

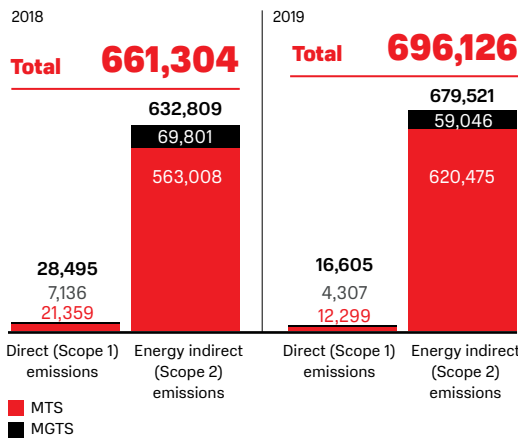
GRI 103-1, 305-1

CARBON MANAGEMENT

In 2019, the Company started disclosing environmental footprint data through CDP and joined the global GSMA-led initiative to develop a mobile industry climate action roadmap in line with the Paris Agreement, which is aimed at combating climate change.

A dedicated working group comprising representatives from 10 structural divisions of the Company was set up under the CSR Committee in 2019 to develop and implement MTS's Unified Carbon Management Program and assess climate change risks. One of the priority tasks set for the working group is to develop an integrated climate strategy for the Company, design business processes to carry out the strategy, map climate risks, and implement energy efficiency KPIs.

\\ Greenhouse gas emissions¹ (tonnes of CO₂ equivalent)



A reduction in direct greenhouse gas emissions is due to vehicle fleet renewal with at least Euro-5 compliant cars and operation of diesel generators made by leading European manufacturers with strict requirements for fuel consumption efficiency and CO₂ equivalent emissions for backup power supply.

The year-on-year increase in energy indirect (Scope 2) GHG emissions in 2019 was due to the Company expanding its technology infrastructure – commissioning new base station sites and data centers in Nizhny Novgorod and Moscow (Avantage) – as well as increased traffic and retrofitting of existing sites (LTE).

MTS has scored among top 10 Russian companies in CDP climate disclosure – a reflection not only of our exceptional transparency in environmental disclosure but also of the Company's wider knowledge of own impact on climate.

VEHICLE FLEET RENEWAL

One of the main sources of negative environmental impact from MTS is company vehicles whose exhaust fumes contain more than 200 different components and compounds which are mostly toxic.

A large program to replace the corporate vehicles with Euro-5 compliant cars was completed in the reporting period.

¹ Information disclosed by MTS PJSC to CDP in Climate Change 2019 Report is available at: <https://www.cdp.net/en/responses?utf8=%E2%9C%93&queries%5Bname%5D=MTS>. Data for 2018 differ from data in the 2018 MTS Group Sustainable Development Report and the 2018 CDP questionnaire due to minor changes made to the greenhouse gas accounting methodology for more accurate results.