetary policy by central banks, alongside a monetary stimulus withdrawal process and interest rate hikes to control inflation, the unfolding war in Ukraine and the global macroeconomic scenario. These factors led to a strong sector rotation and high levels of uncertainty and volatility in the markets, and their behavior remains key to market performance in 2024. The Company's management is not in a position to predict with accuracy and reasonable certainty the impact of the crisis on the Company's financial and operational situation and its overall business in the future. However, management will continue to monitor the situation closely and consider additional contingency measures in the event that the period of disruption continues and business is further adversely affected compared to the current scenario.

Our commitment to sustainable value creation is ingrained in every aspect of our business. We generate economic value through our operations, distribute it ethically through employee compensation and community investments, and actively contribute to a greener future by investing in renewable energy. This transparent approach ensures sustainable development and shared prosperity for all stakeholders.

DIRECT ECONOMIC VALUE GENERATED (REVENUES)	31 DEC'23
Profit for the year	149,820,226
Free Cash Flow	391,898,369
Net financial debt	271,652,954
<b>Economic value distributed</b>	
a) Operational costs	919,466,286
b) Salaries and employees benefits	149,826,202
c) Payments to capital providers	168,655,915
d) Investments in the community	145,505,279
e) Payments to government	252,539,237
Economic value retained (direct economic value generated – economic value distributed)	149,820,226

## Tax

Moldcell is committed to responsible and transparent tax practices. We adhere strictly to all legal requirements and regulations, including the International Financial Reporting Standards (IFRS) and Law on Accounting No. 287 of December 15, 2017. We strive to be a benchmark for best practices in tax compliance, ensuring we faithfully contribute to the public finances of all countries and territories where we operate.

Our tax contributions are not just a legal obligation, but an investment in the economic and social development of our communities as a responsible corporate citizen dedicated to building a better future.

## Governance

The determination of Moldcell's tax strategy is the responsibility of the Board of Directors and cannot be delegated; Moldcell's Finance Department leads, develops and reviews the tax strategy. Moldcell's Finance Department report on a yearly basis to the Audit Committee and, where appropriate, to the Board of Directors, on the following matters:

- The tax policies and criteria followed by Moldcell in order to facilitate the task of supervising the tax risk management system, entrusted to the Audit Committee, in accordance with the legal requirements.
- The status and development of tax risks, the tax impacts of all relevant transactions
- Transactions that are particularly important from a tax perspective.

Moldcell's Finance Department perform the analyses and verifications deemed appropriate to verify the correct application of the aspects contained in the regulations, tax strategy and tax control policy, and to guarantee control targets set by Moldcell.

The Fiscal policies have the following objectives:

- Correct fulfilment of tax obligations in due time and form.
- Effectiveness and efficiency of operations with regard to tax matters.
- Position-taking or tax strategy duly supported and documented.
- Reliability of tax information.
- Transparency vis-à-vis third parties, especially the tax authorities.
- Tax risk management

## Risks and opportunities

Moldcell manages tax risks to prevent and reduce tax litigation to the extent necessary to defend tax positions legitimately taken by Moldcell. Although risk identification is a continuous process and requires the involvement of the entire organization, in the case of tax risks the Finance Department promotes and coordinates their identification and regular updating.

## Reporting obligations

On a quarterly basis, those responsible for the tax control function inform the Finance Department of the main conclusions from the process of identifying and assessing tax risks, including those related to transactions with implicit risk that may be examined by the tax authorities.

They also report on external tax audits and tax administration inspection processes.

## Action plan and commitments

### Regulatory compliance

At Moldcell, we are committed to complying with national legislation, regulations and tax obligations, respecting both their letter and their spirit. In fact, we devote the necessary resources and take the appropriate measures to make a reasonable interpretation of the rules, taking into account the legislator's intention in accordance with the interpretative criteria established by the competent tax authorities and the legislative background. We also adopt the necessary control mechanisms to ensure compliance with these regulations as part of good business management.

### Relationship between taxation, sustainable development and business

At Moldcell, we are committed to all tax positions being taken up for commercial and business reasons, paying taxes according to their true legal nature and economic substance, and avoiding abusive tax planning schemes or practices. In this respect, the tax component of any transaction cannot be justified separately from the commercial and business reasons for the transaction in question.

### Relationship with tax authorities

At Moldcell, we are committed to fostering a cooperative relationship with the tax authorities inspired by the principles of collaboration, trust, good faith, loyalty, professionalism, mutual respect and dialogue.

In order to apply the highest standards of tax transparency, Moldcell has filed Financial Reports to the Moldovan tax authorities since the 2019 financial year, with the prior authorization of the Audit Committee, as part of the functions delegated by the Board of Directors. Our corporate website provides further information on the subject in the section <https://moldcell.md/rom/private/asistenta/legal>

### Contribution to legislative initiatives in tax matters

Moldcell actively participates in the Fiscal Committee of the local European Business Association, Foreign Investors Association and the American Chamber of Commerce. This allows us to intervene in tax legislation initiatives, highlight current problems that may arise in the application of the tax system and propose new tax measures to increase legal certainty.

**Reporting unethical behavior.** Moldcell has public complaint and remedy mechanisms in place (the Whistleblowing Channel [whistleblowing@moldcell.md](mailto:whistleblowing@moldcell.md)) to report concerns about unethical or illegal behaviour and the organisation's integrity in relation to taxation.

## Finance 2023 Overview

In terms of performance, in 2023 revenues increased considerably, about 7%, with both revenue from service sales and an increase in device sales. Total

expenditure (commercial and distribution expenditure as well as general and administrative expenditure) have been impacted by the increase in energy costs.

In 2023 the Company recorded a net profit of 150 million MDL compared to 67 million MDL loss in 2022, and an operating profit of 241 million MDL compared to 22 million MDL in 2022, mainly due to a good performance in 2023 versus year 2022, as well as exchange rate differences, which generated gains in 2023 and losses in 2022.

The Company has made all necessary investments to ensure the required capacity and resilience of the network. Thus, in 2023, 130 million MDL were invested, of which 58 million MDL in the expansion of the radio network, 32 million MDL in the core network, 18 million MDL in the transmission network, 22 million MDL in the fixed internet network, and other investments including various IT investments and new products and services development.

Debt to equity ratio has also strengthened due to a number of actions performed by the shareholders. Thus in 2023 the Company has decreased the share capital by 190 million MDL, refinanced a part of the existing shareholders' loan in the amount of 296 million MDL with 3 bank credits. At the end of 2023 the net asset value is greater than the share capital by 179 million MDL.

The trade receivables turnover has remained stable if to compare with the previous year. This was the result of continuous collection actions undertaken by the company.

The profitability margin of 42% and gross profit margin of 34% have been considerably improved compare to the 2022 (-21%) and 30% .

During the first quarter 2024, the Company recorded a growth in service revenues and equipment sales, despite the application of interconnection rates for incoming calls from European countries at the local level and a significant decrease in roaming revenues with European countries.

MAIN FINANCIAL INDICATORS				31.12.23	31.12.22
<b>LIQUIDITY RATIOS</b>					
a) Current ratio	$\frac{\text{Current assets}}{\text{Current liabilities}}$		=	1.03	0.17
b) Acid-test ratio	$\frac{\text{Current assets - inventories}}{\text{Current liabilities}}$		=	0.83	0.92
<b>RISK RATIOS</b>					
a) Debt to equity	$\frac{\text{Debt}}{\text{Equity}}$	*100	=	333%	618%
<b>OR</b>					
a) Debt to equity	$\frac{\text{Debt}}{\text{Employed capital}}$	*100	=	102%	105%
b) Interest coverage ratio	$\frac{\text{Profit before interest and corporate tax}}{\text{Interest expense}}$		=	3.93	0.11
<b>ACTIVITY RATIOS</b>					
a) Inventory turnover ratio	$\frac{\text{Cost of sales}}{\text{Average inventories}}$		=	12.52	13.48
<b>OR</b>					
a) Inventory turnover days	$\frac{\text{Average inventories}}{\text{Cost of sales}}$	* 365	=	29.15	27
b) Trade receivables turnover (days)	$\frac{\text{Average trade receivables}}{\text{Turnover}}$	*365	=	20	20
c) Trade payables turnover (days)	$\frac{\text{Average trade payables}}{\text{Purchases}}$	*365	=	90	80
d) Fixed assets turnover	$\frac{\text{Turnover}}{\text{Non-current assets}}$		=	1.17	1.05
e) Total assets turnover	$\frac{\text{Turnover}}{\text{Total assets}}$		=	0.88	0.83
<b>PROFITABILITY RATIOS</b>					
a) Return on capital employed	$\frac{\text{Profit before interest and corporate tax}}{\text{Employed capital}}$		=	0.19	0.01
b) Gross margin	$\frac{\text{Gross profit}}{\text{Turnover}}$	*100	=	34%	30%
c) Profitability margin	$\frac{\text{Net profit}}{\text{Total expenses}}$	*100	=	42%	-21%
d) Return on Assets (ROA)	$\frac{\text{Net profit}}{\text{Total assets}}$	*100	=	9%	-4%
e) Return on equity (ROE)	$\frac{\text{Net Profit}}{\text{Equity}}$	*100	=	41%	-30%
f) Economic profitability margin	$\frac{\text{Gross profit}}{\text{Total assets}}$	*100	=	30%	25%

## 7.2 RESPONSIBLE SOURCING

We rely on a global supply chain to deliver products and services to our customers. In our sourcing processes we consider various aspects, such as price, quality, the supplier's sustainability standards and ability to innovate, to assess the full value of their deliveries before we decide which supplier to select. A dedicated due diligence process is in place to evaluate suppliers' sustainability performance. Moldcell is actively expanding its due diligence process to progressively evaluate more suppliers, encompassing both new and existing partnerships. Recognizing the importance of sustainability, we are committed to incorporating environmental assessments within this process in the near future. While currently we may not assess climate management maturity for all suppliers in the procurement process, this represents a crucial aspect of our short-term action plan. By seeking opportunities to evaluate and reward suppliers based on their environmental practices, we aim to gain a comprehensive understanding of our entire supply chain's environmental impact and drive positive change by incentivizing sustainable practices among our partners.

This ongoing expansion of our due diligence process underscores Moldcell's unwavering commitment to responsible sourcing and environmental sustainability. We believe that collaborating with our suppliers on these crucial issues will lead to a more sustainable future for all.

### Governance

Moldcell prioritizes responsible sourcing through a collaborative governance structure that ensures ethical and sustainable practices throughout our supply chain. The Procurement section within the Finance department spearheads sustainable management, driving responsible sourcing policies and implementation. There are two dedicated and independent roles to uphold ethical standards:

- **Ethics and Compliance Officer:** Conducts assessments to minimize risk and reinforce company values.
- **Due Diligence Officer:** Performs comprehensive evaluations of potential and existing suppliers.

The Governance, Risk, Ethics and Compliance (GREC) Committee provides independent oversight, approving selected suppliers based on ESG and ethical considerations whilst the Board of Directors receives quarterly reports from the GREC Committee, ensuring awareness and management of potential supply chain risks.

This multi-layered approach fosters transparency, empowers responsible decision-making, and aligns with international standards. By collaborating across these functions, we establish strong ethical partnerships and drive a sustainable supply chain for the future.

### Policies

Moldcell is guided by a robust framework for

responsible and sustainable sourcing practices. This framework comprises essential documents and policies that ensure ethical procurement throughout our supply chain.

**Procurement Policy:** Outlines our commitment to fair, transparent, and sustainable procurement practices, aligning with best practices.

**Due Diligence Policy:** Establishes a comprehensive process for assessing potential and existing suppliers', social, and governance (ESG) risks, ensuring responsible collaboration.

**Ethical Compass:** Serves as a guiding principle for ethical conduct and decision-making, promoting responsible business practices throughout our operations, including procurement.

**Supplier Code of Conduct:** Clearly articulates our expectations for suppliers regarding labor practices, human rights, environmental responsibility, and ethical behavior. This code is publicly available on our official website <https://moldcell.md/rom/politicile-companiei>

Currently, our procurement policies encompass vital elements such as organizational governance, human rights, labor practices, fair operating practices, and the environment. Recognizing the evolving landscape of responsible sourcing, we are committed to further enhancing our framework. In the near future, we will actively seek to expand our policies to incorporate additional aspects like consumer issues and community involvement and development. By continuously strengthening our sustainable sourcing practices, we aim to minimize our environmental impact, uphold ethical standards, and contribute positively to the communities we operate in.

### Dow Jones Risk & Compliance Service

We cross-check our supplier database with Factiva, a database developed by Dow Jones Risk & Compliance. This comparison takes place on a regular basis from the time the supplier is registered. This tool allows us to identify possible risks related to ethical behavior and corruption, thereby reinforcing processes already in place for compliance with our Anti-Corruption Policy.

### Supplier requirements

Our suppliers shall align and comply with the requirements stated in our Supplier Code of Conduct. In addition, suppliers handling personal or sensitive data must comply with the security and privacy requirements stated in Moldcell's Supplier Security Directive. Suppliers are expected to apply these requirements throughout their own supply chains.

### Supplier due diligence

The objective of the due diligence process is to ensure that Moldcell only engages with suppliers who meet our standards and require the same from their own suppliers. The process has a risk-based approach that allows us to focus on those suppliers that could potentially expose individuals and Moldcell to elevated risks. The due diligence process consists of the following steps:

1. An up-front risk assessment is carried out to identify high-risk triggers such as high-risk countries from an anti-bribery and corruption perspective, and access to Moldcell's network or privacy data.
2. If risks are deemed high in the up-front risk assessment, the supplier undergoes an in-depth due diligence assessment consisting of a self-assessment with relevant requirements as well as screening covering, for example, ultimate beneficial ownership (UBO) and sanctions. The in-depth due diligence assessment results in risks being graded as high, medium or low. Potential high risks and serious violations identified in the in-depth due diligence assessment could lead to disqualification of the supplier.
3. High-risk suppliers identified during the in-depth due diligence assessment are reported to the Governance, Risk, Ethics and Compliance (GREC) Committee for decision-making regarding supplier selection and monitoring.

	2023
Volume of purchases awarded	1.034 B MDL
Suppliers awarded contracts	367
% purchases awarded locally	52.7
Sustainability risk-related suppliers identified in the Company's analysis	33
Suppliers blocked due to integrity/sanctions, sustainability risks or non-compliance	2

Moldcell's comprehensive due diligence process encompasses vital aspects of responsible sourcing, ensuring ethical and compliant partnerships throughout its supply chain. This process meticulously evaluates potential and existing suppliers against stringent criteria, including:

**Anti-bribery and corruption:** Mitigating potential risks through established controls and adherence to ethical procurement policies.

**Management and ownership structure:** Enhancing transparency and gaining a thorough understanding of potential partners' through rigorous evaluations.

**Privacy and security:** Safeguarding data confidentiality and system integrity throughout the supply chain by applying robust security measures.

**Sanctions compliance:** Upholding legal and regulatory requirements through comprehensive screening procedures to ensure adherence to all applicable sanctions lists. This multi-faceted approach fosters responsible supplier relationships, minimizes potential risks, and builds a transparent and sustainable supply chain for Moldcell.

Moldcell aims to maintain a healthy sized supplier base, in order to ensure competition, cost, and performance while at the same time reducing the administrative burden for the company. Moldcell shall always promote and ensure fair competition. Competitive bidding is the standard mode of achieving competition. Moldcell shall continuously work to limit the number of active suppliers. New suppliers shall only be introduced if they provide better conditions; if there is no existing approved supplier; or if there are no related agreements that can fulfil the specific requirements and deliver the relevant scope.

#### Work to counter supply disruptions

Global supply chains make companies vulnerable to supply chain disruptions. Since 2020 this has become

more evident than before as our industry has been, and still is, experiencing shortages of semiconductors. This jeopardizes our network roll-out and the supply of various devices needed by our customers. During this period, Moldcell mitigated these risks very well, thanks to proactive and intensive interactions with our suppliers. This experience, however, demonstrates the need to promote resilience in the supply chain. Disruptions will most likely continue to be caused by various factors in the coming years, ranging from climate change effects to pandemics or geopolitics, among others.

Moldcell actively strengthens its supply chain resilience through two key initiatives:

- **Diversifying supplier base:** Partnering with a wider range of qualified vendors across different regions mitigates risk and ensures business continuity.
- **Enhancing internal planning processes:** Optimizing forecasting, inventory management, and contingency plans minimizes the potential for disruptions.

This ongoing commitment to supply chain resilience ensures we are well-positioned to avoid disruptions and maintain uninterrupted operations in the years ahead.

According to the information available in the procurement system at the end of this reporting period, 2 suppliers were blocked in our database due to integrity/ sanctions, sustainability risks or non-compliance. These were the suppliers with identified risks relating to integrity/sanctions, which had not remedied the situation or shown a commitment to implement improvement plans to ensure compliance with our standards.

8.

HELPING SOCIETIES  
TO THRIVE



moldcell<sup>CG</sup>

Moldcell is committed to promoting and supporting the UN Sustainable Development Goals and digital transformation, serving the needs of Moldovan society in terms of telecommunication and social contribution via Moldcell Foundation.

As a "Digitally Human" company, Moldcell is guided by the philosophy of conducting business with a human face, which is reflected in all aspects of the company's operations. This philosophy is inspired by our shareholders, CG Corp Global.

At Moldcell, we recognize the intertwined nature of our operations and the communities we serve. We are committed to responsible and impactful engagement with local communities by building strong partnerships, collaborating on innovative initiatives, and addressing critical needs. We place particular emphasis on our identified material topics of digital inclusion and online safety.

We proactively engage with a broad range of stakeholders, including local residents, NGOs, government agencies, educational institutions, industry partners, and vulnerable groups identified by factors such as age, disability, or socioeconomic background.

We employ various methods of engagement including consultations, workshops, focus groups, surveys, and online platforms. These facilitate two-way communication, enable us to understand diverse perspectives, and incorporate input into decision-making processes.

### **Community Impact Assessment and Development Programs**

#### **Digital Inclusion:**

Partnering with schools and community centers, we provide digital literacy training and affordable internet access to under-resourced communities. We work with organizations serving persons with disabilities to optimize our services and platforms for accessibility and deliver tailored educational programs to empower seniors with digital skills and reduce isolation.

#### **Online Safety:**

We collaborate with educators and NGOs to deliver cyber safety workshops for students, parents, and at-risk populations and support initiatives aimed at preventing and addressing online harassment and advocate for a safer digital environment. We create and disseminate educational materials on internet safety topics, such as responsible online behavior and data protection.

#### **Social Entrepreneurship:**

We support social entrepreneurs addressing digital challenges by providing mentorship, seed funding, and access to our expertise and networks. As well we partner with social enterprises to co-develop technological solutions that address community needs

and create social value. Building on its dedication to education, innovation, and digital inclusion, Moldcell forged several key partnerships with Moldovan universities and organizations in 2023. These agreements cover a range of areas such as educational cooperation, internship programs, promotion of innovative digitization projects in telecommunications and information technologies, trainings and events.

Moreover, Moldcell has implemented the dual education program. Under this program, students from the universities we have signed collaboration agreements with can learn and work at Moldcell, gaining invaluable experience from the very first years of their studies.

The agreements encompass a broad range of areas, including educational cooperation, internship programs, the promotion of innovative digitization projects in telecom and IT, and the organization of training sessions and events. Further solidifying its commitment, Moldcell implemented a dual education program. This program allows students from partner universities to gain valuable real-world experience by working at Moldcell alongside their studies.

Moldcell's dedication to these partnerships aligns with its commitment to achieving the UN Sustainable Development Goals. By signing the Sustainable Development Memorandum, Moldcell pledged its support for Partnerships for the Goals, Quality Education, Decent Work and Economic Growth, Industry Innovation and Infrastructure. The company strives to maximize the impact of its initiatives and contribute to best practices in these areas.

To ensure program effectiveness and continuous improvement, Moldcell utilizes a combination of quantitative and qualitative metrics to monitor and evaluate outcomes. Additionally, formal feedback mechanisms are in place to gather input from stakeholders. This allows Moldcell to assess its programs' effectiveness and identify areas for improvement.

Moldcell embraces a continuous learning approach, regularly reviewing its engagement strategies and programs to ensure they remain aligned with evolving community needs. The company believes that meaningful community engagement fosters stronger relationships, creates shared value, and paves the way for a more inclusive and sustainable digital future for all.

Explore how Moldcell partners with the community to build a more inclusive future. Our achievements and initiatives in digital inclusion, online safety, social entrepreneurship, and other projects showcase our commitment to collaboration and tackling shared challenges. These diverse efforts demonstrate our holistic approach to addressing evolving community needs and creating a lasting positive impact.



# DIGITAL SKILLS CONNECT GENERATIONS



**“Digital Skills Connect Generations” program was launched in 2020 in response to the COVID-19 pandemic.**

The program, also known as **#LikeFromGrannies**, aims to promote active ageing and support social and digital inclusion of older people with the help of young people. The program is funded by Moldcell Foundation, United Nation Population Fund in Moldova (UNFPA Moldova), Czech Republic and the Swiss Agency for Development and Cooperation, and implemented by HelpAge International Moldova in partnership with the Ministry of Labour and Social Protection of the Republic of Moldova.

Over the last three years, this initiative has gained momentum and has become very popular among older people and young volunteers.

**Phase I (2020)** - 200 older people were helped to overcome social isolation by learning advanced technologies with the support of 50 young volunteers;

**Phase II (2021)** - Another 100 women and men over the age of 60 received smartphones and were trained by Moldcells of 25 young volunteers on how to use them;

**Phase III (2022)** – In April 2022, the program was nationwide expanded: 200 seniors and 75 volunteers from several villages and towns of Moldova were involved.

In June 2022, Moldcell Foundation and UNFPA Moldova, extended the phase III in Chisinau municipality for 130 elderly people, with the involvement of 50 young volunteers of the Chisinau Municipal Youth Centre.

With the 3<sup>rd</sup> phase extension in Chisinau municipality, a total of **630 elderly people** and about **200 young volunteers** from 26 localities in 7 districts of the Republic of Moldova are involved in the program. Young volunteers train the elderly on how to use their mobile phones and provide constant support when they need it.

In 2023, following the success of Digital Skills Connect Generation program, was launched National Program on Active and Healthy Ageing. The project was launched by HelpAge International in partnership with the United Nations Population Fund (UNFPA), the Ministry of Labor, Social Protection and Family (MMPS), the Moldcell Foundation, and with the financial support of the Government of the United Kingdom.

In 10 districts across the country was implemented local active ageing and digital skills development programs for older adults in the Republic of Moldova and Ukraine.

The 10 districts - Căușeni, Ungheni, Sîngerei, Rezina, Telenești, Nisporeni, Ialoveni, Ștefan Vodă, Călărași, Strășeni (Cojușna village) - were selected with the support of the Ministry of Labor, Social Protection and Family based on the number of elderly people in the communities, as well as the number of elderly people from Ukraine who have settled there.



## UNIVERSITY OF THIRD AGE

With the aim of promoting the concept of lifelong learning and encouraging older people to age actively and healthily, Moldcell Foundation, in partnership with the United Nations Population Fund (UNFPA), the Ministry of Labor and Social Protection, the Ministry of Education and Research, and the State University of Moldova, launched the Third Age University (U3A).

The development of the "University for the Third Age" initiative is part of the objectives of the National Program for Active and Healthy Aging 2023-2027.



Moldcell Foundation demonstrated its commitment to reducing the digital divide by donating internet-connected mobile phones to the 40 enrolled students. This gesture will facilitate the learning process and allow older people to connect with essential educational and digital resources and eliminate barriers to access to information and communication.

The pilot program runs from October 2023 to June 2024 and transforms the aging experience by promoting lifelong learning and digital literacy among senior citizens. The initiative is particularly timely given the ongoing challenges older people face in adapting to the digital age.



A recent study found that 40% of Moldovan seniors struggle with digitalization, leading to isolation and loneliness. This underscores the importance of U3A as a means of proactively addressing this issue.

U3A is a clear evidence of the strengthening of the partnership between the State University of Moldova and Moldcell Foundation, in accordance with the Memorandum of Understanding (MoU) signed in 2022. This partnership also includes mentoring of teaching staff on the tools, technologies, and methods used in the teaching-learning process. This holistic collaboration not only benefits senior citizens, but also contributes to the improvement of the educational landscape and digital literacy in Moldova.



# DIGITAL INCLUSION FOR SOCIAL AND E-HEALTH SERVICES

**Moldcell is a digitally human operator, pioneering innovations in digital health services for the benefit of the citizens of the Republic of Moldova**

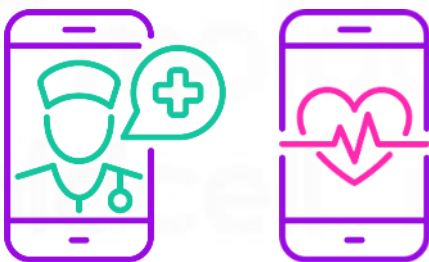
In September 2022, Moldcell, UNFPA Moldova and the Future Technologies Activity (FTA) funded by USAID and Sweden have announced about the launch of a pilot project named "Digital inclusion for social and e-health services." The pilot will leverage Moldcell's mobile and digital networks, UNFPA's successful project for digital integration of older people via inter-generational dialogue, and FTA's work with local and international stakeholders to integrate digital technologies across sectors and businesses.

E-health is an emerging field at the intersection of IT, medical informatics, public health, and business. The higher supply and demand for e-health and telemedicine services was initially determined by the COVID-19 pandemic and continued subsequently, being seen as an opportunity to modernize the health sector, which Moldova will capitalize in the coming years.

In 2023, the digital inclusion for social and e-health services project launched by Moldcell, UNFPA Moldova and FTA offered the possibility to older people from Tahnauti, Bolohan, Donici and Cazangic, to access to consultancy services and primary counseling.



**This initiative is of great importance, considering the ageing population, with increased social and health needs.**





# #Internet Fără Griji

## INTERNET WITHOUT WORRIES

Moldcell is a digitally responsible company. We offer products and services, applications and games, gadgets and solutions based on advanced technologies and the Internet. We make sure that all our subscribers, from children and teenagers to parents and grandparents, enjoy all the benefits that the online environment brings, but also use the Internet safely, knowing all the risks.

The **#InternetWithoutWorries** project is meant to reveal the topic of online safety among Moldcell users and not only, for different age categories and social status.

Since the moment of Moldcell Foundation launch, safe internet for kids and teens is one of the foundation major directions. In 2022, Moldcell Foundation launched the #InternetWithoutWorries interactive platform about online safety. On [www.internetfaragriji.md](http://www.internetfaragriji.md), children, teenagers and adults can find useful content, answers to online safety questions, and other curiosities that will help them feel safe online while making the most of what the Internet has to offer.



Ensuring safe and responsible online behavior is essential in today's digital age, as partner at Chisinau Big Hearts Marathon, Moldcell and Moldcell Foundation promoted online safety through our educational platform.



### Ce înseamnă #InternetFărăGriji

Moldcell este o companie digital responsabilă. Oferim produse și servicii, aplicații și jocuri, gadgeturi și soluții bazate pe tehnologii avansate și internet. Avem grijă ca toți abonații noștri să aibă acces și să beneficieze de toate avantajele și beneficiile pe care le aduce mediul online, dar și să utilizeze internetul în siguranță, cunoașterea riscurilor. Proiectul #InternetFărăGriji este menit să ofere utilizatorilor Moldcell și nu doar, pentru diferite categorii de vârstă și statut social. Aceste informații sunt oferite în scopul de a ajuta utilizatorii să se simtă în siguranță și să utilizeze internetul în mod responsabil, știind toate riscurile și beneficiile pe care le aduce mediul online.



Auferificabile

### Testează-ți cunoștințele și acumulează puncte Quiz

Tu ai depășit egreșta online



**Pot utiliza Social Media?**  
Social media sunt aplicații și servicii care sunt utilizate în principal pentru a comunica cu prietenii sau alte persoane online. În mod normal, poți posta fotografii, videoclipuri sau gânduri în scris, poți trimite mesaje personale și poți interacționa prin parole în diferite aplicații sau în comentarii.

Ved mai mult >>



**Relațiile online**  
Să ai prietenii online, poate fi foarte distractiv. Dar înțelegerea fraților tăi și oamenii cu care poți vorbi sau te poți juca, dar este foarte important ca acești prietenii să fie pozitivi și în condiții de siguranță. În primul rând, gândește-te la faptul că cine sunteți aceste prietenii online?

Ved mai mult >>



**Timpul petrecut online**  
Când ai un moment online este bine să te poți concentra, dar să nu te distraci și să nu petreci prea mult timp online. Nu comunică cu niște persoane online. Încearcă să ai un moment online în care poți să folosești un dispozitiv, dar să nu ai nevoie să petreci prea mult timp online.

Ved mai mult >>



**Siguranța Online**  
Este foarte ușor să te distraci și să te distraci online. Dacă ai un moment online este bine să te poți concentra, dar să nu te distraci și să nu petreci prea mult timp online. Nu comunică cu niște persoane online. Încearcă să ai un moment online în care poți să folosești un dispozitiv, dar să nu ai nevoie să petreci prea mult timp online.

Ved mai mult >>



**Pot să mă văd cu un prieten online?**  
Să ai prietenii online, poate fi foarte distractiv. Dar înțelegerea fraților tăi și oamenii cu care poți vorbi sau te poți juca, dar este foarte important ca acești prietenii să fie pozitivi și în condiții de siguranță. În primul rând, gândește-te la faptul că cine sunteți aceste prietenii online?

Ved mai mult >>



**Ești un prieten online bun?**  
Când ai un moment online este bine să te poți concentra, dar să nu te distraci și să nu petreci prea mult timp online. Nu comunică cu niște persoane online. Încearcă să ai un moment online în care poți să folosești un dispozitiv, dar să nu ai nevoie să petreci prea mult timp online.

Ved mai mult >>

Ved mai multe >>

# SOCIAL BUSINESS AND YOUNG PEOPLE FROM MOLDOVA FOR A MORE INCLUSIVE, SUSTAINABLE AND INNOVATIVE SOCIETY

Every business can be social.

One of the priorities of Moldcell Foundation represent the durable business idea for the society well-being. Young people choose to launch their own business at home, create new jobs positions for the community, improve economic growth, by producing or providing different kind of services. Furthermore, it is a great opportunity to explore their creative potential.

In February 2022, the Moldcell Foundation signed an agreement with the Legal Culture Association Henri Capitant Moldova to co-finance the "Social entrepreneurship and young people from Moldova for a more inclusive, sustainable and innovative society" project, also known as GoYouth+.



During 2023, within the GoYouth+ project, 3 social entrepreneurship schools were organized in three regions of the country - Hincesti, Causeni and Dubasari. The GoYouth+ project supports the young people from rural areas who are unemployed or do not follow any educational programs.

Law, accounting, ownership, intellectual property, marketing, human resources, business, there are some of the fields covered by the best professionals on the market. From the business idea, to budget management, providing vacancies, promotion and marketing strategies, the participants have learned about everything about how to start a social business and even more. During each school, the young people made a study visits to local businesses, where they saw for real how a company works and how is it to combine the desirable profit with the sustainable business principle.



At the end of each school, the graduates have the great opportunity to apply for a grant of Euro 2000 to launch their own social business on local scale. Thanks to GoYouth+ program 6 social businesses were established



Moldcell Foundation contributes to the development of young people from rural areas of the country, by supporting the project "Social entrepreneurship and young people from Moldova for a more inclusive, sustainable and innovative society" (GoYouth+), financed by the European Union and co-financed by Sweden through the East Europe Foundation Moldova, implemented by the Henri Capitant Legal Culture Association

# NEW OPPORTUNITIES FOR DIGITAL INNOVATIONS AND CREATIVE POTENTIAL OF MOLDOVA

In 2022, Moldcell, Moldcell Foundation and Future Technologies Activity funded by USAID and Sweden announce about the continuation of the successful long-term collaboration started back in 2020 with the partnership agreement between Moldcell Foundation, COR Association of Creative Companies and Moldova Competitiveness Project financed by USAID, Sweden and UK aid.



The new partnership agreement between Moldcell and FTA will ensure co-development of digital innovations and pilots in relevant sectors for the benefit of the citizens of the Republic of Moldova, as well as will continue providing technical and financial support for the operation of Artcor Creative Hub and support Gigabit Connectivity Initiative within the Digital Education Memorandum of Understanding.

**Moldcell and Moldcell Foundation** is the active promoter of UN SDGs as well as the first and only private partner of Artcor Creative Hub since autumn 2020 when thanks to Moldcell Foundation, Moldovan youth benefited from new opportunities of courses, workshops, open lessons in creative profession such as interior design, sound and music production, illustrations, animations, 3D, storytelling, etc.

In summer 2022, Moldcell Foundation extended the partnership with Artcor and offered the core financing of the Center in the amount of 50000 USD for 2022-2023 period. The total volume of financial support provided to Artcor by Moldcell Foundation so far is 105K USD.

The partnership between Moldcell and Artcor proved to be a resounding success, fostering a vibrant creative community and empowering young artists to pursue their passions with confidence. The initiative aligned with Moldcell's commitment to social responsibility and its dedication to supporting the cultural enrichment of Moldova.



# MOLDCELL FOUNDATION AND FUTURE PROFESSIONS: EMPOWERING YOUTH FOR A THRIVING DIGITAL FUTURE

In a world driven by rapid technological advancements and ever-evolving industries, preparing youth for the jobs of the future is crucial for ensuring their success and fostering a thriving digital economy. Recognizing this imperative, the Moldcell Foundation has forged a strategic partnership with the Future Jobs initiative, a program dedicated to equipping young people with the skills and knowledge necessary to navigate the dynamic landscape of emerging professions.



At the heart of this collaboration lies the establishment of the **Moldcell Foundation Scholarship**, a financial aid program designed to support promising students pursuing studies in fields aligned with the demands of the digital era. The scholarship will provide selected beneficiaries with the necessary resources to excel in their academic endeavors and transition seamlessly into the workforce.

This partnership extends beyond financial support, encompassing a comprehensive range of initiatives aimed at empowering youth for the future of work. Joint workshops, seminars, and mentorship programs organized to equip young individuals with the essential skills and mindsets required to thrive in the digital age. These activities will foster creativity, innovation, problem-solving abilities, and adaptability, preparing participants for the challenges and opportunities that lie ahead.



The Moldcell Foundation and Future Professions collaboration is not merely an investment in the future of Moldovan youth; it is an investment in the nation's economic prosperity and technological advancement. By empowering young minds with the tools and knowledge necessary to excel in the digital realm, this partnership paves the way for a brighter future, one where Moldova stands at the forefront of innovation and drives progress in an ever-evolving world.



# PURPLE TEAM

moldcell<sup>CG</sup>

In addition to the basic job, which they perform with great enthusiasm, those who are part of the Moldcell volunteer team try, through Purple Team activities, to change the world for the better, to bring positive energy into the lives of those who need it and smiles on their faces to the saddest like us.

Good deeds do not expire, so the emphasis is on promoting sustainability. Thus, the Purple Team is a team of responsible people with a creative spirit, eager to spread good deeds, who love challenges and complete everything they undertake.

The volunteer project was created in 2013 from a philanthropic drive by employees to educate the new generation through their own example of personal and proactive involvement in our community. Also then, Moldcell Moldcell won the award for corporate volunteering.

The spirit of giving shines bright at Moldcell, with Purple Team volunteers gearing up for impactful activities in 2023. We are all committed to making a positive difference in the lives of others, particularly those facing challenges. Preparing school bags filled with essential supplies for children from underprivileged families in Sinesti.



Moldcell's volunteers extend their compassion even further during the festive season. Christmas becomes extra special for visually impaired children and families thanks to the thoughtful gift-giving program coordinated by Moldcell volunteers. Their carefully chosen presents aim to bring a touch of magic and joy to those who may not be able to experience the traditional sights associated with the holiday.



In 2023, the Purple Team of Moldcell Moldcell volunteers continued to expand as more children of Moldcell employees aged between 13 and 18 joined the team. They actively participated in various projects of the Moldcell Foundation, including the #LikeFromGrannies project, supporting refugees from Ukraine, and contributing to local projects on their own initiative.

These activities demonstrate Moldcell's commitment to supporting sustainable development goals in Moldova. The feeling of making a difference in the world cultivates a sense of purpose that brings employees fulfilment, resulting in a higher level of commitment and workplace engagement.

# SPONSORSHIPS

In 2023, Moldcell sponsored a number of events and conference. As a leaders and key player in the digital ecosystem, Moldcell support the growth of the digital economy and contribute to the development of new ideas and innovations.

**Moldcell sponsor National Competition of Business Ideas - Digital Business**, a prestigious competition dedicated to digital entrepreneurs and startups. By joining this initiative, Moldcell reaffirms its commitment to fostering digital innovation and driving economic growth in the Republic of Moldova. The Digital Business contest provides a platform for talented entrepreneurs to showcase their innovative business ideas and secure the support needed to turn them into reality. Winners will receive significant financial awards, mentorship from industry experts, and access to crucial resources for developing their ventures.



**Moldcell Sponsors ICT Career Orientation** - Moldcell's commitment to supporting ICT education and career development aligns with its vision of fostering a digitally literate and skilled society in Moldova. By empowering youth with the knowledge and tools to excel in ICT fields, Moldcell is investing in the nation's future, driving innovation and economic growth.



Once again, Moldcell proudly takes its place as the titular partner of the **KIDS RUN at Chisinau Big Hearts Kids Marathon!**

Our tradition of supporting local initiatives that promote an active and healthy lifestyle, especially for our little ones, continues. Through active participation in such events, we inspire not only our employees but also their children to lead balanced lives, finding harmony between the digital and real worlds.



Spreading Holiday Cheer Beyond Connectivity, as the general partner of the Christmas Marathon. **Moldcell Christmas Marathon** was a real festive explosion.



By sponsoring different events and conference on digitalization, Moldcell is committed to contribute to digital inclusion for all members of society.

# GRI INDEX

Page(s) number(s), URL and/or direct answers Omissions

**GRI 2:  
General  
Disclosures  
2021**

2-1 Organizational details		
2-2 Entities included in the organization's sustainability reporting	Moldcell SA	
2-3 Reporting period, frequency and contact point	01.01.2023 - 31.12.2023	
2-4 Restatements of information	This is our first GRI report. We have chosen to report in accordance with the GRI Standards because we believe that transparency and accountability are essential for sustainable business success. Our goal for future reporting is to provide our stakeholders with comprehensive and informative information about our sustainability performance.	
2-5 External assurance	External verification of the financial statements only were performed by PricewaterhouseCoopers Auditors	
2-6 Activities, value chain and other business relationships	Organization Main indicators and footprint Business overview (p.8 – 25)	
2-7 Employees	Subchapter 5.1.1 Staffing indicators	
2-8 Workers who are not employees		Reason for omission: Information unavailable/incomplete. The information included in the Report includes only internal employees hired by Moldcell
2-9 Governance structure and composition	Chapter 2: Governance	
2-10 Nomination and selection of the highest governance body	Chapter 2: Governance	
2-11 Chair of the highest governance body	Direct answer: Mr. Nirvana Chaudhary. The organizational structure of the administrative bodies – subchapter 2.3 Executive Leadership Team	
2-12 Role of the highest governance body in overseeing the management of impacts	Chapter 2: Governance Subchapter 6.2.2: Risk Management framework	
2-13 Delegation of responsibility for managing impacts	Direct answer: each of the areas manages the impacts under its competence. The organizational structure of the administrative bodies. Chapter 2: Governance	

**GRI 2:  
General  
Disclosures  
2021**

2-14 Role of the highest governance body in sustainability reporting	Subchapter 2.3.1 Sustainability governance	
2-15 Conflicts of interest	6.3.4.4 Conflicts of interest	
2-16 Communication of critical concerns	6.3.4.3 Complaint and remedy mechanisms: Concern and Whistleblowing Channel	
2-17 Collective knowledge of the highest governance body	Moldcell in brief (p.9) Chapter 2: Governance	
2-18 Evaluation of the performance of the highest governance body	Chapter 2: Governance	
2-19 Remuneration policies	5.1.3 Principles of Remuneration Policy	
2-20 Process to determine remuneration	5.1.3 Principles of Remuneration Policy	
2-21 Annual total compensation ratio	5.1.3 Annual total compensation ratio	Information included in the Report covers the annual compensation ratio for the Company's Executive Leadership team. Information relating to the salary of the CEO is not published on specific confidentiality grounds.
2-22 Statement on sustainable development strategy	1.1 Mission (p.27)	
2-23 Policy commitments	6.2.3 Policy framework	
2-24 Embedding policy commitments	6.2.3 Policy framework	
2-25 Processes to remediate negative impacts	6.2.2 Risk Management Governance 6.3 Business ethics and transparency	
2-26 Mechanisms for seeking advice and raising concerns	6.3.4.3 Complaint and remedy mechanisms: Concern and Whistleblowing Channel	
2-27 Compliance with laws and regulations	6.3.1 Compliance with laws and regulations	
2-28 Membership associations	1.4 Collaborations through Associations	
2-29 Approach to stakeholder engagement	1.2 Stakeholder engagement	
2-30 Collective bargaining agreements	5.1.8 Employee/Management relations	

<b>GRI 201: Economic Performance 2016</b>	3-3 Management of material topics	Chapter 7 Sustainable Finance and Audited Financial statements
	201-1 Direct economic value generated and distributed	Chapter 7 Sustainable Finance and Audited Financial statements
	201-2 Financial implications and other risks and opportunities due to climate change	Chapter 7 Sustainable Finance and Audited Financial statements
	201-3 Defined benefit plan obligations and other retirement plans	Direct answer: While we currently do not have defined benefit plans, Moldcell offers a comprehensive employee benefits package, including [list relevant benefits, e.g., health insurance, paid time off, training programs]. We are committed to providing competitive benefits that support the well-being and financial security of our employees. As we consider future enhancements, we will explore the development of retirement plans alongside other potential benefits.
	201-4 Financial assistance received from government	Chapter 7 Sustainable Finance and Audited Financial statements
<b>GRI 202: Market Presence 2016</b>	3-3 Management of material topics	5.1 Fostering diversity, inclusion and well-being as a responsible employer
	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	5.1.3 Market presence
	202-2 Proportion of senior management hired from the local community	5.1.3 Market presence
<b>GRI 203: Indirect Economic Impacts 2016</b>	203-1 Infrastructure investments and services supported	Chapter 7 Sustainable Finance and Audited Financial statements
<b>GRI 204: Procurement Practices 2016</b>	3-1 Process to determine material topics	7.2 Responsible Sourcing
	204-1 Proportion of spending on local suppliers	7.2 Responsible Sourcing

		Page(s) number(s), URL and/or direct answers	Omissions
<b>GRI 205: Anti-corruption 2016</b>	3-3 Management of material topics	6.3 Business ethics and transparency	
	205-1 Operations assessed for risks related to corruption	6.3.2 Anti-corruption	
	205-2 Communication and training about anti-corruption policies and procedures	6.3.4.1 Code of ethics and conduct	
	205-3 Confirmed incidents of corruption and actions taken	Direct answer: Moldcell unequivocally affirms a zero-incidence record of corruption	
<b>GRI 206: Anti-competitive Behavior 2016</b>	3-3 Management of material topics	6.3 Business ethics and transparency 6.3.3 Anti-Competitive Behavior	
	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	6.3.3 Anti-Competitive Behavior	
<b>GRI 207: Tax 2019</b>	3-3 Management of material topics	Chapter 7 Sustainable Finance and Audited Financial statements	
	207-1 Approach to tax	Chapter 7 Sustainable Finance and Audited Financial statements	
	207-2 Tax governance, control, and risk management	Chapter 7 Sustainable Finance and Audited Financial statements	
	207-3 Stakeholder engagement and management of concerns related to tax	Chapter 7 Sustainable Finance and Audited Financial statements	
	207-4 Country-by-country reporting	Chapter 7 Sustainable Finance and Audited Financial statements	Not applicable. Moldcell SA does not own any entity in other countries.
<b>GRI 301: Materials 2016</b>	3-3 Management of material topics	Direct answer: Due to the nature of our industry, the volume/weight of the raw materials manufactured, processed or used by Moldcell is negligible. Consumption of materials does not occur for direct generation of products but for the telecommunications network of the company to give the services required by our customers. The processes to reduce consumption of materials and reuse them make our network more efficient also from this perspective. In our administrative activities, the material most used is paper. At Moldcell efficient use is encouraged through digitalization of processes. In the chapter on the environment, more details have been given about managing Moldcell's consumption of paper. Digital Solutions for a green transition (p.24)	
	301-1 Materials used by weight or volume	Circularity (p.53)	
	301-2 Recycled input materials used		
	301-3 Reclaimed products and their packaging materials		

	Page(s) number(s), URL and/or direct answers	Omissions
<b>GRI 302: Energy 2016</b>	3-3 Management of material topics	3.3 Energy consumption & Efficiency
	302-1 Energy consumption within the organization	3.3 Energy consumption & Efficiency
	302-2 Energy consumption outside of the organization	3.3 Energy consumption & Efficiency
	302-3 Energy intensity	3.3 Energy consumption & Efficiency
	302-4 Reduction of energy consumption	3.3 Energy consumption & Efficiency
302-5 Reductions in energy requirements of products and services		Reason for omission: Not applicable. The products and services offered by Moldcell are not directly related to our customer's energy consumption. The nature of the products and services offered by Moldcell is mostly related to mobile and fixed connectivity, as well digital and data services.
<b>GRI 303: Water and Effluents 2018</b>	3-3 Management of material topics	Direct answer water consumption:
	303-1 Interactions with water as a shared resource	Our overall consumption (headquarters and retail network) was 8139 m <sup>3</sup> . This consumption was mainly due to sanitary use. The total water discharged into the central sewer system is 7013 m <sup>3</sup> .
	303-2 Management of water discharge-related impacts	At Moldcell, we are committed to judiciously using water. To enhance efficiency and reduce water consumption, we have implemented specific measures, such as water-saving systems, pressure monitoring and regulation, and proper maintenance to prevent emergency leaks in pipes, faucets, and water heaters. Moreover, considering the water stress areas in the Republic of Moldova, we recognize the importance of best practices for efficient water resource utilization. We remain dedicated to rationalizing and reducing water consumption.
	303-3 Water withdrawal	
	303-4 Water discharge	
303-5 Water consumption		Water is not regarded as a key environmental aspect for our own operations. Some data center facilities have water-based cooling, but water is re-circulated in closed systems. Water consumed in the offices and in other locations is used for sanitary purposes and kitchen/canteen activities only. All Moldcell facilities, including data centers, are located in built areas with connection to municipal water infrastructure.

<b>GRI 304: Biodiversity 2016</b>	3-3 Management of material topics		Reason for omission: Moldcell is unaware of any significant impacts on biodiversity in protected areas resulting directly from its activities during the reporting period. No significant impact on endangered species was identified due to Moldcell's business operations during the reporting period. All infrastructural interventions, such as towers and fiber rollout, are constructed according to local construction and environmental legislations.
	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas		
	304-2 Significant impacts of activities, products and services on biodiversity		
	304-3 Habitats protected or restored		
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations		
<b>GRI 305: Emissions 2016</b>	3-3 Management of material topics	3.3.1 Quantifying responsibility: Energy consumption and emissions assessment.	
	305-1 Direct (Scope 1) GHG emissions	3.3.1 Quantifying responsibility: Energy consumption and emissions assessment.	
	305-2 Energy indirect (Scope 2) GHG emissions	3.3.1 Quantifying responsibility: Energy consumption and emissions assessment.	
	305-3 Other indirect (Scope 3) GHG emissions	3.3.1 Quantifying responsibility: Energy consumption and emissions assessment.	
	305-4 GHG emissions intensity	3.3.1 Quantifying responsibility: Energy consumption and emissions assessment.	
<b>GRI 305: Emissions 2016</b>	305-5 Reduction of GHG emissions	3.3.1 Quantifying responsibility: Energy consumption and emissions assessment.	
	305-6 Emissions of ozone-depleting substances (ODS)	3.3.1 Quantifying responsibility: Energy consumption and emissions assessment.	
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	3.3.1 Quantifying responsibility: Energy consumption and emissions assessment.	
<b>GRI 306: Waste 2020</b>	3-3 Management of material topics	3.4 Circularity	
	306-1 Waste generation and significant waste-related impacts	3.4 Circularity	
	306-2 Management of significant waste-related impacts	3.4 Circularity	
	306-3 Waste generated	3.4 Circularity	
	306-4 Waste diverted from disposal	3.4 Circularity	

<b>GRI 308: Supplier Environmental Assessment 2016</b>	3-3 Management of material topics 308-1 New suppliers that were screened using environmental criteria 308-2 Negative environmental impacts in the supply chain and actions taken	Reason for omission: Due to the evolving nature of our supplier data availability and internal emission measurement systems, we currently lack the reliable data needed to conduct a comprehensive supplier environmental assessment. We are actively working on improving data collection and integration, and we anticipate incorporating supplier data into our assessments as these systems mature.
<b>GRI 401: Employment 2016</b>	3-3 Management of material topics 401-1 New employee hires and employee turnover 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees 401-3 Parental leave	5.1 Fostering Diversity, Inclusion, and Well-being as a Responsible Employer 5.1.2 New employee hired and employee turnover 5.1.7 Parental leave
<b>GRI 402: Labor/Management Relations 2016</b>	3-3 Management of material topics 402-1 Minimum notice periods regarding operational changes	5.1.8 Employee/Management relations 5.1.8 Employee/Management relations

<b>GRI 403: Occupational Health and Safety 2018</b>	3-3 Management of material topics	5.1.6 Health and Safety	
	403-1 Occupational health and safety management system	5.1.6 Health and Safety	
	403-2 Hazard identification, risk assessment, and incident investigation	5.1.6 Health and Safety 6.3.4.3 Complaint and remedy mechanisms: Concern and Whistleblowing Channel	
	403-3 Occupational health services	5.1.6 Health and Safety	
	403-4 Worker participation, consultation, and communication on occupational health and safety	5.1.6 Health and Safety	
	403-5 Worker training on occupational health and safety	5.1.6 Health and Safety	
	403-6 Promotion of worker health	5.1.6 Health and Safety	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	5.1.6 Health and Safety	
<b>GRI 403: Occupational Health and Safety 2018</b>	403-8 Workers covered by an occupational health and safety management system	5.1.6 Health and Safety	Reason for omission: Information unavailable/incomplete. The information in the Report includes only internal employees hired by Moldcell.
	403-9 Work-related injuries	5.1.6 Health and Safety Direct answer: Moldcell unequivocally affirms a zero-incidence record of work-related injuries.	Reason for omission: Information unavailable/incomplete. The information in the Report includes only internal employees hired by Moldcell.
	403-10 Work-related ill health	5.1.6 Health and Safety Direct answer: no particular incidence or risk of diseases related to Moldcell's activity is apparent.	Reason for omission: Information unavailable/incomplete. The information in the Report includes only internal employees hired by Moldcell.

<b>GRI 404: Training and Education 2016</b>	3-3 Management of material topics	5.1.9 Employee well-being
	404-1 Average hours of training per year per employee	5.2.2 Programs for upgrading employee skills and transition assistance programs
	404-2 Programs for upgrading employee skills and transition assistance programs	5.2.2 Programs for upgrading employee skills and transition assistance programs
	404-3 Percentage of employees receiving regular performance and career development reviews	5.2.3 Percentage of employees receiving regular performance and career development reviews
<b>GRI 405: Diversity and Equal Opportunity 2016</b>	3-3 Management of material topics	5.1 Fostering Diversity, Inclusion, and Well-being as a Responsible Employer
	405-1 Diversity of governance bodies and employees	5.1.4 Diversity and equal opportunity
	405-2 Ratio of basic salary and remuneration of women to men	5.1.4 Diversity and equal opportunity
<b>GRI 406: Non- discriminatio n 2016</b>	3-3 Management of material topics	5.1 Fostering Diversity, Inclusion, and Well-being as a Responsible Employer
	406-1 Incidents of discrimination and corrective actions taken	Direct answer: Moldcell unequivocally affirms a zero-incidence record of non-compliance concerning discrimination.
<b>GRI 407: Freedom of Association and Collective Bargaining 2016</b>	3-3 Management of material topics	6.2 Risk Management
	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	6.2 Risk Management Direct answer: During the financial year 2023, there were no transactions in which employees/suppliers' rights of freedom of association were violated.
<b>GRI 408: Child Labor 2016</b>	3-3 Management of material topics	6.2 Risk Management
	408-1 Operations and suppliers at significant risk for incidents of child labor	Direct answer: There are no operations with significant child labor during 2023.
<b>GRI 409: Forced or Compulsory Labor 2016</b>	3-3 Management of material topics	6.2 Risk Management
	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	6.2 Risk Management Direct answer: There are no operations with significant forced labor during 2023.

	Page(s) number(s), URL and/or direct answers	Omissions
<b>GRI 410: Security Practices 2016</b>	3-3 Management of material topics	Direct answer: As of now, Moldcell does not provide specific training to security personnel. However, recognizing the importance of such training, Moldcell will explore opportunities to incorporate this aspect into future activities, aligning with the commitment to continuously improve the professional development and skills of the security personnel associated with our security service provider.
	410-1 Security personnel trained in human rights policies or procedures	Direct answer: The security service provider, employs guards who undergo regular training at the Police Academy (every 3 years) on topics like: Legality and legislation, Guard rights and duties, Security technology, Force application and weaponry, Psychology and security awareness. Additionally, the company conducts quarterly training sessions led by the management of the security service provider.
<b>GRI 411: Rights of Indigenous Peoples 2016</b>	3-3 Management of material topics	Reason for omission: Information not available.
	411-1 Incidents of violations involving rights of indigenous peoples	Based on searches in official sources, Moldcell is not aware of the existence of recognized indigenous communities in the Republic of Moldova. Consequently, there are no reported incidents of violations involving the rights of indigenous peoples. Our operations are conducted with due consideration for the human rights and well-being of all communities in the region. We maintain our commitment to upholding international standards and best practices in the areas of human rights, diversity, and inclusion, even in the absence of recognized indigenous populations within our operating context
<b>GRI 413: Local Communities 2016</b>	3-3 Management of material topics	Chapter 8 Helping societies to thrive
	413-1 Operations with local community engagement, impact assessments, and development programs	Chapter 8 Helping societies to thrive
	413-2 Operations with significant actual and potential negative impacts on local communities	Chapter 8 Helping societies to thrive

<b>GRI 414: Supplier Social Assessment 2016</b>	3-3 Management of material topics 414-1 New suppliers that were screened using social criteria 414-2 Negative social impacts in the supply chain and actions taken	We are in the process of updating the due diligence process our suppliers pass in order to oversee the supplier social assessment. We are committed to establishing a social assessment of our suppliers within the next 18 months.
<b>GRI 415: Public Policy 2016</b>	3-3 Management of material topics 415-1 Political contributions	6.3 Business ethics and transparency 6.3.4.5 Political neutrality
<b>GRI 416: Customer Health and Safety 2016</b>	3-3 Management of material topics 416-1 Assessment of the health and safety impacts of product and service categories 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	4.2.1.1 The Power of Certified Quality 4.2.1.1 The Power of Certified Quality Direct answer: Moldcell unequivocally affirms a zero-incidence record of non-compliance concerning the health and safety impacts of products and services.
<b>GRI 417: Marketing and Labeling 2016</b>	3-3 Management of material topics 417-1 Requirements for product and service information and labeling 417-2 Incidents of non-compliance concerning product and service information and labeling 417-3 Incidents of non-compliance concerning marketing communications	4.2 Responsibility in our products and services 4.2.1 Transparency and Clarity: Empowering Informed Customer Choices Direct answer: Moldcell unequivocally affirms a zero-incidence record of non-compliance concerning product and service information and labeling. Direct answer: Moldcell unequivocally affirms a zero-incidence record of non-compliance concerning marketing communications.
<b>GRI 418: Customer Privacy 2016</b>	3-3 Management of material topics 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	4.1.1 Data Privacy and Protection Policy Direct answer: Moldcell unequivocally affirms a zero-incidence record of complaints concerning breaches of customer privacy and losses of customer data.

# GSMA INDEX

<p><b>Emissions</b> Science-based targets 1.1 Disclose whether you have set, or have committed to set, GHG emissions targets that are in line with the goals of the Paris Agreement — to limit global warming to well below 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C — and to achieve net-zero emissions before 2050.</p> <p><b>Scope 1, 2 and 3 emissions</b> <b>1.2a Scope 1 and 2 GHG emissions</b> i. Absolute Scope 1 and 2 emissions (tones CO2e) ii. Absolute Scope 1 and 2 emissions (tones CO2e) per 1GB data iii. Percentage change in absolute Scope 1 and 2 emissions since last reporting period</p> <p><b>1.2b Scope 3 GHG emissions</b> i. Absolute Scope 3 emissions (tones CO2e) ii. Absolute Scope 3 emissions (tones CO2e) per 1GB data iii. Percentage change in absolute Scope 3 emissions since last reporting period</p>	<p><b>GSMA-ENV-01</b></p> <p><b>GSMA-ENV-02</b></p>	<p>Direct answer: Moldcell at the present reporting period, has not yet aligned with Science-Based Targets (SBT) aimed at meeting the goals outlined in the Paris Agreement. While we have not set or committed to specific GHG emissions targets in line with these objectives, we aspire to do so in the near future. Our intention is to align with Science-Based Targets once our operations are adequately prepared to make this commitment, demonstrating our dedication to sustainable practices and environmental responsibility."</p> <p>3.3.1 Quantifying responsibility: Energy consumption and emissions assessment</p>
<p><b>Energy</b> <b>Energy consumption</b> <b>1.3a Total energy consumption</b> i. Total energy consumed (MWh) ii. Total energy consumed (MWh) per 1GB of data</p> <p><b>1.3b Network energy consumption</b> i. Total network energy consumed (MWh) ii. Total network energy consumed (MWh) per 1GB of data</p> <p><b>1.3c Network energy mix</b> i. Percentage grid renewable ii. Percentage grid non-renewable iii. Percentage off-grid renewable iv. Percentage off-grid non-renewable</p>	<p><b>GSMA – EN-03</b></p>	<p>3.3.1 Quantifying responsibility: Energy consumption and emissions assessment</p>



## GSMA INDEX

<p><b>Affordability</b>  <u>Device and subscription affordability</u>                  2.2a Cost of the most affordable smartphone, as percentage of monthly GDP per capita                  2.2b Average cost of 1GB of data, as percentage of monthly GDP per capita</p>	<p><b>GSMA-INC-02</b></p>	<p>It is not possible to report this indicator due to services with convergent tariffs.</p>
<p><b>Digital skills</b>  <u>Digital skills programmes</u>                  2.3 Number of people (excluding employees) who have completed a basic, intermediate or advanced digital skills training programme (as per ITU definition), divided by total subscribers</p>	<p><b>GSMA-INC-03</b></p>	<p>Chapter 8                  Helping societies to thrive</p>
<p><b>Data protection</b>  <u>Customer data incidents</u>                  3.1a Number of data breaches, per million subscribers                  3.1b Percentage of data breaches involving PII                  3.1c Number of customers affected, per million subscribers                  3.1d Number of regulatory actions for data protection violations (e.g. marketing-related complaints, data breaches), per million subscribers</p>	<p><b>GSMA-INT-03</b></p>	<p>As of the reporting period, Moldcell has not experienced any data breaches according to the specified criteria.</p>
<p><b>Digital rights</b>  <u>Digital rights policy</u>                  3.2 Is there a policy specifically covering digital rights protection and transparency, privacy, freedom of expression, government mandates to shut down or restrict access, and/or government requests for data? (yes/no)</p>	<p><b>GSMA-INT-02</b></p>	<p>Yes</p>
<p><b>Online safety</b>  <u>Online safety measures</u>                  3.3 Do you have controls or programmes in place to improve online safety for children and other vulnerable groups? (yes/no)</p>	<p><b>GSMA-INT-03</b></p>	<p>Yes</p>
<p><b>Sustainable supply chain</b>  <u>Sustainable procurement policy</u>                  4.1a Do you have a sustainable procurement policy in place? (yes/no)                  4.1b If yes, how many of the following elements does it cover?                  a. Organisational governance                  b. Human rights                  c. Labour practices                  d. Environment                  e. Fair operating practices                  f. Consumer issues                  g. Community involvement and development</p> <p><u>Supplier assessments</u>                  4.2a Percentage of suppliers screened against the sustainable procurement policy using company defined and documented assessment procedure, within the previous two years                  4.2b Percentage of suppliers assessed against the sustainable procurement policy through site visits, within the previous two years</p>	<p><b>GSMA-SUP-01</b></p> <p><b>GSMA-SUP-02</b></p>	<p>Yes                  The policy covers the following elements:                  a. Organizational governance                  b. Fair operating practices</p> <p>4.2a – 22%                  4.2b - As of the reporting period, Moldcell does not perform audits or site visits as part of the assessment process for suppliers against the sustainable procurement policy.</p>