



SUSTAINABILITY REPORT

2021





Együtt.
Veled

GRI CONTENT INDEX



GRI Standards used:







GRI 101: Foundation 2016	GRI 103: Management Approach 2016	GRI 300: Environmental 2016	GRI 303: Water and effluents 2018
GRI 102: General Disclosures 2016	GRI 200: Economic 2016	GRI 400: Social 2016	GRI 403: Occupational Health and Safety 2018

DISCLOSURE NUMBER	DISCLOSURE TITLE	CHAPTER IN SUSTAINABILITY REPORT 2021	PAGE	URL	DIRECT ANSWER	RELATED MATERIALITY TOPICS	EXTERNAL ASSURANCE	SASB CODE	SDG TARGET													
GRI 102: GENERAL DISCLOSURES 2016																						
1. Organizational profile																						
102–1	Name of the organization			https://www.telekom.hu/about_us/imprint	The registered company name of Magyar Telekom is Magyar Telekom Telecommunications Public Limited Company, and its abbreviated name is Magyar Telekom Plc.		✓															
102–2	Activities, brands, products, and services			https://www.telekom.hu/about_us/about_magyar_telekom/magyar_telekom_group	<p>Magyar Telekom Group's activities cover three basic business areas:</p> <ul style="list-style-type: none">- fixed line and mobile communications services for residential customers (Telekom brand)- services for SMB customers (Telekom brand)- corporate services provided to enterprise customers (T-Systems brand) <p>Under the corporate Telekom brand are also comprised Magyar Telekom's employer and HR, financial and investor relations, legal and corporate affairs, sustainability and corporate responsibility, non-core businesses, technology and networks activities.</p> <p>The management structure of Magyar Telekom is designed to enable the company to exploit the new, innovative service and business opportunitiesby responding more flexibly to changes in customer demand and to market challenges, and to serve its customers in a high-quality, state-of-the-art and efficient way. Under the leadership of the CEO, the company's Chief Officers are heading the management areas (financial, human resources, residential services, SMB services, enterprise services, technology and IT, legal and corporate affairs).</p>		✓	TC-TL-520a. 2														
102–3	Location of headquarters			https://www.telekom.hu/about_us/imprint	The headquarters of the Group are located in Budapest (IX., Könyves Kálmán krt. 36.).		✓															
102–4	Location of operations			https://www.telekom.hu/static-tr/sw/file/IFRS_Group_ENG_20211231.pdf	The Group's area of operation: Hungary, Macedonia, Bulgaria and Romania.		✓															
102–5	Ownership and legal form			https://www.telekom.hu/about_us/investor_relations/magyar_telekom_shares/ownership_structure	<table><tr><th>SHAREHOLDERS</th><th>OWNERSHIP (%)</th></tr><tr><td>Deutsche Telekom Europe B.V.</td><td>59.21%</td></tr><tr><td>Other foreign institutions</td><td>20.87%</td></tr><tr><td>Domestic institutions</td><td>4.44%</td></tr><tr><td>Domestic individuals</td><td>9.06%</td></tr><tr><td>Treasury shares</td><td>4.39%</td></tr><tr><td>Other</td><td>2.03%</td></tr></table> <p>Deutsche Telekom Europe B.V. (formerly called CMobil B.V.) is 100% owned by Deutsche Telekom Europe Holding B.V., whose 100% owner is Deutsche Telekom Europe Holding GmbH (formerly called T-Mobile Global Holding Nr. 2 GmbH) and Deutsche Telekom Europe Holding GmbH is 100% owned by Deutsche Telekom AG, as a result Deutsche Telekom AG has 59,21% indirect ownership and voting rights in Magyar Telekom Plc. s of June 30, 2021, based on the shareholder identification report prepared by IHS Markit.. ✓</p>	SHAREHOLDERS	OWNERSHIP (%)	Deutsche Telekom Europe B.V.	59.21%	Other foreign institutions	20.87%	Domestic institutions	4.44%	Domestic individuals	9.06%	Treasury shares	4.39%	Other	2.03%		✓	
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102–6	Markets served			https://www.telekom.hu/about_us/about_magyar_telekom/magyar_telekom_group	The Magyar Telekom Group's member companies operating in Hungary are managing content, media and other, non-access services provided under various brands. The Group's international member companies are operating in the markets of the South-East European region as integrated and alternative telecommunications service providers.		✓															
102–7	Scale of the organization			https://www.telekom.hu/static-tr/sw/file/financial_report_21q4_en.pdf	Number of employees of Magyar Telekom Group: 6,786 persons (as of December 31, 2021)		✓															

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102–8	Information on employees and other workers	Diversity and Equal Opportunities	30	https://www.telekom.hu/lakossagi/ugyintezes/elerhetosegek/uzleteink/mobiltudos (only in Hungarian) https://www.telekom.hu/rolunk/karrier/kicks-tart (only in Hungarian)	<p>The company uses external workforce in all major areas of its operations. The decisions are made by the relevant directorates. Generaly we rely on external workforce in special areas, rare skillsets and qualities contracting them to fill in temporary vacancies in different areas of our operations. The positions as well as the levels of expertise may vary and thus they are hard to specify.</p> <p>On December 31, 2021 Magyar Telekom had 146 interns (including 28 Mobiltudós trainees) and T-Systems had 54 interns. Throughout our internship program these 200 interns were provided with opportunities to gain real workfor-ce experience in various areas of our operations. The diverse team of our Y2021 interns included students from the fields of IT, business, economy, architecture, horticultural sciences and many other areas. Admission to the internship program of the company is not limited to any scholarly areas, we are eager to find out more about the applicants main drives and personality as well. We believe that thinking together with a diverse set of great people can lead to great solutions.</p> <p>In 2021, 22 selected students joined the first year of Telekom's Kickstart program. The one-year, special training program summarizes all the expectations that Magyar Telekom expects from career starters offering professional and soft-skill trainings, design thinking trainings. Kickstart trainees working in a wide range of professional fields work on a common semester project task based on real business needs in the spirit of agile methodology, thus strengthening the ability to work in cross-functional teams.</p>	Talent manage-ment Initiatives to eli-minate the digital divide	✓		 																																																																						
102–9	Supply chain	Stakeholders - Suppliers	32		The total number of suppliers that Magyar Telekom Plc. contacted with procurement orders in 2021 was 1151. The table at GRI 102–10 lists the types of suppliert by procurement areas. If suppliers are involved in the procurement processess of multiple areas than the above table lists them in all areas concerned. Therefore the sum of the above numbers does not reflect to the total number of suppliers engeged in our corporate procurement processes. The proportion of local suppliers more than 89%. There is a corporate intranet site providing internal information for employees on the Procurement and Logistics Directorate's areas of concern, representatives and the related rules and regulations.	Sustainability in the supplier chain Supplier relations	✓																																																																								
102–10	Significant changes to the organization and its supply chain	Stakeholders - Suppliers	32		<p>The Composition of Magyar Telekom Group over the past 5 years ✓</p> <table><tr><th>2017</th><th>2018</th><th>2019</th><th>2020</th><th>2021</th></tr><tr><td>Magyar Telekom Plc.</td><td>Magyar Telekom Plc.</td><td>Magyar Telekom Plc.</td><td>Magyar Telekom Plc.</td><td>Magyar Telekom Plc.</td></tr><tr><td>T-Systems Hungary¹</td><td>T-Systems Hungary</td><td>T-Systems Hungary</td><td>T-Systems Hungary</td><td>T-Systems Hungary</td></tr><tr><td>KalászNet</td><td>KalászNet</td><td>KalászNet</td><td>KalászNet</td><td>KalászNet</td></tr><tr><td>TCG²</td><td>-</td><td>-</td><td>-</td><td>-</td></tr><tr><td>MakTel</td><td>MakTel</td><td>MakTel</td><td>MakTel</td><td>MakTel</td></tr><tr><td>GTS³</td><td>-</td><td>-</td><td>-</td><td>-</td></tr></table> <p>Number of suppliers at different procurement areas</p> <table><tr><th>AREA</th><th>DESCRIPTION</th><th>NUMBER OF SUPPLIERS IN 2017</th><th>NUMBER OF SUPPLIERS IN 2018</th><th>NUMBER OF SUPPLIERS IN 2019</th><th>NUMBER OF SUPPLIERS IN 2020</th><th>NUMBER OF SUPPLIERS IN 2021</th></tr><tr><td>Network</td><td>wire and wireless network, transmis-sion technology, backbone network</td><td>333</td><td>342</td><td>319</td><td>320</td><td>337</td></tr><tr><td>IT</td><td>hardware, software procurement, IT Consulting & Contracting, IT-opera-tions and desktop-services, OSS, BSS</td><td>346</td><td>331</td><td>287</td><td>280</td><td>280</td></tr><tr><td>CPE & Noncore</td><td>special projects and terminals, functional area</td><td>79</td><td>86</td><td>130</td><td>119</td><td>119</td></tr><tr><td>Indirekt</td><td>marketing, low cost suppliers, fleet management, real estate manage-ment, related services, consultancy, labor force and HR services</td><td>878</td><td>783</td><td>770</td><td>638</td><td>638</td></tr></table>	2017	2018	2019	2020	2021	Magyar Telekom Plc.	Magyar Telekom Plc.	Magyar Telekom Plc.	Magyar Telekom Plc.	Magyar Telekom Plc.	T-Systems Hungary ¹	T-Systems Hungary	T-Systems Hungary	T-Systems Hungary	T-Systems Hungary	KalászNet	KalászNet	KalászNet	KalászNet	KalászNet	TCG ²	-	-	-	-	MakTel	MakTel	MakTel	MakTel	MakTel	GTS ³	-	-	-	-	AREA	DESCRIPTION	NUMBER OF SUPPLIERS IN 2017	NUMBER OF SUPPLIERS IN 2018	NUMBER OF SUPPLIERS IN 2019	NUMBER OF SUPPLIERS IN 2020	NUMBER OF SUPPLIERS IN 2021	Network	wire and wireless network, transmis-sion technology, backbone network	333	342	319	320	337	IT	hardware, software procurement, IT Consulting & Contracting, IT-opera-tions and desktop-services, OSS, BSS	346	331	287	280	280	CPE & Noncore	special projects and terminals, functional area	79	86	130	119	119	Indirekt	marketing, low cost suppliers, fleet management, real estate manage-ment, related services, consultancy, labor force and HR services	878	783	770	638	638	Sustainability in the supplier chain Supplier relations Managing chan-ges	✓		
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102–11	Precautionary Prin-ciple or approach	Our Approach - Sustainability Strategy Climate Protection Stakeholders - Suppliers	5	https://www.telekom.hu/about_us/sustainabi-lity/sustainability-strategy https://www.telekom.com/resource/blob/525950/75e73159e55aec7fd50199ff-b9878ad7/dl-180528-umweltschutz-en-data.pdf	Magyar Telekom complies with the legal requirements in all geographies it operates in. Beyond legal requirements, Magyar Telekom employs a precautionary principle in existing and new ventures. We intend to prevent or alternatively minimize negative environmental impacts related to existing and new projects, products and services. Environmental Risk Assessments are an integral part of our due-diligence processes for mergers and acquisitions.	Regulatory comp-liance Risk management Environmental targets, costs and compliance	✓																																																																								
102–12	External initiatives	Stakeholders	31				✓																																																																								
102–13	Membership of associations	Stakeholders	43				Professional cooperation	✓																																																																							

¹ Before 01.04.2012 under the name of KFKI Zrt.
² In 2017 the 76.53% shareholding in Crnogorski Telekom AD Podgorica has been transferred to Hrvatski Telekom d.d.
³ GTS Hungary mergesd into T-Systems Hungary Zrt. (with effect 30.09.2017).



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2. Strategy									
102–14	Statement from senior decision-maker	Letter from the CEO	3				✓		
102–15	Key impacts, risks, and opportunities	Our Approach - Sustainability Strategy	5	https://www.telekom.hu/sustainability/sustainability-strategy https://www.telekom.hu/about_us/sustainability/sustainability-strategy/what-does-sustainability-mean-for-us https://www.telekom.hu/about_us/sustainability/digitally-enabled-sustainability/vision https://www.telekom.hu/static-tr/sw/file/Magyar_Telekom_environmental_policy.pdf	In 2021, the Magyar Telekom Group has defined a new 10-year sustainability strategy (2021–2025–2030), with 3 main strategic focus areas: Climate protection, Digitalization and Diversity. The main objective of the new sustainability strategy is to ensure that Magyar Telekom remains the country's leading sustainable company by being a catalyst of growth for people, families, communities and businesses, and an accelerator of environment protection.	Corporate governance	✓		
3. Ethics and integrity									
102–16	Values, principles, standards, and norms of behavior	Our Approach Diversity & Equal opportunities Stakeholders	5 23 31	https://www.telekom.hu/static-tr/sw/file/em-beri-jogok-es-szocialis-alapelvek-kodexe.pdf https://www.telekom.hu/static-tr/sw/file/mt-mukodesi-kodex.pdf http://www.telekom.hu/rolunk/vallalatrol/iranyelveink/megfeleloseg/a-megfelelosegi-program http://www.telekom.hu/static-tr/sw/file/Code_of_Ethics.pdf	The Magyar Telekom Group's Code of Conduct summarises the Group's corporate compliance requirements, sets out the Group's shared values and is also the pledge of Telekom's strong position, reputation and successful future. The Code of Conduct applies to everyone within the Magyar Telekom Group, from employees to members of the Board of Directors. Furthermore, Magyar Telekom Group's contractual partners must also acknowledge and accept these values when registering on the procurement website.	Corporate compliance Corporate governance Regulatory compliance	✓		
102–17	Mechanisms for advice and concerns about ethics			http://www.telekom.hu/about_us/about-magyar_telekom/principles/compliance	Magyar Telekom Group takes the Code of Conduct and its detailed regulation seriously and considers its enforcement to be among the highest priorities, but it is also acknowledged that it is sometimes difficult to know right from wrong. That's why the employees are encouraged to initiate open communication through an internally available Ask me! portal. Complaints and concerns about possible non-compliance with ethics are to be issued through the dedicated Tell Me! secure internal employee site.	Corporate compliance Human rights, equal opportunities	✓		
4. Governance									
102–18	Governance structure	Corporate Governance	6	http://www.telekom.hu/about_us/investor_relations/corporate_governance	Magyar Telekom's Board of Directors is the management body of the Company and represents the Company with regard to third parties, in court and before other authorities. The Board of Directors exercises its rights and performs its obligations as an independent body. The Board of Directors is not an operative management body, in other words, the Board of Directors is not involved in the Company's daily business. The Board of Directors is responsible for all matters relating to the Company's management and course of business not otherwise reserved to the General Meeting or to other corporate bodies by the Articles of Association of the Company or by the law. The Supervisory Board (SB) oversees the management of the Company in order to protect its interests. Within the framework of this activity the Supervisory Board supervises the control, management and business activities of the Company as well as compliance of the Company's operation with the laws and the Articles of Association The Audit Committee is a permanent committee composed of independent members of the Company's Supervisory Board elected by the General Meeting. The purpose of the Audit Committee is to support the Supervisory Board (1) in supervising the financial reporting system, (2) in selecting the statutory Auditor and (3) in cooperating with the statutory Auditor. The Audit Committee operates based on its Rules of Procedure. The Audit Committee establishes its own Rules of Procedure which is approved by the Supervisory Board. The Board of Directors established the Remuneration and Nomination Committee to support the Board of Directors of the Company regarding the remuneration and certain nomination related issues of the members of the corporate bodies and the top executives of the Company in accordance with its Rules of Procedure. The reason for combining certain tasks regarding the remuneration and nomination is to make the decision-making procedure of the Board of Directors more efficient in personnel matters, and to ensure the complex handling thereof.	Corporate compliance Regulatory compliance	✓		
102–19	Delegating authority	Corporate Governance	6			Corporate compliance	✓		
102–20	Executive-level responsibility for economic, environmental and social topics	Corporate Governance	6			Corporate compliance	✓		


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102-21	Consulting stakeholders on economic, environmental and social topics	Stakeholders	32			Involvement of our customers Our employees as corporate citizens	✓		
102-22	Composition of the highest governance body and its committees			http://www.telekom.hu/about_us/investor_relations/corporate_governance/board_of_directors http://www.telekom.hu/about_us/investor_relations/corporate_governance/compensation https://www.telekom.hu/about_us/investor_relations/corporate_governance/supervisory_board https://www.telekom.hu/about_us/investor_relations/corporate_governance/audit_committee https://www.telekom.hu/static-tr/sw/file/IFRS_Group_ENG_20211231.pdf https://www.telekom.hu/static-tr/sw/file/20220412-corporate-governance-report-2021.pdf https://www.telekom.hu/static-tr/sw/file/BoD_self-assessment_eng.pdf	<p>On December 31, 2021 the Board of Directors had eight members, with two internal (executive) and six external (non-executive) members. 3 members are considered independent and 5 members are not considered independent. Members of the Board of Directors on December 31, 2021:</p> <ul style="list-style-type: none">• Dr. Robert Hauber, Chairperson of the Board of Directors, Senior Vice President Finance & Performance Management Europe, Deutsche Telekom AG;• Daria Dodonova, Chief Financial Officer, Magyar Telekom Plc.;• Gábor Fekete, consultant (independent);• Ralf Nejedl, Senior Vice President B2B Europe, Deutsche Telekom AG;• Frank Odzuck, Chief Executive Officer, Zwack Unicum Plc. (independent);• Péter Ratatics, Chief Operating Officer of MOL (independent);• Tibor Rékasi, Chief Executive Officer, Magyar Telekom Plc.;• Éva Somorjai-Tamássy, Senior Vice President Special Transformation Projects Europe, Deutsche Telekom AG <p>Members of the Supervisory Board on December 31, 2021:</p> <ul style="list-style-type: none">• Prof. dr. Attila Borbély, Chairperson of the Supervisory Board, Professor Emeritus of University of Debrecen, Faculty of Economics and Business (independent);• Krisztina Dorogházi, Senior Vice President Chief Accounting Officer and Controller, TechnipFMC, (independent);• Tamás Lichnovszky, Expert, Magyar Telekom Plc.;• András Szakonyi, Senior Vice President - Global Data Centers, Iron Mountain, (independent);• Zsoltné Varga, Chairwoman of the Central Functions Workers Council, Magyar Telekom Plc. <p>Members of the Audit Committee on December 31, 2021:</p> <ul style="list-style-type: none">• Prof. dr. Attila Borbély, Chairperson of the Audit Committee, Professor Emeritus of University of Debrecen, Faculty of Economics and Business;• Krisztina Dorogházi, Senior Vice President Chief Accounting Officer and Controller, TechnipFMC;• András Szakonyi, Senior Vice President - Global Data Centers, Iron Mountain. <p>Members of the Remuneration and Nomination Committee on December 31, 2021:</p> <ul style="list-style-type: none">• Dr. Robert Hauber, Chairperson of the Remuneration and Nomination Committee, Senior Vice President Finance & Performance Management Europe, Deutsche Telekom AG;• Ralf Nejedl, Senior Vice President B2B Europe, Deutsche Telekom AG.;• Frank Odzuck, Chief Executive Officer, Zwack Unicum Plc.		✓	 	
102-23	Chair of the highest governance body			https://www.telekom.hu/about_us/investor_relations/corporate_governance/board_of_directors https://www.telekom.hu/static-tr/sw/file/20220412-corporate-governance-report-2021.pdf https://www.telekom.hu/static-tr/sw/file/BoD_self-assessment_eng.pdf	The Chief Executive Officer does not fill the position of the Chairperson of the Board of Directors.	Corporate compliance Regulatory compliance	✓		
102-24	Nominating and selecting the highest governance body			http://www.telekom.hu/about_us/investor_relations/corporate_governance/compensation http://www.telekom.hu/about_us/investor_relations/corporate_governance/corporate_governance_documents https://www.telekom.hu/static-tr/sw/file/AGM_submissions_18March2019_eng.pdf https://www.telekom.hu/static-tr/sw/file/20190409-AGM-resolutions-kozzetelre.pdf https://www.telekom.hu/static-tr/sw/file/AGM_submission_-_April_16_2020_final.pdf https://www.telekom.hu/static-tr/sw/file/20200424_BoD_resolutions_eng_final.pdf	<p>The Annual General Meeting held on April 9, 2019 elected the new Board of Directors members. On April 24, 2020 the Board of Directors elected 2 new members.⁴ Shareholders shall have the right to participate at the General Meeting, and if holding shares with voting rights, to vote, in accordance with the Articles of Association.</p> <p>Election of members of the Board of Directors (Board of Directors meeting, April 24, 2020)⁵ Resolutions of the Board of Directors (Board of Directors meeting, April 24, 2020)⁶</p>	Corporate compliance Regulatory compliance	✓	 	

⁴ Due to the situation caused by the coronavirus epidemic (Covid-19) the Annual General Meeting was not held on its scheduled date. Based on Section 9 (2) of Government Decree no. 102/2020. (IV. 10.) the Board of Directors of the Company decided in the matters set on the published agenda of the Annual General Meeting.

⁵ Due to the situation caused by the coronavirus epidemic (Covid-19) the Annual General Meeting was not held on its scheduled date. Based on Section 9 (2) of Government Decree no. 102/2020. (IV. 10.) the Board of Directors of the Company decided in the matters set on the published agenda of the Annual General Meeting.

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102-25	Conflicts of interest			https://www.telekom.hu/static-tr/sw/file/Code_of_conduct.pdf https://www.telekom.hu/static-tr/sw/file/20220412-corporate-governance-report-2021.pdf	<p>Members of the Board of Directors shall inform the Board of Directors and the Supervisory Board if he/she (or any other person in a close relationship to him/her) has a significant, personal interest in a transaction of the Company (or of any of the Company's subsidiaries).</p> <p>Transactions between members of the Board of Directors (or persons in a close relationship to them) and the Company (or the Company's subsidiaries) shall be conducted according to the general rules of practice of the Company, but, with stricter transparency rules in place. In the case such a transaction is outside the normal course of the Company's business, the transaction and its terms should be approved by the Supervisory Board.</p> <p>In the event of accepting a new executive office, within fifteen days of accepting such executive office, the member of the Board of Directors shall notify about this fact in writing those companies, where he/she already serves as an executive officer or a supervisory board member. The member of the Board of Directors shall inform the Supervisory Board, if he/she receives an offer of Board of Directors or Supervisory Board membership or an offer of an executive management position in a company which is not part of the Company group and also if he/she accepted the offer.</p>	Regulatory comp- liance	✓		
102-26	Role of highest governance body in setting purpose, values, and strategy	Corporate Governance	6						✓
102-27	Collective know- ledge of highest governance body	Corporate Governance	6						✓
102-28	Evaluating the highest governance body's performance				<p>Top management decisions have a direct impact on the entire Magyar Telekom Group's activity and future priorities. The performance of the top management (Chief Executive Officer, Chief Officers) is incentivized through the Lead to Win motivation system. The incentive system has a short-term incentive (bonus), a long-term, cash-based incentive (LTI) and a long-term, share-based incentive (share benefit program - SBP) element. The Remuneration and Nomination Committee of Magyar Telekom Group's Board of Directors makes proposals both for the annual targets and the evaluation of their implementation. The Committee Member, independent from the majority owner, shall provide for the representation of the minority owners' interests. Upon consideration of the proposals made by the Remuneration Committee, the Board of Directors adopts decisions regarding the targets and evaluation of top executives' performance. The Board of Directors evaluates the performance of the previous year and finalizes the targets of the current year in the first meeting of the year. In general, 55% of top executives' salary is fixed, while 45% is variable pay (bonus). The annual bonus is payable prorated to the evaluated performance of the partly collective, partly individual targets set at the beginning of the year and derived from Magyar Telekom Group's strategic targets. In the case of the collective targets no bonus is payable, if performance is below a certain minimum limit, defined in advance. In case of over-achieving the targets, additional bonus is paid, the extent of which cannot exceed 50% of the bonus payable upon 100% performance. The framework of bonus target setting (bonus amount, structure and maximal amount of additional bonus) is defined by the strategic investor's compensation guidelines (Deutsche Telekom Global Compensation Guidelines). In addition to the annual target-setting, evaluation and bonus payment used as short term incentive, the Company also lays emphasis on long-term performance stimulation. The first package of the LTI-program - as part of the Lead to Win system - was introduced in 2015 so as to stimulate the contribution of the top management to the achievement of the strategic objectives even more effectively. With the 4 year term Telekom focuses on the increase of sustainable performance. It is the competence of the General Meeting to approve the "Remuneration Guidelines" that sets forth the remuneration principles and components for the top management and the members of corporate bodies. Besides, as part of the Corporate Governance Report, Telekom each year discloses the previous year's remuneration for the top management and corporate bodies in the Remuneration Statement. The conditions of selecting the members of Magyar Telekom's Board of Directors, Supervisory Board and Audit Committee were amended by the Remuneration and Nomination Committee in April 2016: as new elements diversity and the reciprocal supplementation of competences are also taken into account.</p>	Corporate comp- liance	✓		
102-29	Identifying and managing economic, environmental, and social impacts	Corporate Governance	6						✓ 
102-30	Effectiveness of risk management processes	Corporate Governance	6		<p>Risk items affecting our operations are reviewed regularly throughout the Company. All of our subsidiaries and entities are obliged to identify and report their operational risks. After evaluation of these risks, results are reported to the Company's management, to the Board of Directors, to the Audit Committee and the Supervisory Board. This regular reporting ensures that the most significant risks are monitored, up-to-date risk mitigation measures are implemented and regularly monitored.</p> <p>Our risk reporting system is complemented by a continuous reporting procedure, which requires all of our departments and subsidiaries to report on a real-time basis any new material fact, information or risk that comes to their knowledge. Information thus submitted is monitored and evaluated by the risk management area and the Chief Financial Officer notified when a new material risk or information is identified. An internal regulation has been issued to define responsibilities of each employee in risk monitoring and management.</p> <p>The risk assessment is carried out for a two-year period. This is also our forecast period. If there are significant risks beyond the forecast period, such risks are monitored on a continuous basis.</p>	Risk management Corporate comp- liance	✓		










DISCLOSURE NUMBER	DISCLOSURE TITLE	CHAPTER IN SUSTAINABILITY REPORT 2021	PAGE	URL	DIRECT ANSWER	RELATED MATERIALITY TOPICS	EXTERNAL ASSURANCE	SASB CODE	SDG TARGET
102-31	Review of economic, environmental, and social topics	Corporate Governance	6				✓		
102-32	Highest governance body's role in sustainability reporting	Corporate Governance	6			Corporate governance	✓		
102-33	Communicating critical concerns	Corporate Governance	6				✓		
102-34	Nature and total number of critical concerns	Stakeholders	38				✓		
102-35	Remuneration policies	Diversity and Equal Opportunities	23	http://www.telekom.hu/about_us/investor_relations/corporate_governance/compensation https://www.telekom.hu/static-tr/sw/file/IFRS_Group_2018_AGM_alairt_nyilatkozattal.pdf https://www.telekom.hu/about_us/investor_relations/corporate_governance/corporate_governance_documents https://www.telekom.hu/static-tr/sw/file/2022AGM_submissions_0321_boritoval.pdf	Top management decisions have a direct impact on the entire Magyar Telekom Group's activity and future priorities. The performance of the top management (Chief Executive Officer, Chief Officers) is incentivized through the Lead to Win motivation system. The incentive system has a short-term incentive (bonus), a long-term, cash-based incentive (LTI) and a long-term, based incentive (share benefit program - SBP) element. The Remuneration and Nomination Committee of Magyar Telekom Group's Board of Directors makes proposals both for the annual targets and the evaluation of their implementation. The Committee Member, independent from the majority owner, shall provide for the representation of the minority owners' interests. Upon consideration of the proposals made by the Remuneration Committee, the Board of Directors adopts decisions regarding the targets and evaluation of top executives' performance. The Board of Directors evaluates the performance of the previous year and finalizes the targets of the current year in the first meeting of the year. In general, 55% of top executives' salary is fixed, while 45% is variable pay (bonus). The annual bonus is payable prorated to the evaluated performance of the partly collective, partly individual targets set at the beginning of the year and derived from Magyar Telekom Group's strategic targets. In the case of the collective targets no bonus is payable, if performance is below a certain minimum limit, defined in advance. In case of over-achieving the targets, additional bonus is paid, the extent of which cannot exceed 50% of the bonus payable upon 100% performance. The framework of bonus target setting (bonus amount, structure and maximal amount of additional bonus) is defined by the strategic investor's compensation guidelines (Deutsche Telekom Global Compensation Guidelines). In addition to the annual target-setting, evaluation and bonus payment used as short term incentive, the Company also lays emphasis on long-term performance stimulation. The first package of the LTI-program - as part of the Lead to Win system - was introduced in 2015 so as to stimulate the contribution of the top management to the achievement of the strategic objectives even more effectively. With the 4 year term Telekom focuses on the increase of sustainable performance. It is the competence of the General Meeting to approve the "Remuneration Guidelines" that sets forth the remuneration principles and components for the top management and the members of corporate bodies. Besides, as part of the Corporate Governance Report, Telekom each year discloses the previous year's remuneration for the top management and corporate bodies in the Remuneration Statement. The conditions of selecting the members of Magyar Telekom's Board of Directors, Supervisory Board and Audit Committee were amended by the Remuneration and Nomination Committee in April 2016: as new elements diversity and the reciprocal supplementation of competences are also taken into account.	Corporate compliance	✓		
102-36	Process for determining remuneration			https://www.telekom.hu/about_us/investor_relations/corporate_governance/compensation https://www.telekom.hu/static-tr/sw/file/2020AGM-Remuneration-Policy.pdf https://www.telekom.hu/static-tr/sw/file/20200101_MT_RNC_RoP_ENG.pdf	Members of the Committee may request presence of external invitees (e.g. experts) who can attend parts or the entire meeting related to the agenda item.	Corporate compliance	✓		
102-37	Stakeholders' involvement in remuneration			https://www.telekom.hu/static-tr/sw/file/8_javadalmazas_19March2014_eng.pdf http://www.telekom.hu/static-tr/sw/file/kozgyulesi_hatarozatok_2014AGM_14April2014_eng.pdf https://www.telekom.hu/static-tr/sw/file/AGM_submission_-_April_16_2020_final.pdf https://www.telekom.hu/static-tr/sw/file/20200424_BoD_resolutions_eng_final.pdf	The Annual General Meeting, held on April 11, 2014, determined the remuneration of the members of the Board of Directors. On April 24, 2020 the Board of Directors determined the remuneration of the members of the Supervisory Board and the Audit Committee. On April 24, 2020 the Board of Directors approved the Remuneration Policy of Magyar Telekom Plc. ⁷	Corporate compliance	✓		
102-38	Annual total compensation ratio			https://www.telekom.hu/static-tr/sw/file/2020AGM-Remuneration-Policy.pdf https://www.telekom.hu/static-tr/sw/file/20220412-corporate-governance-report-2021.pdf	Information disclosed on remuneration of Board of Directors, Supervisory Board, Audit Committee and Management is available in Corporate Governance and Management Report (prepared on the basis of the Corporate Governance Recommendations of the Budapest Stock Exchange Zrt. (BSE)).	Corporate compliance Investor relations	✓		
102-39	Percentage increase in annual total compensation ratio			https://www.telekom.hu/static-tr/sw/file/2020AGM-Remuneration-Policy.pdf https://www.telekom.hu/static-tr/sw/file/20220412-corporate-governance-report-2021.pdf	Information disclosed on remuneration of Board of Directors, Supervisory Board, Audit Committee and Management is available in Corporate Governance and Management Report (prepared on the basis of the Corporate Governance Recommendations of the Budapest Stock Exchange Zrt. (BSE)).	Corporate compliance Investor relations	✓		

⁷ Due to the situation caused by the coronavirus epidemic (Covid-19) the Annual General Meeting was not held on its scheduled date. Based on Section 9 (2) of Government Decree no. 102/2020. (IV. 10.) the Board of Directors of the Company decided in the matters set on the published agenda of the Annual General Meeting.

























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GRI 200: ECONOMIC STANDARDS 2016																																																																																																													
GRI 201: Economic performance 2016																																																																																																													
103-1-2-3	Management approach	Letter from the CEO Our Approach	3 5																																																																																																										
201-1	Direct economic value generated and distributed				<div>Creating value for our stakeholders ✓</div> <table><thead><tr><th></th><th></th><th>2017</th><th>2019</th><th>2020</th><th>2021</th><th>2021</th><th>2021</th><th>2021</th><th>2021</th></tr><tr><th></th><th>Produces economic value</th><th>Group</th><th>Group</th><th>Group</th><th>Group</th><th>Hungary</th><th>Macedonia</th><th>Romania</th><th>Bulgaria</th></tr></thead><tbody><tr><td></td><td>Revenues (total revenue + share from the after-tax profit of the affiliates)</td><td>611 194 HUF million</td><td>666 743 HUF million</td><td>672 982 HUF million</td><td>700 120 HUF million</td><td>625 857 HUF million</td><td>65 546 HUF million</td><td>5 240 HUF million</td><td>3 477 HUF million</td></tr><tr><td>Stakeholder</td><td>Distributed economic value</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>Suppliers</td><td>Operating costs (total revenue-related payments + net other operating costs)</td><td>345 245 HUF million</td><td>333 893 HUF million</td><td>333 333 HUF million</td><td>349 311 HUF million</td><td>312 126 HUF million</td><td>31 791 HUF million</td><td>3 220 HUF million</td><td>2 174 HUF million</td></tr><tr><td>Employees</td><td>Employee wages and benefits (employee related costs)</td><td>80 240 HUF million</td><td>80 192 HUF million</td><td>79 004 HUF million</td><td>75 880 HUF million</td><td>68 950 HUF million</td><td>5 926 HUF million</td><td>517 HUF million</td><td>487 HUF million</td></tr><tr><td>Investors</td><td>Payment to capital investors (dividend pay + net other operating costs)</td><td>47 708 HUF million</td><td>50 194 HUF million</td><td>44 701 HUF million</td><td>28 716 HUF million</td><td>28 429 HUF million</td><td>256 HUF million</td><td>17 HUF million</td><td>14 HUF million</td></tr><tr><td>State</td><td>Payments to the state budget (profit tax + crisis tax + telecom tax + utility tax)</td><td>48 461 HUF million</td><td>46 639 HUF million</td><td>49 424 HUF million</td><td>50 424 HUF million</td><td>49 352 HUF million</td><td>956 HUF million</td><td>113 HUF million</td><td>3 HUF million</td></tr><tr><td>Communities</td><td>Community investments (donations, institutional sponsorship, voluntary work, education)</td><td>363 HUF million</td><td>253 HUF million</td><td>170 HUF million</td><td>170 HUF million</td><td>125 HUF million</td><td>83 HUF million</td><td>n.a.</td><td>n.a.</td></tr><tr><td>Overall stakeholders in the future</td><td>Retailled earning (after-tax profit + depreciation-dividend paid)</td><td>122 353 HUF million</td><td>155 825 HUF million</td><td>166 520 HUF million</td><td>195 789 HUF million</td><td>167 000 HUF million</td><td>26 617 HUF million</td><td>1 373 HUF million</td><td>799 HUF million</td></tr></tbody></table>			2017	2019	2020	2021	2021	2021	2021	2021		Produces economic value	Group	Group	Group	Group	Hungary	Macedonia	Romania	Bulgaria		Revenues (total revenue + share from the after-tax profit of the affiliates)	611 194 HUF million	666 743 HUF million	672 982 HUF million	700 120 HUF million	625 857 HUF million	65 546 HUF million	5 240 HUF million	3 477 HUF million	Stakeholder	Distributed economic value									Suppliers	Operating costs (total revenue-related payments + net other operating costs)	345 245 HUF million	333 893 HUF million	333 333 HUF million	349 311 HUF million	312 126 HUF million	31 791 HUF million	3 220 HUF million	2 174 HUF million	Employees	Employee wages and benefits (employee related costs)	80 240 HUF million	80 192 HUF million	79 004 HUF million	75 880 HUF million	68 950 HUF million	5 926 HUF million	517 HUF million	487 HUF million	Investors	Payment to capital investors (dividend pay + net other operating costs)	47 708 HUF million	50 194 HUF million	44 701 HUF million	28 716 HUF million	28 429 HUF million	256 HUF million	17 HUF million	14 HUF million	State	Payments to the state budget (profit tax + crisis tax + telecom tax + utility tax)	48 461 HUF million	46 639 HUF million	49 424 HUF million	50 424 HUF million	49 352 HUF million	956 HUF million	113 HUF million	3 HUF million	Communities	Community investments (donations, institutional sponsorship, voluntary work, education)	363 HUF million	253 HUF million	170 HUF million	170 HUF million	125 HUF million	83 HUF million	n.a.	n.a.	Overall stakeholders in the future	Retailled earning (after-tax profit + depreciation-dividend paid)	122 353 HUF million	155 825 HUF million	166 520 HUF million	195 789 HUF million	167 000 HUF million	26 617 HUF million	1 373 HUF million	799 HUF million	Resource consumption Supplier relations Local procurement Involvement of our employees Donation Sponsorship			
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201-2	Financial implications and other risks and opportunities due to climate change	Our Approach - Sustainability Strategy Climate Protection	5 14																																																																																																										
201-3	Defined benefit plan obligations and other retirement plans				As of 2019 the employer contribution the private healthcare, mutual funds and voluntary pension ceased, while we remain to contribute to the state owned healthcare, pension and unemployment support systems. Meanwhile we deduct voluntary pension and healthcare membership fees and transfer them to the cash funds on behalf of the employee. The membership fee may be a fixed amount or a percentage, which is to be stated in the employee declaration.																																																																																																								
201-4	Financial assistance received from government				<div>Substantial financial support from State ✓</div> <table><thead><tr><th></th><th>2017</th><th>2018</th><th>2019</th><th>2020</th><th>2021</th></tr></thead><tbody><tr><td>tax credit utilization</td><td>3208 HUF million</td><td>2484 HUF million</td><td>3 862 HUF million</td><td>3 141 HUF million</td><td>4267 HUF million</td></tr><tr><td>film- and sport subsidies</td><td>546 HUF million</td><td>500 HUF million</td><td>645 HUF million</td><td>719 HUF million</td><td>1504 HUF million</td></tr><tr><td>tax benefit on wage cost of software developers</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td></tr><tr><td>tax impact of tax base decreasing item on donations</td><td>189 HUF thousand</td><td>0</td><td>559 HUF thousand</td><td>306 HUF thousand</td><td>950 HUF thousand</td></tr><tr><td>tax impact of tax base decreasing item on R&D</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td></tr></tbody></table>		2017	2018	2019	2020	2021	tax credit utilization	3208 HUF million	2484 HUF million	3 862 HUF million	3 141 HUF million	4267 HUF million	film- and sport subsidies	546 HUF million	500 HUF million	645 HUF million	719 HUF million	1504 HUF million	tax benefit on wage cost of software developers	0	0	0	0	0	tax impact of tax base decreasing item on donations	189 HUF thousand	0	559 HUF thousand	306 HUF thousand	950 HUF thousand	tax impact of tax base decreasing item on R&D	0	0	0	0	0																																																																				
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GRI 202: Market Presence 2016																																																																																																													
103-1-2-3	Management approach	Our Approach Diversity and Equal Opportunities Stakeholders	5 23 31																																																																																																										














































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202-1	Ratios of standard entry level wage by gender compared to local minimum wage				Magyar Telekom Group always provides at least the minimum wage as required in the relevant legislation and the salary of new entrants is exclusively determined by the value of the advertised position. Magyar Telekom is an equal opportunity employer. The salary brackets are determined on the basis of the actual market benchmark regardless of the gender of the employees. The lowest base wage as stated in the Collective Agreement is 120% of the minimum wage.	Human rights, equal opportunities Corporate compliance Regulatory compliance	✓		
202-2	Proportion of senior management hired from the local community	Diversity and Equal Opportunities	26			Human rights, equal opportunities Corporate compliance	✓		
GRI 203: Indirect Economic Impacts 2016									
103 1-2-3	Management Approach	Our Approach - Sustainability Strategy	5				✓		
203-1	Infrastructure investments and services supported	Digitalization Stakeholders	17 31			Service availability	✓		
203-2	Significant indirect economic impacts	Digitalization Stakeholders	17 31				✓		
GRI 204: Procurement Practices 2016									
103 1-2-3	Management Approach	Stakeholders - Suppliers	34	https://beszerzes.telekom.hu/beszerzes/portal_en?appid=beszerzes&page=english/main.vm			✓		
204-1	Proportion of spending on local suppliers	Stakeholders - Suppliers	36			Local procurement	✓		
GRI 205: Anti-corruption 2016									
103 1-2-3	Management Approach			http://www.telekom.hu/about_us/about_magyar_telekom/principles/compliance https://www.telekom.hu/static-tr/sw/file/Code_of_conduct.pdf https://www.telekom.hu/static-tr/sw/file/anti-corruption-clause-non-public-official.pdf http://www.telekom.hu/static-tr/sw/file/corporate_governance_declarations_ICS_eng.pdf	Magyar Telekom does not tolerate intention or transaction on corruption; therefore several internal policies and procedures have been developed to prohibit and prevent bribery (including making facilitation payments). Magyar Telekom intention is to comply with the anti-corruption rules relevant to the Group and it expects its business partners that they will not use money or other consideration paid by Magyar Telekom Group for unlawful purposes, including purposes violating anti-corruption laws, such as make or cause to be made direct or indirect payments to any public official or private person in order to assist Magyar Telekom or anyone acting on its behalf in obtaining or retaining business with, or directing business to, any person, or securing any improper advantage. Telekom prohibits any form of corruption or bribery including but not limited to providing or accepting or promising personal advantage, kick-backs or facilitation payments. The Group also prohibits its employees to make decisions for the employees' benefit or that of the employees' family, friends, associates and acquaintances. No gift or invitation to events can be granted to a third-party where they could affect or be perceived to affect the outcome of a business transaction. The Magyar Telekom Group does not financially or morally support political parties, political organizations or their representatives. Its charitable contribution activities are disclosed on its internet site. Magyar Telekom does not intent to conduct any business with third parties who violate the anticorruption regulations or the guiding principles of the Compliance Program.		✓		
205-1	Operations assessed for risks related to corruption			https://www.telekom.hu/about_us/about_magyar_telekom/principles/compliance	Our yearly Compliance Risk Assessment (CRA) addresses active and passive corruption separately. It always includes Magyar Telekom, T-Systems, Makedonski Telekom. Other subsidiaries may be included on an ad-hoc basis based on inputs coming from compliance investigations. The CRA covers the before mentioned companies entirely (100%). During the risk assessment we formulate remedial actions concerning the risks identified. We also monitor the fulfillment of these measures.	Risk management Corporate compliance	✓		
205-2	Communication and training about anti-corruption policies and procedures			https://www.telekom.hu/about_us/about_magyar_telekom/principles/compliance	a. number and proportion of the members of management bodies to which the organization's anticorruption policy and processes have been communicated, broken down to regions: 100%, and all regions, Magyar Telekom: 6 persons (Leadership Squad) b. number and proportion of employees to whom the organization's anticorruption policy and processes have been communicated, broken down to employee categories and regions: 100%, all regions c. number and proportion of business partners to which the organization's anticorruption policy and processes have been communicated, broken down to business partner type and region: 100%, Magyar Telekom's current business partners. The anticorruption policy is publicly available. d. number and proportion of management organizations that were trained on anticorruption, broken down to regions: 100%, all regions, Magyar Telekom: 6 persons e. number and proportion of employees who were trained on anticorruption, broken down to employee a category and region: Magyar Telekom Plc.: 5506 persons, in 2021 93% of employees in scope completed the course successfully	Risk management Corporate compliance	✓		
205-3	Confirmed incidents of corruption and actions taken				Number of confirmed incidents: 0	Risk management Corporate compliance	✓		


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GRI 206: Anti-competitive Behavior 2016									
103 1-2-3	Management Approach			https://www.telekom.hu/about_us/about_magyar_telekom/principles/compliance	Magyar Telekom uses its best efforts to fulfill its obligations in accordance with the effective laws. Eg. in the field of electronic communications in order to prevent potential authority penalties and sanctions the Company always strive to ensure Magyar Telekom's compliance with the effective laws and manage conflicts - besides harmonizing our processes and IT systems with the amendment of laws - with the NMHH continuous personal consultation, agreements concluded with the authorities and retroactive settlement plans set out in undertakings, made in the form of declarations.	Corporate compliance Regulatory compliance	✓		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices				The antitrust policy covers price fixing, bid rigging, market allocation scheme. The antitrust policy applies to: employees, contractors, suppliers. Measures are taken to promote and ensure antitrust compliance. In 2021 no fines were imposed due to anti-competitive conduct or violation of antitrust rules.	Corporate compliance Regulatory compliance	✓	TC-TL-520a. 1	
GRI 207: Tax 2019									
207-1	Management Approach				"In order to ensure tax compliance, Magyar Telekom Group considers it a top priority to fulfill all tax liabilities fully and in time, as required by the relevant laws, guidelines, contracts and court rulings. Compliance with the tax laws is ensured by the fact that there is a dedicated organizational unit, the Tax Center of Expertise that is responsible for filing tax returns, managing tax implications of business transactions and liaising with tax authorities and other affected parties (e.g. the Ministry of Finance). The Tax CoE is a part of the Reporting and Tax Tribe reporting to the CFO . This underlying responsibility of the company is managed by a Group-level process, encompassing all the related tasks, accountabilities, authorizations and guidelines associated with the fulfillment of tax liabilities. The process defines how the affected parties should cooperate with the aim to fulfill Magyar Telekom's relevant liabilities. "	Risk management Corporate compliance	✓		  
207-2	Tax governance, control, and risk management			https://www.telekom.hu/static-tr/sw/file/IFRS_Group_ENG_20211231.pdf	Magyar Telekom has a Group-level risk management system in place, which covers the efficient and appropriate management of tax-related risks, too. The system systematically identifies, analyzes, assesses, monitors and minimizes tax-related risks and ensures their proper communication. In addition, existing and regularly reviewed controls (ICS) are in place in the taxation area, which ensure that all organizational entities that need to be aware of the effective taxation statutes and their potential changes for their daily operations and that have a direct impact on the proper fulfillment of tax liabilities be up to date in that regard.	Risk management Corporate compliance	✓		  
207-3	Stakeholder engagement and management of concerns related to tax			https://www.telekom.hu/static-tr/sw/file/IFRS_Group_ENG_20211231.pdf			✓		 

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207-4	Country-by-country reporting			https://www.telekom.hu/static-tr/sw/file/IFRS_Group_ENG_20211231.pdf	<div><div><div>MAGYAR TELEKOM GROUP (HUF MILLION)</div><div>The activities of Magyar Telekom Group cover three main business areas: - Fixed line and mobile telecommunication services to residential customers (under the Telekom brand), - Services for small- and medium-sized businesses (under the T-Systems brand), - Services to large businesses (under the T-Systems brand).</div><table><tr><td>Number of employees</td><td>6 786</td></tr><tr><td>Revenues</td><td>700 120</td></tr><tr><td>Mobile revenues</td><td>389 387</td></tr><tr><td>Fixed line revenues</td><td>223 865</td></tr><tr><td>System integration and IT revenues</td><td>86 868</td></tr><tr><td>Revenue from contracts with customers</td><td>694 242</td></tr><tr><td>Revenue from other sources</td><td>5 878</td></tr><tr><td>Operating expenses</td><td>(611 272)</td></tr><tr><td>Other operating income</td><td>3 961</td></tr><tr><td>Operating profit</td><td>92 809</td></tr><tr><td>Interest income</td><td>362</td></tr><tr><td>Interest expense</td><td>(13 767)</td></tr><tr><td>Other finance expense-net</td><td>(291)</td></tr><tr><td>Net financial result</td><td>(13 696)</td></tr><tr><td>Share of associates' and joint ventures' net profit</td><td>-</td></tr><tr><td>Profit before income tax</td><td>79 113</td></tr><tr><td>Income tax</td><td>(16 266)</td></tr><tr><td>Corporate income tax</td><td>(3 831)</td></tr><tr><td>Other income tax</td><td>(9 514)</td></tr><tr><td>Deferred tax</td><td>(2 921)</td></tr><tr><td>Profit for the year</td><td>62 847</td></tr><tr><td>Consolidated statements of cash flows</td><td></td></tr><tr><td>Cash flows from operating activities</td><td>194 770</td></tr><tr><td>Net cash used in investing activities</td><td>(-101 402)</td></tr><tr><td>Net cash used in financing activities</td><td>(-94 712)</td></tr><tr><td>Change in cash and cash equivalents</td><td>(-1 226)</td></tr><tr><td>Cash and cash equivalents, beginning of year (2021)</td><td>14 689</td></tr><tr><td>Cash and cash equivalents, end of year (2021)</td><td>13 463</td></tr><tr><td>Consolidated IFRS profit before income tax</td><td>79 113</td></tr><tr><td>Tax at 9%</td><td>(-7 120)</td></tr><tr><td>Impact of different tax rates</td><td>(-164)</td></tr><tr><td>Tax shield of items not subject to income tax</td><td>410</td></tr><tr><td>Tax impact of non deductible items</td><td>(-743)</td></tr><tr><td>Other income taxes</td><td>(-9 514)</td></tr><tr><td>Impact of tax deductibility of other income taxes</td><td>856</td></tr><tr><td>(De)/recognized deferred tax on tax losses</td><td>-</td></tr><tr><td>Investment tax credit accretion</td><td>9</td></tr><tr><td>Effective tax rate</td><td>20.56%</td></tr><tr><td>Tax loss carry forwards at December 31, 2021</td><td>-</td></tr><tr><td>Tax losses for which deferred tax is recognized</td><td>-</td></tr><tr><td>Tax losses for which deferred tax is not recognized</td><td>-</td></tr><tr><td colspan="2">Out of the affiliates seated outside of Hungary, Magyar Telekom discloses the financials of the Macedonian affiliate, Makedonski Telekom as a separate section in its consolidated annual report, based on the relevant annual revenue data, due to the structure of the Group.</td></tr><tr><td colspan="2">Makedonski Telekom (HUF million)</td></tr><tr><td>Revenues</td><td>65 603</td></tr><tr><td>Profit before income tax</td><td>9 790</td></tr><tr><td>Income tax</td><td>955</td></tr><tr><td>Profit for the period</td><td>8 835</td></tr><tr><td>Summarized cash flows</td><td></td></tr><tr><td>Net cash generated from operating activities</td><td>21 913</td></tr><tr><td>Net cash from investing activities</td><td>(12 369)</td></tr><tr><td>Dividends/capital reduction paid to Controlling interest</td><td>(4 547)</td></tr><tr><td>Dividends/capital reduction paid to Non-controlling interest</td><td>(3 479)</td></tr><tr><td>Other cash flows from financing activities</td><td>(3 607)</td></tr><tr><td>Net cash used in financing activities</td><td>(11 633)</td></tr></table></div><div><div><div></div></div><div><div>1 NO POLICY</div><div>10 REDUCED REQUIREMENTS</div><div>17 INTERDEPENDENCIES FOR THE GOALS</div></div></div></div>	Number of employees	6 786	Revenues	700 120	Mobile revenues	389 387	Fixed line revenues	223 865	System integration and IT revenues	86 868	Revenue from contracts with customers	694 242	Revenue from other sources	5 878	Operating expenses	(611 272)	Other operating income	3 961	Operating profit	92 809	Interest income	362	Interest expense	(13 767)	Other finance expense-net	(291)	Net financial result	(13 696)	Share of associates' and joint ventures' net profit	-	Profit before income tax	79 113	Income tax	(16 266)	Corporate income tax	(3 831)	Other income tax	(9 514)	Deferred tax	(2 921)	Profit for the year	62 847	Consolidated statements of cash flows		Cash flows from operating activities	194 770	Net cash used in 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GRI 300: ENVIRONMENTAL STANDARDS 2016									
GRI 301: Materials 2016									
103 1–2–3	Management Approach	Our Approach - Sustainability Strategy Climate Protection	5 8	https://www.telekom.hu/about_us/sustainability/sustainability-strategy http://www.telekom.hu/static-tr/sw/file/Magyar_Telekom_environmental_policy.pdf http://www.telekom.hu/about_us/society_and_environment/environment/management_systems	Magyar Telekom Group upholds its commitment to sustainable development and the environment protection in the Environmental policy. The policy contains obligations for the members of the Magyar Telekom Group both individually and as a Group. Both Magyar Telekom and T-Systems has the certified Integrated Management Systems, included ISO 50001 energy management system and ISO 14001 environmental management system.	Waste management Environmental targets, costs and compliance Sustainability in the supplier chain	✓		
301–1	Materials used by weight or volume	Our Approach - Sustainability Strategy Climate Protection	5 8 16	https://www.telekom.hu/sustainability http://www.telekom.hu/about_us/society_and_environment/environment/equipment_management http://www.t-systems.hu/a-t-systemsrol/iranyelveink/gyartoi-tajekoztato (only HU) http://www.telekom.hu/static-tr/sw/file/Magyar_Telekom_environmental_policy.pdf		Waste management Environmental targets, costs and compliance Sustainability in the supplier chain	✓		8 DECENT WORK AND ECONOMIC GROWTH 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
301–2	Recycled input materials used			http://www.telekom.hu/about_us/society_and_environment https://www.telekom.hu/rolunk/fenntarthatosag/ugyfeleinknek (only HU)	Recycled paper used in 2021: 3873 kg	Waste management Environmental targets, costs and compliance Sustainability in the supplier chain	✓	TC-TL-440a.1	8 DECENT WORK AND ECONOMIC GROWTH 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
301–3	Reclaimed products and their packaging materials	Climate Protection		http://relem.hu/ https://beszerzes.telekom.hu/beszerzes/portal_en?appid=beszerzes&page=english/vendors/information/main.vm http://www.t-systems.hu/a-t-systemsrol/iranyelveink/gyartoi-tajekoztato (only HU) http://www.telekom.hu/about_us/society_and_environment/environment/equipment_management https://www.telekom.hu/rolunk/fenntarthatosag/ugyfeleinknek (only HU)	Magyar Telekom Plc.'s intermediary partner for batteries is ReLEM.	Waste management Environmental targets, costs and compliance Sustainability in the supplier chain	✓	TC-TL-440a.1	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
GRI 302: Energy 2016									
103 1–2–3	Management Approach	Our Approach - Sustainability Strategy Climate Protection	5 8	https://www.telekom.hu/about_us/sustainability/sustainability-strategy http://www.telekom.hu/about_us/about_magyar_telekom/principles/quality_guarantees http://www.telekom.hu/static-tr/sw/file/Magyar_Telekom_environmental_policy.pdf	Magyar Telekom Group upholds its commitment to sustainable development and the environment protection in the Environmental policy. The policy contains obligations for the members of the Magyar Telekom Group both individually and as a Group. Both Magyar Telekom and T-Systems has the certified Integrated Management Systems, included ISO 50001 energy management system and ISO 14001 environmental management system.	Climate protection and energy efficiency Environmental targets, costs and compliance Resource consumption	✓		
302–1	Energy consumption within the organization	Climate Protection	10	https://www.telekom.hu/rolunk/fenntarthatosag/ugyfeleinknek (only HU)		Climate protection and energy efficiency Environmental targets, costs and compliance Resource consumption	✓	TC-TL-130a.1	7 AFFORDABLE AND CLEAN ENERGY 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION
302–2	Energy consumption outside of the organization	Climate Protection	10	https://www.telekom.hu/about_us/society_and_environment/environment/equipment_management		Climate protection and energy efficiency Environmental targets, costs and compliance Resource consumption	✓	TC-TL-130a.1	7 AFFORDABLE AND CLEAN ENERGY 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION
302–3	Energy intensity	Climate Protection	10			Climate protection and energy efficiency Environmental targets, costs and compliance Resource consumption	✓	TC-TL-130a.1	7 AFFORDABLE AND CLEAN ENERGY 8 DECENT WORK AND ECONOMIC GROWTH 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION







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302-4	Reduction of energy consumption	Climate Protection	10	https://www.telekom.hu/sustainability		Climate protection and energy efficiency Environmental targets, costs and compliance Resource consumption	✓	TC-TL-130a.1	   
302-5	Reductions in energy requirements of products and services	Climate Protection	10			Climate protection and energy efficiency Environmental targets, costs and compliance Resource consumption	✓	TC-TL-130a.1	   
GRI 303: Water and effluents 2018									
303-1	Interactions with water as a shared resource	Climate Protection	14	http://www.telekom.hu/about_us/about_magyar_telekom/principles/quality_guarantees http://www.telekom.hu/static-tr/sw/file/Magyar_Telekom_environmental_policy.pdf	Magyar Telekom Group upholds its commitment to sustainable development and the environment protection in the Environmental policy. The policy contains obligations for the members of the Magyar Telekom Group both individually and as a Group.	Environmental targets, costs and compliance Resource consumption	✓		 
303-2	Management of water discharge-related impacts	Climate Protection	14	http://www.telekom.hu/about_us/about_magyar_telekom/principles/quality_guarantees http://www.telekom.hu/static-tr/sw/file/Magyar_Telekom_environmental_policy.pdf		Environmental targets, costs and compliance Resource consumption	✓		
303-3	Water withdrawal	Climate Protection	14		The usage of groundwater is only a minor part of the total water consumption, the wells are not located in protected areas therefore we only report quantitative data of consumption.	Environmental targets, costs and compliance Resource consumption	✓		
303-4	Water discharge	Climate Protection	14			Environmental targets, costs and compliance Resource consumption	✓		
303-5	Water consumption	Climate Protection	14			Environmental targets, costs and compliance Resource consumption	✓		
GRI 304: Biodiversity 2016									
103 1-2-3	Management Approach	Climate Protection	8	https://www.telekom.hu/about_us/sustainability/sustainability-strategy http://www.telekom.hu/about_us/about_magyar_telekom/principles/quality_guarantees http://www.telekom.hu/static-tr/sw/file/Magyar_Telekom_environmental_policy.pdf	Magyar Telekom Group upholds its commitment to sustainable development and the environment protection in the Environmental policy. The policy contains obligations for the members of the Magyar Telekom Group both individually and as a Group.	Environmental targets, costs and compliance	✓		
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Climate Protection		http://www.telekom.hu/static-tr/sw/file/Magyar_Telekom_environmental_policy.pdf		Environmental targets, costs and compliance	✓		  
304-2	Significant impacts of activities, products, and services on biodiversity				Our company avoids operations on protected and Natura 2000 areas.	Environmental targets, costs and compliance	✓		  
304-3	Habitats protected or restored				We do not conduct operations on protected or restored habitats.	Environmental targets, costs and compliance	✓		  

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304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations				Our operations do not affect habitats of endangered and/or IUCN Red List species.	Environmental targets, costs and compliance	✓		 
GRI 305: Emissions 2016									
103 1-2-3	Management Approach	Our Approach - Sustainability Strategy Climate Protection	5 8	https://www.telekom.hu/about_us/sustainability/sustainability-strategy http://www.telekom.hu/about_us/about_magyar_telekom/principles/quality_guarantees http://www.telekom.hu/static-tr/sw/file/Magyar_Telekom_environmental_policy.pdf	Magyar Telekom Group upholds its commitment to sustainable development and the environment protection in the Environmental policy. The policy contains obligations for the members of the Magyar Telekom Group both individually and as a Group.	Environmental targets, costs and compliance Emissions	✓		 
305-1	Direct (Scope 1) GHG emissions	Climate Protection	10			Environmental targets, costs and compliance Emissions	✓		    
305-2	Energy indirect (Scope 2) GHG emissions	Climate Protection	10		All emissions are location based. Electricity consumption is given as market based too.	Environmental targets, costs and compliance Emissions	✓		    
305-3	Other indirect (Scope 3) GHG emissions	Climate Protection	10			Environmental targets, costs and compliance Emissions	✓		  
305-4	GHG emissions intensity	Climate Protection	10		We have conducted the following measurements: Scope 1: g/CO ₂ /km, Scope: 2 Gbit/kWh, energy intensity: GJ/HUF M, Scope 3: we measure the emissions related to CPE energy consumption, paper use, emissions of business travel.	Environmental targets, costs and compliance Emissions	✓		  
305-5	Reduction of GHG emissions	Climate Protection	10		The quoted emission data refer to Scope 1 and Scope 2 emissions.	Environmental targets, costs and compliance Emissions	✓		  
305-6	Emissions of ozone-depleting substances (ODS)				Magyar Telekom does not produce, export or import substances that damage the ozone layer. No leakage was detected from air-conditioning equipment. Due to the very low number of occurrences Telekom does not report this item.	Environmental targets, costs and compliance Emissions	✓		  
305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	Climate Protection	10			Environmental targets, costs and compliance Emissions	✓		   
GRI 306: Effluents and Waste 2016									
103 1-2-3	Management Approach	Our Approach - Sustainability Strategy Climate Protection	5 8	https://www.telekom.hu/about_us/sustainability/sustainability-strategy http://www.telekom.hu/about_us/about_magyar_telekom/principles/quality_guarantees http://www.telekom.hu/static-tr/sw/file/Magyar_Telekom_environmental_policy.pdf	Magyar Telekom Group upholds its commitment to sustainable development and the environment protection in the Environmental policy. The policy contains obligations for the members of the Magyar Telekom Group both individually and as a Group.	Environmental targets, costs and compliance	✓		
306-1	Water discharge by quality and destination	Climate Protection	14		Magyar Telekom Group only uses potable water for social purposes (we do not use water for technology purposes) therefore the quantity of sewage water output is the same as the potable water consumption	Environmental targets, costs and compliance	✓		  
306-2	Waste by type and disposal method	Climate Protection	14			Environmental targets, costs and compliance	✓		  
306-3	Significant spills				There was no significant leakage or unsupervised output.	Environmental targets, costs and compliance	✓		    
306-4	Transport of hazardous waste				Magyar Telekom does not import or export or manage hazardous waste.	Environmental targets, costs and compliance	✓		 
306-5	Water bodies affected by water discharges and/or runoff				Our operations do not directly affect water bodies, water discharges and/or freshwater habitat.	Environmental targets, costs and compliance	✓		 

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GRI 307: Environmental Compliance 2016									
103 1-2-3	Management Approach	Our Approach - Sustainability Strategy Climate Protection	5 8	https://www.telekom.hu/about_us/sustainability/sustainability-strategy http://www.telekom.hu/about_us/about_magyar_telekom/principles/quality_guarantees http://www.telekom.hu/static-tr/sw/file/Magyar_Telekom_environmental_policy.pdf	Magyar Telekom Group upholds its commitment to sustainable development and the environment protection in the Environmental policy. The policy contains obligations for the members of the Magyar Telekom Group both individually and as a Group.	Environmental targets, costs and compliance	✓		
307-1	Non-compliance with environmental laws and regulations	Climate Protection	8				✓		
GRI 308: Supplier Environmental Assessment 2016									
103 1-2-3	Management Approach	Stakeholders - Suppliers	34			Sustainability in the supplier chain Supplier relations	✓		
308-1	New suppliers that were screened using environmental criteria	Stakeholders - Suppliers	34			Sustainability in the supplier chain Supplier relations	✓		
308-2	Negative environmental impacts in the supply chain and actions taken	Stakeholders - Suppliers	34			Sustainability in the supplier chain Supplier relations	✓		
GRI 400: SOCIAL STANDARDS 2016									
GRI 401: Employment 2016									
103 1-2-3	Management Approach	Diversity and Equal Opportunities	23			Human rights, equal opportunities	✓		





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401-1	New employee hires and employee turnover				<div>Fluctuation at Magyar Telekom Group (Plc./Group) ✓</div> <table><tr><th></th><th>2017</th><th>2018</th><th>2019</th><th>2020</th><th>2021</th></tr><tr><td>Total fluctuation</td><td>10.81%/12.26%</td><td>16.47%/17.51%</td><td>16.47%/15.1%</td><td>17.20%/19.27%</td><td>11.0%/11.53%</td></tr><tr><td>Termination initiated by the employee</td><td>4.84%/16.20%</td><td>6.81%/18.84%</td><td>6.81%/15.91%</td><td>2.70%/10.92%</td><td>3.40%/15.58%</td></tr></table> <div>Fluctuation at Magyar Telekom Group in 2021 ✓</div> <table><tr><th></th><th>MAGYAR TELEKOM GROUP</th><th>MAGYAR TELEKOM PLC.</th><th>T-SYSTEMS HUNGARY</th><th>MAKEDONKSI TELEKOM</th></tr><tr><td>Total fluctuation</td><td>11.53%</td><td>11.00%</td><td>19.91%</td><td>8.05%</td></tr><tr><td>Termination initiated by the employee</td><td>15.58%</td><td>3.40%</td><td>10.24%</td><td>86.48%</td></tr></table> <div>Fluctuation at Magyar Telekom Plc. in 2021 ✓</div> <table><tr><th></th><th>FEMALE</th><th>MALE</th></tr><tr><td>Total fluctuation</td><td>12.50%</td><td>10.20%</td></tr><tr><td>Termination initiated by the employee</td><td>3.80%</td><td>3.20%</td></tr></table> <div>Age groups and gender distribution of new hires at Magyar Telekom Plc. in 2021 ✓</div> <table><tr><th>AGE GROUP</th><th>19-25</th><th>26-30</th><th>31-35</th><th>36-40</th><th>41-45</th><th>46-50</th><th>51-55</th><th>56+</th><th>ÖSSZESEN</th></tr><tr><td>Male</td><td>56</td><td>34</td><td>22</td><td>24</td><td>18</td><td>9</td><td>13</td><td>1</td><td>177</td></tr><tr><td>Female</td><td>28</td><td>32</td><td>12</td><td>9</td><td>5</td><td>6</td><td>2</td><td>2</td><td>96</td></tr><tr><td>Total headcount</td><td>84</td><td>66</td><td>34</td><td>33</td><td>23</td><td>15</td><td>15</td><td>3</td><td>273</td></tr></table> <div>Age groups and gender distribution of new hires at Magyar Telekom Group in 2021 ✓</div> <table><tr><th>AGE GROUP</th><th>19-25</th><th>26-30</th><th>31-35</th><th>36-40</th><th>41-45</th><th>46-50</th><th>51-55</th><th>56+</th><th>ÖSSZESEN</th></tr><tr><td>Male</td><td>63</td><td>43</td><td>33</td><td>30</td><td>28</td><td>17</td><td>18</td><td>3</td><td>235</td></tr><tr><td>Female</td><td>37</td><td>37</td><td>16</td><td>13</td><td>12</td><td>10</td><td>2</td><td>4</td><td>131</td></tr><tr><td>Total headcount</td><td>100</td><td>80</td><td>49</td><td>43</td><td>40</td><td>27</td><td>20</td><td>7</td><td>366</td></tr></table>		2017	2018	2019	2020	2021	Total fluctuation	10.81%/12.26%	16.47%/17.51%	16.47%/15.1%	17.20%/19.27%	11.0%/11.53%	Termination initiated by the employee	4.84%/16.20%	6.81%/18.84%	6.81%/15.91%	2.70%/10.92%	3.40%/15.58%		MAGYAR TELEKOM GROUP	MAGYAR TELEKOM PLC.	T-SYSTEMS HUNGARY	MAKEDONKSI TELEKOM	Total fluctuation	11.53%	11.00%	19.91%	8.05%	Termination initiated by the employee	15.58%	3.40%	10.24%	86.48%		FEMALE	MALE	Total fluctuation	12.50%	10.20%	Termination initiated by the employee	3.80%	3.20%	AGE GROUP	19-25	26-30	31-35	36-40	41-45	46-50	51-55	56+	ÖSSZESEN	Male	56	34	22	24	18	9	13	1	177	Female	28	32	12	9	5	6	2	2	96	Total headcount	84	66	34	33	23	15	15	3	273	AGE GROUP	19-25	26-30	31-35	36-40	41-45	46-50	51-55	56+	ÖSSZESEN	Male	63	43	33	30	28	17	18	3	235	Female	37	37	16	13	12	10	2	4	131	Total headcount	100	80	49	43	40	27	20	7	366	Human rights, equal opportunities Involvement of our employees Talent management	✓		
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401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Diversity and Equal Opportunities	23		Magyar Telekom provides a broad range of welfare and social benefits. Some of them are provided automatically whereas others can be obtained upon satisfying certain conditions while there are insurance types of benefits, too. The provision of certain benefits is subject to the employee's own contribution. The provision of social benefits and benefits that are not provided automatically is regulated in the Collective Agreement and the relevant policies. We also provide telecommunication discounts and other benefits. Contributions to public health, pension and unemployment benefit schemes are made by the employer to the required extent and until the statutory deadline. With respect to additional payments from 2019 the additional contribution to funds ceased. Meanwhile we deduct voluntary pension and healthcare membership fees and transfer them to the cash funds on behalf of the employee. The membership fee may be a fixed amount or a percentage, which is to be stated in the employee declaration.	Involvement of our employees Corporate compliance	✓																																																																																																																												
401-3	Parental leave	Diversity and Equal Opportunities	27			Involvement of our employees	✓																																																																																																																												



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GRI 402: Labor/Management Relations 2016									
103 1–2–3	Management Approach				Magyar Telekom has long traditions of negotiation with employee representative bodies. Employee representation bodies are treated as partners in the operation of the company. At present two unions and workers council operate at Magyar Telekom, communication with them runs on two levels. Central decisions concerning the whole Company, when the employee representation bodies need to be consulted, are deliberated with the Central Workers Council and the representatives delegated by the trade unions, either in the frame of joint consultation (Interest Reconciliation Council), or separately, depending on the nature of the matter discussed. Central communication is managed both verbally (negotiation) and in writing. The Chief People Officer and the responsible HR Business partner are managing central-level communication with the employee representation bodies. Interest enforcement issues concerning a given governance area are also discussed locally with the representatives of the trade unions and the local workers council. The HR Business Partners of the governance area are responsible for communication with the local employee representation bodies. In line with the provisions of Act V of 2013 on the Hungarian Civil Code one third of Supervisory Board members are employee representatives. The employee representatives of the Supervisory Board are nominated by the Central Works Council, in consideration of the opinion of trade unions operating at the Company. The General Meeting is obliged to elect persons nominated by the Central Works Council to the Supervisory Board unless there are underlying circumstances that serve as grounds for exclusion. On December 31, 2021 the Supervisory Board had two employee representatives: Tamás Lichnovszky and Zsoltné Varga.	Involvement of our employees Corporate compliance	✓		
402–1	Minimum notice periods regarding operational changes				Trade union and the workers council (Central Workers Council) must be consulted and their opinion solicited on significant decisions resulting in organizational changes or changes affecting a large group of employees. In organization restructuring decisions the collective bargaining bodies have 7 days to submit their comments, in other cases 15 days. The measure in question may not be implemented during this 15-day period. Trade unions and workers councils (Central Workers Council) must be consulted with regard to draft resolutions, aiming at organizational changes without regard to the number of employees concerned.	Involvement of our employees Corporate compliance	✓		
GRI 403: Occupational Health and Safety 2018									
403–1	Occupational health and safety management system	Stakeholders - Suppliers	33	http://www.telekom.hu/about_us/about_magyar_telekom/principles/quality_guarantees	Magyar Telekom looks at health and safety as a precondition of the success of the company that play an important role in the satisfaction of our employees as well as in the quality of work and corporate culture. That is the reason why the company is committed to operate the Workplace Healthcare and Occupational Safety Management System that ensures the successful fulfillment of the objectives. The results justify Telekom's work, i.e. as a result of the year 2021 audit the Company successfully renewed the MEBIR certification. Magyar Telekom together with all of its national and international subsidiaries have the DEKRA Certification ISO 45001:2018. The company also demands suppliers compliance with its health and safety regulations.	Occupational health and safety	✓		
403–2	Hazard identification, risk assessment, and incident investigation				In 2021, we updated the COVID-19 risk analysis in line with the effective health and safety measures. We prepared 2 specific risk assessments at TSM related to activities pursued at contractual partners. Labor safety audits were carried out at 23 sites, 32 organizational units. The internal MEBIR site audits covered 8 sites. The necessary measures were put in place to address the deficiencies revealed.	Occupational health and safety	✓		
403–3	Occupational health services				As in previous years, we put extra emphasis on health, the support of different medical checkups in 2021, too. Apart from the regular occupational healthcare services we provided our employees with family practitioner-type care in Budapest, and offered different medical checkups across the country. A total of 5438 people (MT: 4462 TSM: 976) took part in the occupational health assessments. As part of the assessments, ophthalmology examinations took place in 4430 cases (MT: 3719, TSM: 711). As a result of the examinations 279 people (MT: 241, TSM: 38) received allowance for prescription glasses. In 2021, a total of 1389 employees (MT:1164, TSM:225) have attended health screenings offered independent from the regular occupational health examinations	Occupational health and safety	✓		
403–4	Worker participation, consultation, and communication on occupational health and safety				In accordance with the occupational health and safety regulations there are health and safety committees formed by health and safety employee and at T-Systems 2 representatives serve in the safety committees, depending on the risk category of the respective areas the occupational safety risks and interests - are weighted. Magyar Telekom held an employee representative election in 2021. In general the technical areas have the highest representation rate in the weighted structure, but representatives cover all relevant company organizations. The safety committees and the employer have regular consultation forums where they work closely together on key health and safety issues, goals and perspectives.	Occupational health and safety	✓		
403–5	Worker training on occupational health and safety				All Magyar Telekom employees are required to complete their occupational health and safety training along their onboarding, they are obliged to refresh their knowledge via completing a training course bi-annually. Physical workers attend courses specific to their activities: e.g. a joint course with the electric power provider regarding work on shared poles, and first-aid training.	Occupational health and safety	✓		
403–6	Promotion of worker health			http://www.telekom.hu/about_us/about_magyar_telekom/principles/quality_guarantees	The regulatory function of the Central Works Council (Occupational Safety Rules and Regulations) guarantees that employees may work in a healthy and safe environment and the Council also has the right to express its opinion in such matters. The Occupational Safety Rules and Regulations determines the scope of personal protective equipment, the environment to provide healthy and safe workplaces that also ensures compliance with the effective legislation as well as the MSZ ISO 45001:2018 MEBIR (Occupational Health and Safety Management System) safety standards. Once a year, employees can choose from a range of preventive medical checkup packages, provided by our contractual medical services provider. A gym is available at the Telekom HQ building. And the EAP (Employee Assistance Program) – “You can count on us” Program offers help to colleagues in overcoming their specific problems and challenges.	Occupational health and safety	✓		










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403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships				In 2021, we put extra emphasis on the Covid-19 infection prevention work. As part of the effort, we provided safe working conditions to colleagues working in the shops. They received masks, gloves, hand sanitizers. We limited the number of customers present in the shops, and equipped the desks with plexiglass screens. In case of potential infections, we tested the affected colleagues.	Occupational health and safety	✓																																																		
403-8	Workers covered by an occupational health and safety management system			http://www.telekom.hu/about_us/about_magyar_telekom/principles/quality_guarantees	Magyar Telekom together with all of its national and international subsidiaries have the DEKRA Certification ISO 45001:2018 (Occupational Health and Safety Management System). The company also demands suppliers compliance with its health and safety regulations	Occupational health and safety	✓																																																		
403-9	Work-related injuries				<div><div>Workplace Accidents at Magyar Telekom Group ✓</div><table><tr><th></th><th>2017</th><th>2018</th><th>2019</th><th>2020</th><th>2021</th></tr><tr><td>Magyar Telekom Plc.</td><td>25</td><td>27</td><td>77</td><td>37</td><td>30</td></tr><tr><td>Makedonski Telekom</td><td>7</td><td>10</td><td>11</td><td>4</td><td>6</td></tr><tr><td>T-Systems Hungary</td><td>3</td><td>2</td><td>0</td><td>0</td><td>0</td></tr></table><div>Accident ratio for one thousand employee at Magyar Telekom Group ✓</div><table><tr><th></th><th>2017</th><th>2018</th><th>2019</th><th>2020</th><th>2021</th></tr><tr><td>Magyar Telekom Plc.</td><td>4</td><td>4</td><td>12</td><td>7</td><td>6</td></tr><tr><td>Makedonski Telekom</td><td>6</td><td>9</td><td>10</td><td>4</td><td>7</td></tr><tr><td>T-Systems Hungary</td><td>2</td><td>1</td><td>0</td><td>0</td><td>0</td></tr></table><p>Magyar Telekom Plc.: There were no occupational fatal accidents in 2021. There were 30 registered injuries: 12 cases involved the loss of more than 3 workdays, 3 cases involved the loss of 1 to 3 workdays, 15 cases did not involve loss of workdays and there were no cases of unsubstantiated accident, i.e. a total of 473 lost workdays. Distribution of injury types: 26 physical activity related injuries, 4 office injuries. Most frequent recorded injuries: 4 cases of fractures, 5 cases of electric shock, 2 cases of cut injuries or open wounds, 5 cases of animal attack, 10 cases of strains and sprains, 4 cases of bruises. There was one team building accident recorded in T-Systems in 2021 that resulted 90 workdays loss. Makedonski Telekom: 0 fatal accidents, 6 accidents at work subject to reporting obligations, i.e. a total of 144 lost workdays.</p></div>		2017	2018	2019	2020	2021	Magyar Telekom Plc.	25	27	77	37	30	Makedonski Telekom	7	10	11	4	6	T-Systems Hungary	3	2	0	0	0		2017	2018	2019	2020	2021	Magyar Telekom Plc.	4	4	12	7	6	Makedonski Telekom	6	9	10	4	7	T-Systems Hungary	2	1	0	0	0	Occupational health and safety	✓		<div><div>3</div><div>GOOD HEALTH AND WELL-BEING</div><div></div></div> <div><div>8</div><div>DECENT WORK AND ECONOMIC GROWTH</div><div></div></div> <div><div>10</div><div>REDUCED INEQUALITIES</div><div></div></div>
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403-10	Work-related ill health				At Magyar Telekom Group there were no occupational diseases or increased exposures in 2021.	Occupational health and safety	✓		<div><div>3</div><div>GOOD HEALTH AND WELL-BEING</div><div></div></div> <div><div>8</div><div>DECENT WORK AND ECONOMIC GROWTH</div><div></div></div> <div><div>10</div><div>REDUCED INEQUALITIES</div><div></div></div>																																																
GRI 404: Training and Education 2016																																																									
103 1-2-3	Management Approach				<p>Magyar Telekom Group lays special emphasis on the constant training and development of its employees and on supporting the application of the acquired knowledge. Magyar Telekom Group is a key player in Hungary's ICT sector. In this industry, awareness about and adoption of new trends and research findings is imperative on managerial and non-managerial levels alike.</p> <p>Our training-development strategy is aligned with the renewal of our organizational structure and the business objectives defined upon reconciliation with Deutsche Telekom. We discuss the training implications of the business objectives with the organizational units and ensure that the most appropriate training programs be available for the focused development of the skills foreseeably required in the future.</p> <p>During the year, we keep track of the programs' effectiveness at retrospective sessions, and if necessary, we fine-tune them so that they more effectively support our business and individual development objectives. Following the training sessions, we survey participants' satisfaction with the programs.</p> <p>A key effectiveness improvement component of our training strategy is the promotion of e-learning courses, thus we have established a digital learning platform that enables anyone, anywhere and anytime to access the training most relevant to him or her. By this, we democratize access to knowledge. The platform offers many online learning journeys designed to support efficient work, which anyone can opt to complete in line with his or her specific needs. The platform represents an approach to personal development that puts data, student-experience and customized courses into the focus. Our goal with SmartApp is to implement a forward-looking learning methodology, which integrates the systems we had used before for supporting colleagues' development. The launch of the platform is only the first step, which will be gradually followed by the addition of further functions and availability on mobile devices later. At the same time, we use blended learning programs designed for specific target groups to prepare colleagues for new roles and to build our management succession pool.</p> <p>Being a caring company, we have put an outplacement program in place to offer different activities to employees affected by downsizing that support them in finding new jobs, and we also provide those on permanent leave access to the online learning platforms.</p>	Involvement of our employees Talent management Initiatives to eliminate the digital divide	✓																																																		






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404-1	Average hours of training per year per employee				<div><div>Ratio of distance learning at Magyar Telekom Group (%) ✓</div><table><tr><th></th><th>2017</th><th>2018</th><th>2019</th><th>2020</th><th>2021</th></tr><tr><td>Magyar Telekom Plc.</td><td>24</td><td>36</td><td>35</td><td>48</td><td>45</td></tr><tr><td>Makedonski Telekom</td><td>10</td><td>22</td><td>1</td><td>53.63</td><td>100</td></tr><tr><td>T-Systems Hungary</td><td>25</td><td>25</td><td>56</td><td>89</td><td>77</td></tr></table><div>Training days per capita at Magyar Telekom Group ✓</div><table><tr><th></th><th>2017</th><th>2018</th><th>2019</th><th>2020</th><th>2021</th></tr><tr><td>Magyar Telekom Plc.</td><td>4</td><td>4</td><td>5</td><td>3</td><td>3,2</td></tr><tr><td>Makedonski Telekom</td><td>1</td><td>13</td><td>20</td><td>2.22</td><td>1.55</td></tr><tr><td>T-Systems Hungary</td><td>4</td><td>4</td><td>2</td><td>1.64</td><td>1.55</td></tr></table><div>Annual average training hours per capita at Magyar Telekom Group, 2021 ✓</div><table><tr><th></th><th>HOURS</th></tr><tr><td>Magyar Telekom Plc.</td><td>26</td></tr><tr><td>Makedonski Telekom</td><td>12</td></tr><tr><td>T-Systems Hungary</td><td>7</td></tr></table></div>		2017	2018	2019	2020	2021	Magyar Telekom Plc.	24	36	35	48	45	Makedonski Telekom	10	22	1	53.63	100	T-Systems Hungary	25	25	56	89	77		2017	2018	2019	2020	2021	Magyar Telekom Plc.	4	4	5	3	3,2	Makedonski Telekom	1	13	20	2.22	1.55	T-Systems Hungary	4	4	2	1.64	1.55		HOURS	Magyar Telekom Plc.	26	Makedonski Telekom	12	T-Systems Hungary	7	Involvement of our employees Talent management Initiatives to eliminate the digital divide	✓		<div>4 QUALITY EDUCATION</div> <div>5 GENDER EQUALITY</div> <div>8 DECENT WORK AND ECONOMIC GROWTH</div>
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Makedonski Telekom	12																																																																
T-Systems Hungary	7																																																																
404-2 (1)	Programs for upgrading employee skills and transition assistance programs	Diversity and Equal Opportunities	23		<p>The company's management has made sure for the past several years to dedicate close to 1.5% of personnel expenses to the training and development of managers and employees. Quarterly training plans drawn up on business unit level define the direction of development activities, professional training courses, skills development programs, agile courses, management development events and conferences of the specific period. At every unit undergoing an agile transformation, we started the process by intensive introductory training and mindset development. Our in-house agile coach team supporting the units/organizations in the reinforcement of the agile mindset and operations provides continuous development as needed to address emerging issues that have to be remedied. The agile ceremonies themselves promote the effort of becoming a learning organization by, for example, the feedback from DEMOs, the iteration sessions held with customers, the retrospective feedback about the improvement of teamwork and work processes or by establishing/running guilds with the purpose of knowledge sharing. By the introduction of agile, our employees have learned many new methodologies and different means of cooperation. In addition, due to how they are composed, the mixed agile teams, which also include end-to-end experts of specific product deliveries, offer opportunities for knowledge sharing, learning more about each other's jobs and gaining better understanding about the interrelations of different processes during the daily work, thus learning in general.</p> <p>We support knowledge sharing and self-development on a corporate level. It is also for the purpose of promoting self-development that we launch a new digital development platform in 2022, which includes the two internationally recognized platforms we had introduced earlier (Percipio/Coursera), where all of our employees can freely access more than 19 000 books, 1 200 audio books and 2 000+ course materials in skills development, management development, agile and professional development topics, as well as organization-specific learning materials compiled from in-house knowledge components. Our colleagues can freely choose which learning format fulfills their development needs the best from internal microlearning solutions to formal studies offered by well-known universities, where the participant can also get a degree.</p> <p>One of the centrally provided programs last year was the Skilljet management development program, which provides gamified online and onsite workshops to participants where the most critical dilemmas in managerial work are discussed, thus allowing participants to become better managers by applying the solutions arrived at. The program reached 284 managers.</p> <p>Our managers could also take part in the LevelUp Next Gen, Lead First, Leadership hub platform programs organized by our mother company, which supported skills required for internationalization.</p> <p>Employees were also invited to take part in the Future Skilling program, in the framework of which they could attend courses offered by the corporate group and even build the foundation for a new career through software development, digital marketing and data analysis learning journeys.</p> <p>We established our SMART intranet site, through which employees can access all online training options through a single point of contact. The number of visits to this site increased especially during the training campaigns. For example, in course of the spring Smart FEST campaign, we offered 61 digital programs in just one week in the form of theme days focused on topics like soft skills, recreation, language skills, but even technical-technological skills. And these courses remained open for all employees even after the conclusion of the campaign on our SMART site.</p> <p>In addition to the central initiatives, the units organized the self-development of their teams from their own resources, too. For example, as part of the Future of Finance program, more than 30 knowledge transfer workshops were held with the aim to provide future-proof development to the finance area, and in the framework of the SMART CFU program, employees could gain insight into the diverse range of activities pursued by colleagues serving the residential customer pool, as well as get inspired by TV technology, technical devices, network skills or even brand and media topics.</p>	Involvement of our employees Talent management Initiatives to eliminate the digital divide	✓		<div>8 DECENT WORK AND ECONOMIC GROWTH</div>																																																								


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404-2 (2)	Programs for upgrading employee skills and transition assistance programs	Diversity and Equal Opportunities	23		<p>In addition to these platforms, employees can expand their knowledge at onsite courses and conferences (if allowed by the pandemic). We also cooperate with our vendors in delivering the necessary knowledge to employees regarding newly procured devices.</p> <p>As learning takes time, we encourage the units to dedicate the necessary amount of time to employees' learning efforts to thus promote the upskilling and reskilling development initiatives. In 2021, we recorded a total of 27 years of learning in these dedicated time periods, which does not include the mandatory courses, but covers a total of 240 000 hours of competence development.</p> <p>We launched several campaigns to underline the importance of self-development and to increase awareness about the available options, as part of which external inspirational speakers, training courses, development workshops, a learning palette and tool demos drew the attention of our colleagues to learning as an indispensable means for survival in any profession in this rapidly changing day and age.</p> <p>We did not forget about the availability of development courses to mothers on permanent leave, who can also access all the in-house learning options and thus return later to the world of corporate life equipped with the necessary up-to-date skills.</p> <p>Employees affected by downsizing can register to take part in the outplacement program, where they access services like a two-day labor market training, active job search support, financial subsidies to training and cross-skilling courses in line with current labor market trends, personal psychological and labor law counselling, follow-up on participants' efforts and tracking their placement.</p>	Involvement of our employees Talent management Initiatives to eliminate the digital divide	✓		8 DECENT WORK AND ECONOMIC GROWTH
404-3	Percentage of employees receiving regular performance and career development reviews				<p>In 2018 Magyar Telekom has introduced FUTAM, a flexible framework in support of both personal and business success. It is the practical realisation of growth mindset that supports feedback culture. FUTAM is customizable to the relevant targets of personal development and business targets both on the level of the organisation and the employee. It provides a framework for employee development tracking and control, based on feedback and cooperation instead of evaluation. In 2019 along the agile transformation of our corporate working culture the new modules of FUTAM are being designed to support our value based feedback culture. In 2020 our main goal was to extend the previously introduced framework. By the end of the year, 1,200 of our colleagues had participated in the regular competency feedback process. The maintained framework of the competency model has been customized to both agile and non-agile areas.</p>	Involvement of our employees Talent management Initiatives to eliminate the digital divide	✓		5 GENDER EQUALITY 10 AFFORDABLE AND CLEAN ENERGY
GRI 405: Diversity and Equal Opportunity 2016									
103 1-2-3	Management Approach	Diversity and Equal Opportunities	23	https://www.telekom.hu/static-tr/sw/file/code-of-human-rights-social-principles-eng.pdf https://www.telekom.hu/static-tr/sw/file/Code_of_conduct.pdf https://www.telekom.hu/static-tr/sw/file/Telekom_diversity_equality_and_inclusion_group_policy.pdf https://www.telekom.hu/static-tr/sw/file/Telekom_Equal_opportunities_plan.pdf		Human rights, equal opportunities	✓		
405-1	Diversity of governance bodies and employees	Diversity and Equal Opportunities	26			Human rights, equal opportunities	✓		5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH
405-2	Ratio of basic salary and remuneration of women to men	Diversity and Equal Opportunities	27			Human rights, equal opportunities	✓		5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH 10 AFFORDABLE AND CLEAN ENERGY
GRI 406: Non-discrimination 2016									
103 1-2-3	Management Approach	Diversity and Equal Opportunities	23	https://www.telekom.hu/static-tr/sw/file/code-of-human-rights-social-principles-eng.pdf https://www.telekom.hu/static-tr/sw/file/Telekom_Group_policy_on_employee_relations.pdf https://www.telekom.hu/static-tr/sw/file/Code_of_conduct.pdf https://www.telekom.hu/static-tr/sw/file/Telekom_diversity_equality_and_inclusion_group_policy.pdf https://www.telekom.hu/static-tr/sw/file/Telekom_Equal_opportunities_plan.pdf	Magyar Telekom Group's Code of Conduct and the Code of Human Rights and Social Principles are a summary of the corporate compliance requirements; these documents set out the common values of the Group and it is also the token of the strong position, reputation and successful future of Telekom. Everyone at Magyar Telekom Group must comply with these Codes from staff employees to the Board members. In addition to the employees the contracted partners of Magyar Telekom Group are also required to learn and accept these values when registering on the Company's procurement site. In order to effectively develop Magyar Telekom's Diversity and Equal Opportunities efforts. An anonymous employee survey measuring the Diversity and Equal Opportunities culture of the company was conducted in 2018 January and repeated in 2020. According to the recent survey results from January 2020 based on the feedback of the employees, Telekom's perception as an open and inclusive workplace has improved in all areas affected by the action plan.	Human rights, equal opportunities	✓		
406-1	Incidents of discrimination and corrective actions taken				<p>In 2021 the Office of the Competent Commissioner for Fundamental Rights (AJBH) initiated proceedings against Magyar Telekom Plc on one instance. The complaint that was issued by a customer on the grounds of violating equal opportunity treatment was closed upon dismissal of the complaint in 2022.</p>	Human rights, equal opportunities	✓		5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH

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GRI 407: Freedom of Association and Collective Bargaining 2016									
103 1–2–3	Management Approach	Stakeholders - Suppliers	33	https://www.telekom.hu/static-tr/sw/file/co-de-of-human-rights-social-principles-eng.pdf https://www.telekom.hu/static-tr/sw/file/Telekom_Group_policy_on_employee_relations.pdf https://www.telekom.hu/static-tr/sw/file/Code_of_conduct.pdf https://www.telekom.hu/static-tr/sw/file/Telekom_diversity__equity_and_inclusion_group_policy.pdf https://www.telekom.hu/static-tr/sw/file/Telekom_Equal_opportunities_plan.pdf	Magyar Telekom Group has acknowledged the freedom of association and the right for collective bargaining in its Code of Human Rights and Social Principles. Magyar Telekom strives to maintain a dialogue and cooperation with employee representation bodies in the spirit of openness and trust. The Code of Human Rights and Social Principles and the long-standing relationship between Magyar Telekom's management and the employee representation bodies are the guarantee that the relevant rights are observed. The agreement, which can be terminated by either party with three months' notice, applies to all Magyar Telekom Plc. employees except the CEO, regardless of their union membership status. Wage terms in the collective bargaining agreement must be renegotiated annually. If the employment is terminated due to reasons related to the employer's operation, employees are entitled to a specific amount of severance pay surplus, which depends on the tenure of the employee. In addition to the collective bargaining agreement, employees of our Hungarian operations are generally covered by the Act I of 2012 on the Labor Code, which imposes various restrictions on the involuntary termination of employment. The Labor Code protects employee interests through two different labor organizations: the Trade Union and the Workers' Council. The Trade Union, as the official representative of employee interests in negotiations relating to the terms of employment, has the right to be informed of all corporate measures that may significantly affect the interests of employees and to commence legal action against the Company for employmentrelated conduct that infringes an employment rule. In addition, the Workers' Council directly represents employee interests in dealings with management and decides jointly with management on matters involving employee welfare funds and institutions. The Workers' Council must be informed semi-annually on issues affecting our economic performance and changes in wages, employment conditions and working hours. The Workers' Council must also be consulted on corporate measures affecting employees. We believe that our relations with our employees are good. We have not experienced any labor strikes or disruptions since our formation. The above rights, policies and practices are transparent to the employees, they are represented in relevant internal communication materials and intranet sites and the employee representation bodies also take part in their active promotion.	Sustainability in the supplier chain Supplier relations	✓		
407–1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Stakeholders - Suppliers	33		100% of the employment contracts of Magyar Telekom Group employees operating in Hungary fall under collective bargaining agreements, the same ratio for Macedonian workers is 82.62%.	Sustainability in the supplier chain Supplier relations	✓		
GRI 408: Child Labor 2016									
103 1–2–3	Management Approach	Stakeholders - Suppliers	33	https://www.telekom.hu/static-tr/sw/file/Telekom_Group_policy_on_employee_relations.pdf https://www.telekom.hu/static-tr/sw/file/co-de-of-human-rights-social-principles-eng.pdf https://beszerzes.telekom.hu/beszerzes/portal/objects-beszerzes/doc/mukodesi_kodex_en.pdf	Magyar Telekom Group is an ICT company committed to respect and support human and social rights at all times in view of our tasks arising from technological development and digitalization. In line with the basic principles set out in the Code of Human Rights & Social Principles our company stands up for the protection of human rights as set forth in international human rights treaties, including the protection of freedom of speech and protection of the right for ones' own belief. Furthermore, the company rejects child labor, all types of forced or compulsory labor, and uses all measures to fight any kind of human trafficking and modern slavery. The definition of 'child labor' is defined in accordance with the ILO Minimun Age Convention, and the definition of 'forced labor' is defined in accordance with the ILO Forced Labor Convention (No. 29)and the Abolition of Forced Labor Convention. (No. 105)	Sustainability in the supplier chain Supplier relations Regulatory compliance Corporate compliance	✓		
408–1	Operations and suppliers at significant risk for incidents of child labor	Stakeholders - Suppliers	33	https://www.telekom.hu/about_us/sustainability/sustainability-strategy/sustainable-supplier-chain-management-process https://beszerzes.telekom.hu/beszerzes/portal?appid=beszerzes&page=szallitoinknak/kornyeztvedelem/fooldal.vlm	Deutsche Telekom Group as our parent company is responsible for the maintenance and supervision of compliance of global suppliers through monitoring and audits. For further information of the method of classification of global suppliers and the relevant results, please visit the indicated website.	Sustainability in the supplier chain Supplier relations Regulatory compliance Corporate compliance Human rights, equal opportunities	✓		 
GRI 409: Forced or Compulsory Labor 2016									
103 1–2–3	Management Approach	Stakeholders - Suppliers	33	https://www.telekom.hu/static-tr/sw/file/Telekom_Group_policy_on_employee_relations.pdf https://www.telekom.hu/static-tr/sw/file/co-de-of-human-rights-social-principles-eng.pdf https://www.telekom.hu/about_us/sustainability/sustainability-strategy/sustainable-supplier-chain-management-process https://beszerzes.telekom.hu/beszerzes/portal?appid=beszerzes&page=szallitoinknak/kornyeztvedelem/fooldal.vlm	"Magyar Telekom Group is an ICT company committed to respect and support human and social rights at all times in view of our tasks arising from technological development and digitalization. In line with the basic principles set out in the Code of Human Rights & Social Principles our company stands up for the protection of human rights as set forth in international human rights treaties, including the protection of freedom of speech and protection of the right for ones' own belief. Furthermore, the company rejects child labor, all types of forced or compulsory labor, and uses all measures to fight any kind of human trafficking and modern slavery. In line with the Code of Human Rights and Social Principles, all Magyar Telekom Group employees and all partners closely related to our brand representation attended compulsory trainings regarding human rights. From the end of 2018 the training is part of the compulsory trainings of Magyar Telekom. Moreover, the company is aware of the fact that there could be situations in which it is harder to tell appropriate from inappropriate. In order to assist employees in making the right choices in these situations, the company offers secure internal whistleblower channels, operated by the Corporate Compliance Department. "Kérdezz!" ("Ask me!") advice portal has been set up to help resolve uncertainties as far as compliance -relevant behavior is concerned. Serious misconduct must be announced for prevention purposes and for appropriate sanctions. For this reason, the "Tell me!" whistleblower portal has been established. The main principles and the detailed description of the internal inspection process is detailed in employee directives available on all employees on the shared intranet platform. Throughout the inspection process the whistleblowers' anonymity, personal and data privacy are guaranteed and handled with utmost discretion."	Sustainability in the supplier chain Supplier relations Regulatory compliance Corporate compliance Human rights, equal opportunities	✓		

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409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Stakeholders - Suppliers	33	https://www.telekom.hu/about_us/sustainability/sustainability-strategy/sustainable-supplier-chain-management-process https://beszerzes.telekom.hu/beszerzes/portal?appid=beszerzes&page=szallitoinknak/kornyezetvedelem/fooldalvm	Deutsche Telekom Group as our parent company is responsible for the maintenance and supervision of compliance of global suppliers through monitoring and audits. For further information of the method of classification of global suppliers and the relevant results, please visit the indicated website.	Sustainability in the supplier chain Supplier relations Regulatory compliance Corporate compliance Human rights, equal opportunities	✓		
GRI 410: Security Practices 2016									
103 1-2-3	Management Approach			http://www.telekom.hu/static-tr/sw/file/Code_of_Ethics.pdf https://www.telekom.hu/static-tr/sw/file/Code_of_conduct.pdf https://www.telekom.hu/static-tr/sw/file/code-of-human-rights-social-principles-eng.pdf		Occupational health and safety Human rights, equal opportunities Regulatory compliance	✓		
410-1	Security personnel trained in human rights policies or procedures			http://www.telekom.hu/static-tr/sw/file/Code_of_Ethics.pdf https://www.telekom.hu/static-tr/sw/file/Code_of_conduct.pdf https://www.telekom.hu/static-tr/sw/file/code-of-human-rights-social-principles-eng.pdf	Security personnel employed by the company also participated in the compulsory human rights e-Training of all Magyar Telekom Group employees in 2018. The training became an element of the compulsory employee training portfolio as of 2018. As partners of Magyar Telekom they are too obliged to thoroughly comprehend and comply with the contents of Magyar Telekom Group Code of Business Conduct and Ethics and the code of Human Rights and Social Principles.	Occupational health and safety Human rights, equal opportunities Regulatory compliance	✓		
GRI 411: Rights of Indigenous Peoples 2016									
103 1-2-3	Management Approach				In Hungary there is no adequate denotation of the group 'Indigenous Peoples'.		✓		
411-1	Incidents of violations involving rights of indigenous peoples				In Hungary there is no adequate denotation of the group 'Indigenous Peoples'.		✓		
GRI 412: Human Rights Assessment 2016									
103 1-2-3	Management Approach	Diversity and Equal Opportunities Stakeholders - Suppliers	23 33	https://www.telekom.hu/static-tr/sw/file/Code_of_conduct.pdf https://www.telekom.hu/static-tr/sw/file/code-of-human-rights-social-principles-eng.pdf https://www.telekom.hu/static-tr/sw/file/Telekom_Equal_opportunities_plan.pdf https://www.telekom.hu/static-tr/sw/file/Telekom_Group_policy_on_employee_relations.pdf		Sustainability in the supplier chain Supplier relations Regulatory compliance Corporate compliance Human rights, equal opportunities	✓		
412-1	Operations that have been subject to human rights reviews or impact assessments	Diversity and Equal Opportunities Stakeholders - Suppliers	23 33	https://www.telekom.hu/static-tr/sw/file/Telekom_Equal_opportunities_plan.pdf	As a member of Deutsche Telekom Group, Magyar Telekom Group fulfills its obligation to provide an annual Human Rights & Social Performance Report confirming its observance of the principles of the Code of Human Rights and Social Principles. Following the practice Magyar Telekom Group has declared its full conformity with the ten basic principles of Deutsche Telekom's Code of Human Rights and Social Principles for the year 2020 relevant to all its Hungarian operations.	Sustainability in the supplier chain Supplier relations Regulatory compliance Corporate compliance Human rights, equal opportunities	✓		
412-2	Employee training on human rights policies or procedures				As a tribute to the 70th anniversary of the Universal Declaration of Human Rights and in compliance with the Code of Human Rights and Social Principles renewed in 2017, all employees of Magyar Telekom Plc. and T-Systems together with their external workforce involved in brand representation participated in a compulsory human rights e-Learning training in 2018. The online training points to relevant human rights issues, regulations, complaint handling and whistleblowing options that might come up within the employment, sourcing, operational and distributional processes of the company group. The e-Learning material has become part of the compulsory employee e-Learning course portfolio of the company as of 2018 and remained to be a mandatory course to all new entrants in 2021 as well.	Involvement of our employees Regulatory compliance Corporate compliance Human rights, equal opportunities	✓		
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Stakeholders - Suppliers	33	https://beszerzes.telekom.hu/beszerzes/portal/objects-beszerzes/doc/szallitoi_mukodesi_kodex_ENG.pdf https://www.telekom.hu/static-tr/sw/file/Code_of_conduct.pdf https://www.telekom.hu/static-tr/sw/file/code-of-human-rights-social-principles-eng.pdf	The warranty statement is a compulsory element of the suppliers contracts (100%). Both the suppliers and sponsorship contract sample includes the relevant elements for the declaration of respecting of human rights, and these elements are also part of the Suppliers Code of Conduct.	Sustainability in the supplier chain Supplier relations Regulatory compliance Human rights, equal opportunities	✓		

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GRI 413: Local Communities 2016									
103 1–2–3	Management Approach	Stakeholders	32				✓		
413–1	Operations with local community engagement, impact assessments, and development programs	Stakeholders	31				✓		
413–2	Operations with significant actual and potential negative impacts on local communities	Stakeholders	31		In some cases of network development processes the physical construction of the network might cause temporary inconvenience to residents.		✓	TC-TL-520a. 2	 
GRI 414: Supplier Social Assessment 2016									
103 1–2–3	Management Approach	Stakeholders - Suppliers	33			Sustainability in the supplier chain Supplier relations	✓		
414–1	New suppliers that were screened using social criteria	Stakeholders - Suppliers	33			Sustainability in the supplier chain Supplier relations	✓		  
414–2	Negative social impacts in the supply chain and actions taken	Stakeholders - Suppliers	33		Magyar Telekom has not terminated any contracts with any of its suppliers with reference to negative environmental impacts in 2021.	Sustainability in the supplier chain Supplier relations	✓		  
GRI 415: Public Policy 2016									
103 1–2–3	Management Approach				<p>Magyar Telekom Group is involved in shaping public politics indirectly, through its representation organizations, in such a way that the representation organizations, in compliance with the effective regulation, are given the opportunity to comment draft laws and industry-specific strategies. The ministries and authorities supervising the industry pass the relevant regulations to the representation organizations, which synthesize the opinions received from the member companies and submit a summary to the relevant ministries. Such regulation commenting procedures are implemented most of all through the Telecommunication Reconciliation Council (HÉT); in some cases the Scientific Association for Infocommunications (HTE); the Joint Venture Association, the American Chamber of Commerce (Am-Cham), the German-Hungarian Chamber of Industry and Trade, the Association of IT Enterprises, the Communication Interest Conciliation Council.</p> <p>HÉT is the dedicated consultation partner of the telecommunication industry in respect of the Digital Success Program (DJP) – the former Digital National Development Program (DNFP) – launched as a result of the InternetKon national consultation that determined the future of the domestic internet market. During the planning and implementation of the government decree, issued to ensure the implementation of the DJP, the HÉT represents the standpoint of the industry.</p>	Corporate compliance Regulatory compliance	✓		
415–1	Political contributions			<p>https://www.telekom.hu/static-tr/sw/file/Code_of_conduct.pdf</p> <p>https://www.telekom.hu/about_us/about_magyar_telekom/principles/compliance</p> <p>https://www.telekom.hu/about_us/about_magyar_telekom/principles</p>	The Magyar Telekom Group is a member of domestic and international industry industry advocacy organizations, which provides it with the opportunity to share its views on strategy issues with market participants, government institutions and regulatory organizations, which fully complies with the requirements of the detailed rules of the Magyar Telekom Code of Conduct [2.10].	Corporate compliance Regulatory compliance	✓		
GRI 416: Customer Health and Safety 2016									
103 1–2–3	Management Approach	Stakeholders	31	<p>http://www.telekom.hu/about_us/society_and_environment/society/health_and_safety</p> <p>https://www.telekom.hu/about_us/society_and_environment/society/protection_of_our_children</p>			✓		
416–1	Assessment of the health and safety impacts of product and service categories				Magyar Telekom did not identify such impacts.	Safe use of mobile phones, electro-magnetic fields Customer satisfaction Regulatory compliance	✓		

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416-2	Incidents of non-compliance concerning the health and safety impacts of products and services				The number of health and safety incidents regarding products and services, involving disorderly operating equipment or the breach of internal policies were as follows: penalty or fine due to disorderly operation of equipment: 0 warning due to disorderly operation of equipment: 0 internal warning due to disorderly operation of equipment: 0	Safe use of mobile phones, electro-magnetic fields Customer satisfaction Regulatory compliance	✓		
GRI 417: Marketing and Labeling 2016									
103 1-2-3	Management Approach	Our Approach - Sustainability Strategy Climate Protection Digitalization Stakeholders	5 8 16 31	http://www.telekom.hu/lakossagi/english https://www.telekom.hu/lakossagi/english/plans https://www.telekom.hu/lakossagi/english/plans/phone https://www.telekom.hu/uzleti/main T-Systems: http://www.t-systems.hu KalászNet: http://www.kalasznet.hu/ (only in Hungarian) Makedonski Telekom: https://www.telekom.mk/	Magyar Telekom Group is making ongoing efforts to simplify its propositions as much as possible and to make them available to the widest possible scope of customers. We offer detailed information about the services and tariff packages of Magyar Telekom Plc.'s business units, and information about the services of our most important member companies on the listed websites. Customers can inquire about Telekom tariff packages and services or even request modifications 24 hours a day through the consumer customer service call center, which can be called toll free from Telekom's Hungarian mobile network at 1414 or the 1777 (Domino pre-paid center) number. We have made Telekom website more user-friendly, among others by highlighting search keywords and developing the webshop service to enable quick and simple purchase. The services are available on the following website: http://www.telekom.hu/lakossagi/szolgaltatasok/mobil . The integrated servicing of T-Systems customers is provided through the 1400 telephone number and the TS_ugyfelkapcsolat@t-systems.hu e-mail address. Magyar Telekom considers it as high priority to communicate its advertisements to the existing and prospective consumers in compliance with the relevant regulations. We take all measures necessary to ensure that our advertisements deliver our proposals accurately and clearly, excluding any deception. In view of the above, compliance with the consumer protection and GVH (Competition Office) guidelines, and checking regulatory compliance are important requirements of the work processes of producing advertisements is a crucial part of our advertising operations. We convey our proposals to everyone by using the greatest number of communication tools possible and with maximum exploitation of the possibilities offered by the given media. In this way we allow our audience to receive thorough information to be able to make carefully contemplated and responsible decisions In connection with the changed life situations due to the COVID epidemic, digitalization has received more emphasis in everyday life: working from home, online learning, online administration, and contact with the digital space. We also tried to emphasize this in our communication, campaigns and advertisements and helped our clients.	Customer satisfaction Corporate compliance Environmental targets, costs and compliance Innovation for sustainability ICT for sustainability	✓		
417-1	Requirements for product and service information and labeling	Climate Protection Stakeholders	8 31			Corporate compliance Environmental targets, costs and compliance	✓		
417-2	Incidents of non-compliance concerning product and service information and labeling				The Company did not identify such incidents.	Corporate compliance Environmental targets, costs and compliance	✓	TC-TL-220a.3.	
417-3	Incidents of non-compliance concerning marketing communications				In 2021, out of the competition supervision proceedings initiated before the Hungarian Competition Authority (GVH) due to violation of the rules on the prohibition of unfair commercial practices against consumers, three proceedings were finally closed. The GVH issued the 'Unlimited Community Options - VJ / 32/2020' in the case of Magyar Telekom, it found an infringement and ordered Magyar Telekom to restructure its information on zero-rated thematic options and tariff packages offered in the framework of its mobile internet service, to fulfill its obligations in the proceedings, and imposed a fine of HUF 310,000,000. Of the other two cases pending before the court, in the case of Next S / Next M - VJ / 21/2018. the Curia upheld the decision on the fine of HUF 670,000,000 established by the GVH for the violation of the communication published in connection with the fee packages determined from August 2016. While in the other case – 'Telekom 4G mobile internet is chosen by most - VJ / 25/2016.' in the repeated competition supervision proceedings conducted by the court, the GVH reduced the fine to HUF 24,500,000 compared to the amount of the fine previously established.	Corporate compliance Environmental targets, costs and compliance	✓	TC-TL-520a. 1	
GRI 418: Customer Privacy 2016									
103 1-2-3	Management Approach	Stakeholders	31	https://www.telekom.hu/about_us/data_protection_details		Data protection	✓		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Stakeholders	42		Magyar Telekom received requests and complaints from the National Authority for Data Protection and Freedom of Information and also directly from customers in 2020, which were duly investigated by Magyar Telekom, and the findings were reported to the complaining customer or to the Authority respectively. Based on the results of the investigations, we review our processes and make adjustments, if necessary. In 2021, 9 new proceedings were initiated by the Data Protection Authority in connection with the processing of personal data. 11 cases were closed in 2021 and the Authority imposed a smaller amount of fine on the Company only in 2 cases.	Data protection	✓	TC-TL-220a.1 TC-TL-230a.1 TC-TL-230a.2	

DISCLOSURE NUMBER	DISCLOSURE TITLE	CHAPTER IN SUSTAINABILITY REPORT 2021	PAGE	URL	DIRECT ANSWER	RELATED MATERIALITY TOPICS	EXTERNAL ASSURANCE	SASB CODE	SDG TARGET
GRI 419: Socioeconomic Compliance 2016									
103 1–2–3	Management Approach			https://www.telekom.hu/about_us/about_magyar_telekom/principles/compliance https://beszerzes.telekom.hu/beszerzes/portal_en?appid=beszerzes&page=english/main.vm	The Management and Board of Magyar Telekom Group (hereinafter “Magyar Telekom” or “Group”) are unanimous in their commitment that the Group will conduct all business activities in accordance with the highest legal and ethical standards. In support of this commitment the Magyar Telekom Corporate Compliance Program has been developed to create an internal culture where ‘Respect and Integrity’ is one of the most crucial values. The Compliance Program is enacted at all members companies of the Group where Magyar Telekom has effective control. The Compliance Program applies to all bodies, organizations, directors, officers and employees of the Magyar Telekom Group, as well as to consultants, agents, representatives, and all other persons or bodies who carry out work on behalf of any company within the Group. Additionally, we expect our business partners, suppliers and customers to aid us in this effort by acting in a similarly ethical manner. As such, certain aspects of the Compliance Program, apply not just to Magyar Telekom Group employees, but also to third parties with whom we do business. The Compliance Program has been designed to ensure that the Group conducts its business to the highest standards of awareness, transparency, accountability, commitment, and adherence to applicable laws and regulations. To do so requires the implementation of policies and procedures that address potential compliance risk areas together with identifiable mechanisms for reporting, investigating, monitoring, and correcting cases of suspected or actual non-compliance. The elements of Compliance Program is continuously tailored to the changes in the business sector, location of operation, business circumstances, culture and risks, international best practices. The Compliance Program is reflected in the Code of Conduct which is accepted internally by all employees, and by all suppliers through Magyar Telekom Procurement Intranet site. The Group Compliance Officer is responsible for operation and monitoring the Compliance Program.	Corporate compliance Regulatory compliance Addressing legal and ethical aspects of content service provision	✓		
419–1	Non-compliance with laws and regulations in the social and economic area				Magyar Telekom uses its best efforts to fulfill its obligations in accordance with the effective laws. In order to prevent potential authority penalties and sanctions the Company always strives to ensure Magyar Telekom’s compliance with the effective laws and manage conflicts – besides harmonizing processes and IT systems with the amendment of laws - with continuous personal consultation, agreements concluded with the authorities and retroactive settlement plans set out in undertakings, made in the form of declarations. In 2021 the National Media and Info-Communications Authority conducted several individual complaint and general/overall market supervision proceedings against the Company. Within the frame of general market supervision proceedings the authority imposed 2 million HUF whereas in the case of subscriber complaints a total of 152.723 million HUF penalty. The District Offices of Government Offices, as bodies responsible for consumer protection completed several investigations against Magyar Telekom, in 2021 the total amount of fines were HUF 8.09 million. Our clients have used the services of alternative dispute resolution fora, in relation to which there were a total of 69 cases handled with the assistance of the Media and Communications Commissioner, and 382 cases in which dispute resolution plenums provided assistance.	Corporate compliance Regulatory compliance Addressing legal and ethical aspects of content service provision	✓		

The Magyar Telekom has prepared Sustainability report in 2021 in accordance with the GRI Standards (Comprehensive) and in accordance of the SASB (Sustainable Accounting Standards Board) requirements. For each indicator, we have indicated which chapter(s) provide information.

SASB indicators:

TC-TL-130	Environmental Footprint of Operations
TC-TL-220	Data Privacy
TC-TL-230	Data Security
TC-TL-440	Product End-of-life Management
TC-TL-520	Competitive Behavior & Open Internet
TC-TL-550a.1	Managing Systemic Risks from
TC-TL-550a.2	Technology Disruptions

Activity metric:

TC-TL-000.A	Number of wireless subscribers	6 848 903
TC-TL-000.B	Number of wireline subscribers	4 648 774
TC-TL-000.C	Number of broadband subscribers	1 636 826
TC-TL-000.D	Network traffic (petabytes)	Our advanced network carries more than 16 petabytes of traffic on an average business day in 2021. Magyar Telekom Plc. is not able to provide further breakdown of this data as requested, as it is proprietary and confidential

Unlike in previous years, the GRI Content Index does not include sector-specific indicators, as new sector-specific indicators for the telecommunications industry are not available.