

TOPIC MATERIALITY ASSESSMENT

When preparing a sustainable development report, MTS runs regular surveys of key stakeholder groups to identify the most relevant topics to be addressed in greater detail. In finally defining material topics for the report, MTS takes into account a comprehensive analysis of the Company's representatives service on public and state committees, management decisions, strategic priorities approved by the Board of Directors, and the issues raised during regular IR events. Thus, when drafting a sustainable development report concept, the working group has the fullest possible information on the preferences of all key stakeholder groups.

In addition, MTS has traditionally pinpointed the preferences of the two critical stakeholder groups – customers and employees – with its core business processes built around them. From January to February 2020, we conducted an online survey of our mobile subscribers (customers) and MTS employees. The survey covered 36 topics across three core dimensions – economic, environmental and social. The most relevant aspects for respondents in both groups are presented in the materiality matrix.

As a digital company, MTS has no significant environmental footprint. At the same time, given the relevance of global climate change for MTS and the expert community, we included environmental safety aspects within the boundary of the Report.

Based on the data obtained, the following topics were included in the 2019 MTS Group Sustainable Development Report in order of their priority for respondents:

