ORION telekom

Orion telekom

Green Bond Framework

December 2025

Contents

1. Introduction

1.1. About Orion telekom Group

Orion telekom Group (hereafter referred to as "the Group") operates within the ICT sector and consists of six subsidiaries, with its headquarters and holding located in Amsterdam, the Netherlands offers wide range of activities including high-speed internet, television, fixed telephony, cloud services, cybersecurity solutions, IT maintenance, and systems integration via six of its subsidiaries:

Orion telekom doo Beograd

Orion telekom Infrastruktura doo Beograd

Orion telekom tim doo Beograd

Orion telekom Wifi doo Beograd

Orion telekom Podgorica doo

Orion telekomunikacije Čakovec

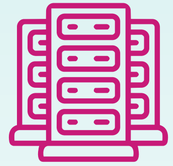
The Group's core business and main revenue driver is Orion telekom Serbia (Orion telekom d.o.o. Beograd), located in Belgrade, which also serves as the central management company within the Group and will also be the issuer of the green financing instrument(s) subject to this Framework. However, the Group is strategically focused on expanding its operations across the entire Balkan region with particular focus on:

Connectivity services

Include Internet packages, VPN (Virtual Private Network), and Voice services. The core of these services is high-speed internet connectivity, delivered through advanced fiber-optic technology that ensures reliable performance and guaranteed data transfer speeds. VPN services enable secure connections between multiple remote locations, creating a unified local network.

Internet Protocol Television (IPTV)

Delivers digital TV services over IP networks, allowing television content to be transmitted via broadband connections, such as fiber-optic network delivering faster, more reliable connections that support the high-definition (HD) and ultra-high-definition (UHD) content, rather than traditional methods like satellite or via copper-based cables.



Data Centers

Provide secure hosting and operation of a company's IT infrastructures, featuring 24-hour monitoring, stringent safety protocols, and maximum energy redundancy. It ensures reliable data storage and business continuity with a backup data center mirroring all critical functions and supports renewable energy through solar panels.

The Group's broader business scope includes a range of services such as cybersecurity, cloud computing, and e-Mobility solutions (construction and operating of EV charging infrastructure).

1.2. Group’s approach to sustainability

The commitment to sustainable growth and development stems from Group’s awareness of the vital role ICT industry plays in green transition. The development of ICT industry is not one-dimensional as it supports decarbonization, energy efficiency, and benefits other industries and society as a whole.

The Group has observed priority areas defined by the EU, within Europe’s Digital Decade targets, focusing on the objectives related to secure and sustainable digital infrastructures, and realizes its work can contribute to the sustainable development of ICT infrastructure in Serbia, which is a candidate for EU membership, by providing high-speed internet connectivity, sustainable edge and cloud data equipment, and expanding network infrastructure in rural and underserved areas.

Furthermore, Republic of Serbia adopted the Strategy for the Development of the Electronic Communications System until 20271, which main objective is to address the gap between urban and rural areas in building broadband communication infrastructure with main emphasis given on the development of optical infrastructure in order to connect households in underdeveloped and rural areas to high-speed internet.

Group’s ICT infrastructure development and optimization will contribute Serbia to address several ICT challenges. In Serbia, rural areas face more limited access to broadband (only 69% compared to 85% in urban areas), while country has also slower speeds (Serbia is ranked 66th in world for fixed broadband speeds2) and lower subscription rates compared to EU average3.

At the same time, the Group recognizes the environmental impact of ICT, particularly the rise in GHG emissions from data centers and networks. While digital technologies can reduce emissions across sectors, ICT itself contributes around 1.7% of global emissions according to the World Bank. Orion telekom’s GHG emissions for 2025 scopes 1 and 2 were evaluated at 1,378 tCO2e mostly coming from the consumption of electricity from the grid (2 ths MWh), which is partly neutralized by electricity production from solar on premises (0.3 ths MWh).

To address these challenges, the Group has integrated ESG principles into its strategy, setting clear targets as guiding objectives to ensure sustainable operations and proactively manages emerging risks especially focusing on our energy efficiency and consequently, its GHG emissions:

Environmental targets

Reduction of our own carbon footprint, for 30% Scope 1 and 2 by 2030

Reaching total Net Zero by 2050

Sustainable energy management, through energy efficiency and increase in renewable energy for 50% by 2030

Social targets:

- Ensuring a healthy and safe working environment
- Providing equal rights and opportunities for advancements to all employees
- Collaborating with the community through clear communication and the development of underserved areas

Governance targets:

- Maintaining transparency in operations and responsible resource management
-
- Implementing high standards of data protection and security for customers
-
- Sustainable supply chain

Inspired by its core focus areas, the Group has established the main sustainability pillars, supported by key initiatives that will drive toward achieving the defined objectives:

Sustainable infrastructure and business operations

Optimal corporate governance for sustainability

Sustainable products and services

The Group's approach is centered around achieving both environmental and social goals through **strategic investments**. By developing energy-efficient fiber optic infrastructure and energy efficient data centers powered by renewable energy sources, it aims to create a sustainable network with a particular expansion focus towards underserved areas in Serbia and the rest of the Western Balkans.

Moreover, in order to confirm a systematic approach to sustainability, the Group implemented the integrated management system and is ISO 14001 certified.

1.3. Sustainability governance

The established ESG governance structure demonstrates the Group's commitment towards sustainable development and accountability in identifying and addressing ESG risks and opportunities.

Below is an overview of Orion's sustainability governance structure:

Board / top management	Responsible for aligning business strategies with the Group's mission and vision, overseeing the integration of ESG principles into the organization's culture, and promoting sustainability among employees in their business processes.
ESG Coordinator	Responsible for reviewing ESG initiatives, monitoring progress and overseeing related policies and risks. It also supervises the ESG team and holds regular meetings and communicates with top management.
ESG team	ESG team, led by an ESG coordinator, is responsible for day-to-day implementation of ESG strategies, activities and goals, monitoring compliance with ESG criteria, drafting procedures, preparing relevant internal and external reports, etc.

This approach creates a continuous feedback loop that not only improves operational efficiency but also reinforces Orion's dedication to sustainability commitments.

The Groups overall commitment towards governance is also confirmed with our certification standards such as:

- ISO 9001:2015 Quality Management System
- ISO/IEC 27001:2013 Information Security Management System
- ISO/IEC 20000-1:2018 IT Service Management System
- ISO 22301:2019 Business Continuity Management
- ISO 27701:2019 Security Techniques
- Extension of ISO/IEC 27001 and ISO/IEC 27002 for Privacy Information Management
- ISO 27018:2019 Information Technology – Security Techniques – Code of Practice for Protection of Personal Identifiable Information (PII) in Public Clouds Processing Personal Identifiable Information

The Group strives towards aligning its business operations and planned projects with relevant **environmental and social segments.**

2. Green Bond Financing Rationale

The Group's planned strategic investments are directly linked to the sustainability strategy and are fundamental to the competitiveness of its business. Specifically, the Group has undertaken or plans to undertake the construction of:

Energy-efficient data centers

New data centers are designed to maximize energy savings, monitored through Power Usage Effectiveness (PUE). The Group is committed to minimizing negative impacts through:

1. **Risk minimization during construction**

2. **Sustainable operation practices, where it strives to build data centers by integrating the following:**

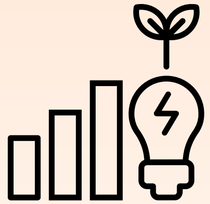
   Clean Energy: 50% of the energy consumed by the data center is planned to be produced via in-house solar (see 3) or sourced from renewable energy producers.

   Waste Management: implementation of reuse and recycling practices, to the extent possible and practicable for the market it operates in, for old hardware to further reduce waste and support the circular economy.

Fiber optic infrastructure

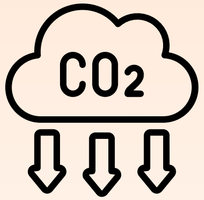
The Group is modernizing its legacy infrastructure (i.e., traditional copper-based systems) and expanding with fiber optics to new geographic areas across Serbia and the region. Investment in fiber optics is essential for enhancing digital connectivity while reducing long-term energy consumption.

Key benefits include:



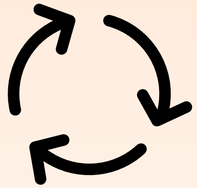
Energy efficiency increase

Fiber optics is more energy-efficient technology compared to DSL, xDSL and others (e.g., fiber optics consume 56 kWh per capita at 50 Mbps compared to 88 kWh for DOCSIS[4]).



GHG emissions reduction

Fiber optics networks generate lower GHG emissions. Electricity consumption of fiber optics (excluding CPE) is over 7 times lower compared to a VDSL2+ and 6 times lower compared to an HFC[5]. Furthermore, fiber optics are only 15% the size of copper cables, resulting in lower CO2 emissions during production.



Circularity and durability

Fiber optics are abundant, recyclable, and can last over 30 years, while cables made of copper, although also recyclable, deteriorate at a faster rate (can deteriorate in just five years under extreme conditions).

Less impact from weather conditions

Fiber optics are less impacted by weather than DSL, leading to repairs that are 67% faster.[6]

Solar plant and additional panel Installations

The Group plans to construct a solar plant on its own free land and invest in additional solar installations at its HQ premises. The goal is to meet a significant portion, or potentially all, of its energy needs with renewable energy. Ultimately, the Group aims to produce 100% of its electricity from renewable sources to achieve its GHG emission targets. Currently, the Group estimates that 1.8 MW of power is needed to cover the current electricity consumption.

3. Green Bond Framework

Through this Green Financing Framework (“Framework”), the Group aims to solidify its commitment towards sustainability and actively engage with stakeholders. This Framework has been designed as a comprehensive platform under which Orion Telekom Group plans to issue Green Financing Instruments, specifically an unsecured bond in the Republic of Serbia. The proceeds from these instruments will be exclusively allocated to finance or refinance Eligible Green Projects, as detailed within this Framework.

The Green Financing Framework follows the best practices outlined by the International Capital Market Association ("ICMA") in the 2021 Green Bond Principles and is structured around the following four key components:

3.1. Use of Proceeds
3.2. Process for Project Evaluation and Selection
3.3. Management of Proceeds
3.4. Reporting

3.1. Use of proceeds

It is envisaged that financing under this Framework will adhere to specific eligibility criteria applicable to both new and existing projects. The funding of these initiatives is expected to generate environmental benefits, specifically through reduction of GHG emissions from telecom operations, reducing energy consumption, and optimizing materials usage. Additionally, social benefits will be achieved through the development of fiber optic networks in rural areas, improving digital inclusion and access to essential services.

An amount equivalent to the net proceeds from the Green Financing Instrument(s) will be allocated to finance or refinance, in whole or in part, the eligible green project categories outlined in the table below. Qualified expenditure in these categories will cover capital costs, specifically directed towards projects that align with the Group's sustainability objectives:

GHG Reduction
Lower emissions from telecom ops

Energy Efficiency
Reduced energy consumption

Digital Inclusion
Fiber in rural & underserved areas

Materials Optimisation
Circular economy & waste reduction

Eligible green projects	Eligibility criteria	SDG alignment
Energy Efficient Data Centers	Capital expenditures in construction and management of DC and hosting which will have Power Usage Effectiveness (PUE) below 1.5. Although, the DCs will be initially powered from the grid with partial off-set from solar on premises, the plan is to supply DC fully with renewable energy through in-house solar plant and/or PPAs. This category excludes investments in data centers with PUE above the defined threshold of 1.5.	
Deployment of optic fiber network	Capital expenditures for deployment of fiber optic network as greenfield or to replace legacy infrastructure, to enhance Orion Group's telecommunication infrastructure and service delivery. This category excludes investments in copper-based telecommunication infrastructure.	
Solar power plant	Capital expenditures for the construction of solar plant built on own land and/or installation of solar panels for production and usage of electricity on DC premises. This also includes capital expenditures in electrical and supporting infrastructure for solar power plant such as storage (i.e., batteries) needed for balancing purposes, monitoring and control systems, grid connection, security, access, water supply systems etc. Construction of the plant can be done in phases, depending on the Group's electricity consumption needs, with plans to reach the capacity of up to 33 MW. Electricity from solar panels will be mainly used for DC operations with the possibility to sell the excess on the market.	

3.2. Process for project evaluation and selection

Orion telekom Group has a structured internal process for evaluating and approving investments. Each project begins with a Project-Investment Initiative (PII), which includes a business plan covering financial analysis, operational feasibility, and alignment with strategic goals, including sustainability goals defined within its ESG strategy. Projects are approved by the Investment Committee before implementation.

For the Green Bond Framework, a dedicated Green Investment Committee will additionally oversee the identification, evaluation, and selection of eligible green projects. This committee will include senior representatives from Finance, ESG/Sustainability, Technical, Legal, and Operations departments.

The Committee's responsibilities include:

1. Verifying alignment with the Green Bond Framework requirements
2. Assessing ESG performance based on predefined criteria
3. Recommending projects for inclusion or exclusion from green financing

Existing internal policies and compliance standards will guide risk assessment and ensure all selected projects meet environmental and social requirements, as well as compliance with local laws and regulations, including those relating to environmental and social issues.

3.3. Management of proceeds

The Group intends to allocate the proceeds from the green financing instruments to the eligible green projects' portfolio, selected in accordance with the use of proceeds criteria and the evaluation and selection process described in this Framework, within four years from issuance.

The Group has an existing internal system for tracking the allocation of proceeds, which will be used to ensure transparency and accurate monitoring of investments in Eligible Green Projects. All proceeds will be temporarily deposited in a dedicated account opened with a commercial bank, clearly separated from the company's regular operational accounts. This account will also hold unallocated funds (i.e., those not yet assigned to specific projects). Each transfer or payment from this account will be tied to detailed project documentation indicating the purpose for which the funds are used.

To ensure that an amount equal to the net proceeds is allocated in accordance with the Green Finance Framework, the Green Investment Committee will oversee the allocation process and verify compliance with the Green Bond Framework. Each project or investment will be assigned a unique code within the ERP system or tracked through a dedicated segment in the Group's accounting records.

Eligible green capital expenditures can be refinanced with a look-back period of up to five years prior to the issuance year of the Green Finance Instrument.

Orion Telekom Group intends to limit refinancing to a maximum of 50% of total allocated proceeds, with the remainder dedicated to financing new investments.

≤50%

Max refinancing of proceeds

≥50%

For new green investments

3.4.Reporting

The Group is committed to ensuring transparency in the utilization of net proceeds from its green financing instruments. Reports will be published on an annual basis until the net proceeds have been fully allocated, and thereafter in case of material changes. This report may be included in the Orion Group's broader Sustainability Report, or the annual financial report, or presented as a standalone document. It is envisaged that the report will be publicly available on the Orion website.

Each report will include details on all outstanding green financing instruments for which some or all proceeds were not fully allocated in the previous year. The Group will strive to align the reporting approach with the "Handbook Harmonized Framework for Impact Reporting (from June 2024)".

Report will be structured from the following two components:

1. **Allocation reporting component** which will include information on:

- Percentage of net proceeds allocated to green projects
- Descriptive information about each financed green project
- The balance of unallocated net proceeds
- Proportion of financing allocated to new projects versus refinancing of existing initiatives

2. **Impact reporting component**:

This part will emphasize the positive environmental impacts resulting from the financed green projects and will provide an overview of progress in specific environmental metrics. The following indicators will be utilized to measure the impact of these projects:

Green project category	Specific metric areas	Impact reporting indicators
Energy Efficient Data Centers	Energy efficiency	Level of power usage effectiveness (PUE)
		Percentage of renewable energy used for data center operations
Deployment of optic fiber network	Energy efficiency	Energy consumption per data traffic (MWh/PB or equivalent unit)
		Expected annual energy savings in MWh due to replacement of legacy network (i.e., copper-based infrastructure)
Renewable energy – solar panels installation	Renewable energy	Annual electricity generation from solar panels in MWh
		Annual GHG emissions reduced/avoided in tons of CO_2 per MWh

4. External review

The Group intends to appoint a qualified external review provider (S&P) to issue a Second Party Opinion (SPO) who will confirm the alignment of this Green Financing Framework with the relevant Green Bond Principles from ICMA as well as its contribution to the relevant environmental and social objectives and SDGs. The issued SPO will be made publicly available on the corporate website www.oriontelekom.rs, ensuring transparency and accessibility for all stakeholders.

Orion telekom will regularly monitor the Framework and conduct a review if there are any significant changes. This review may result in updates to the Green Bond Framework, ensuring that future versions continue to uphold or improve transparency and reporting, along with an external verification process.

5. Glossary

Overview of abbreviations and explanations

1	**ADSL**	Asymmetric Digital Subscriber Line- technology that facilitates fast data transmission at a high bandwidth on existing copper wire telephone lines to homes and businesses.	8	**ESG**	Environmental, Social and Governance	15	**IPTV**	Internet Protocol television - network architecture, equipment and technologies, middleware and software platforms used to deliver standard or high-definition television (HDTV) signals, in real time, over managed communications service provider (CSP) networks
2	**CPE**	Customer Premises Equipment	9	**FTTH**	Fiber To The Home - fiber-optic broadband network	16	**ISO**	International Organization for Standardization - ISO certification is manner to show that product or service meets customer expectations and international standards.
3	**DOCSIS**	Data Over Cable Service Interface Specification - coaxial cable networks	10	**GHG**	Greenhouse gases - Gases that trap heat in the Earth's atmosphere, contributing to global warming, including CO_2, methane, and nitrous oxide.	17	**PUE**	Power Usage Effectiveness - a measure of data center efficiency that compares the total power used by the facility to the power used by the IT equipment.
4	**DSL**	Digital Subscriber Line - internet technology that transmits data over copper telephone lines	11	**HFC network**	Hybrid Fiber-Coaxial network	18	**SDG**	Sustainable Development Goals adopted by the United Nations in 2015, which determined total 17 SDGs.
5	**EBRD**	European Bank for Reconstruction and Development	12	**ICT**	Information and communications technology- infrastructure, technology, component or device that enables communications, data sharing and connectivity .	19	**SPO**	Second-Party Opinion - independent review of the selection criteria for the projects financed by green bonds and of the actual allocation of funds
6	**EIA**	Environmental Impact Assessment - systematic process that identifies, predicts, evaluates, and mitigates the environmental effects of a project before it is carried out.	13	**ICMA**	International Capital Market Association - not-for-profit global trade association, for participants in the cross-border debt capital markets which provides industry-driven standards and recommendations.	20	**VDSL2**	Very High-Speed Digital Subscriber Line 2 - a type of DSL (Digital Subscriber Line)
7	**ERP**	Enterprise resource planning – software for managing daily business operations and automate processes, such as accounting, supply chain, manufacturing.	14	**IEC**	International Electrotechnical Commission - international standards organization that prepares and publishes international standards for all electrical, electronic and related technologies.	21	**VPN**	Virtual private network - network architecture that allows a private network (not connected to the public Internet) to extend across one or more untrusted networks that the organization does not control.

6. Disclamer

This document is intended to provide non-exhaustive, general information. This document may contain or incorporate by reference public information not separately reviewed, approved or endorsed by Orion telekom and accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by Orion telekom as to the fairness, accuracy, reasonableness or completeness of such information.

This document may contain statements about future events and expectations that are forward-looking statements. None of the future projections, expectations, estimates or prospects in this document should be taken as forecasts or promises nor should they be taken as implying any indication, assurance or guarantee that the assumptions on which such future projections, expectations, estimates or prospects have been prepared are correct or exhaustive or, in the case of the assumptions, fully stated in the document.

Orion telekom has and undertakes no obligation to update, modify or amend this document, and the statements contained herein to reflect actual changes in assumptions or changes in factors affecting these statements or to otherwise notify any person if any information, opinion, projection, forecast or estimate set forth herein changes or subsequently becomes inaccurate.