

# 5. EMPLOYEES



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‘Committed professionals with independent initiatives are the key factor for Magyar Telekom Group's business success.’  
Magyar Telekom's HR vision

Magyar Telekom Group's values declared and required to be followed are defined in the Guiding Principles:

- **Customer delight and simplicity drive our action**  
This guiding principle highlights one of the most important factors in business, that it is not enough to satisfy all demands of customers, but experience should be offered. The customers' thoughts, feelings and demands and the customer experience itself should determine what and how we act. By putting ourselves in the shoes of the customers we can anticipate their requests and satisfy them. This applies also to treatment of internal customers. This principle is supplemented by striving for simplicity.
- **Appreciation and honesty are basic values of our operations**  
This means a value that goes beyond appreciation of each other in daily work: this principle is about the appreciation of our customers, partners, suppliers and shareholders, too. This requires open, honest

- culture and fair business attitude without which we risk success.

▪ **One team – both jointly and individually**  
Our focus is on cooperation culture: our objective is that team members should openly discuss arising problems, tell their opinions, but once a decision is made, we all should unanimously back it. We are members of a single Telekom team, wherever we work in Hungary.

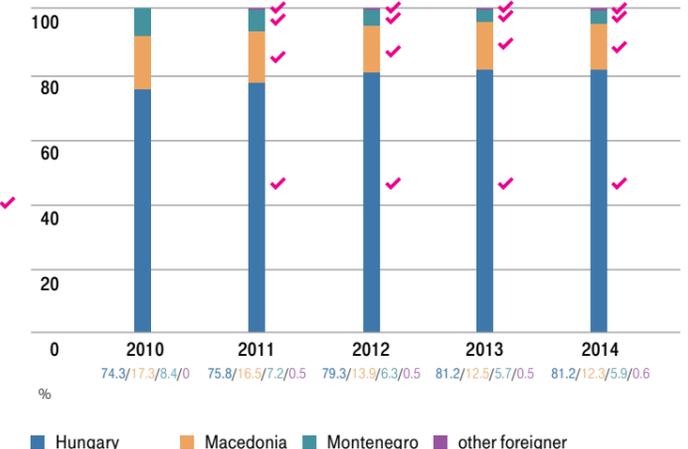
▪ **Best place to perform and grow**  
Employees play an outstanding role in corporate culture, too. To enable Magyar Telekom to become the best recognized service provider both within and outside the telecommunications sector, in the following year we must do our best in a strong competition. This requires a workplace where all employees can do their best and show their capabilities.

▪ **I am a Telekom employee, you can count on me**  
Reliability: Like we can count on each other as colleagues, shareholders and customers, too, can count on us and Magyar Telekom. This is a must for fulfillment of our promises.

AGE TREE OF MAGYAR TELEKOM GROUP, DECEMBER 31, 2014



DISTRIBUTION OF EMPLOYEES BY REGION



Naturally, in addition to these guiding principles, policies, performance indicators and charters that regulate, measure, provide and ensure compliance with our operational norms also play an important role. Beside the performance indicators used in the Sustainability Report the company uses various technical indicators for measuring the performance of the HR field on a monthly, quarterly or biannual basis. Processes are controlled, in addition to indicators, also by employee satisfaction surveys, ISO audits and internal controls.

As a 'Best Workplace' award winner company the employee satisfaction surveys play an important role in these measurements. Focus group measurements help us to look behind the numbers so that we can concentrate on the results and initiate actions to improve the company's workplace atmosphere. The strat-

egy-driven changes are accompanied by culture development programs.

Further information:

Quality Policy: [http://www.telekom.hu/static/sw/download/minosegpolitika\\_en.pdf](http://www.telekom.hu/static/sw/download/minosegpolitika_en.pdf)

Social Charter: [http://www.telekom.hu/static/sw/download/Social\\_Charter.pdf](http://www.telekom.hu/static/sw/download/Social_Charter.pdf)

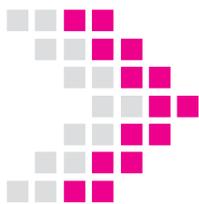
Diversity Policy: [http://www.telekom.hu/static/sw/download/Diversity\\_Policy.pdf](http://www.telekom.hu/static/sw/download/Diversity_Policy.pdf)

Equal Opportunities Plan 2011-2012: [http://www.telekom.hu/static/sw/download/Magyar\\_Telekom\\_Eselyegyenlosegi\\_Terv\\_2011\\_2012\\_en.pdf](http://www.telekom.hu/static/sw/download/Magyar_Telekom_Eselyegyenlosegi_Terv_2011_2012_en.pdf)

[http://www.telekom.hu/static/sw/download/Magyar\\_Telekom\\_Eselyegyenlosegi\\_Terv\\_2013\\_2015\\_en.pdf](http://www.telekom.hu/static/sw/download/Magyar_Telekom_Eselyegyenlosegi_Terv_2013_2015_en.pdf)

The 'Partnership for Safe Employment' document is accessible at: [http://www.ommf.gov.hu/index.php?akt\\_menu=225](http://www.ommf.gov.hu/index.php?akt_menu=225)

## 5.1. TALENT MANAGEMENT



Magyar Telekom Group places great emphasis on constant training, developing its employees and supporting their use of the acquired knowledge.

Magyar Telekom Group is an important organization within Hungary's ICT (information and communication technology) sector. In this industry it is imperative to know and apply new trends, as well as research results at both employee and managerial levels. Development plans are based on the alignment of the company's strategic objectives and the individuals' development targets.

For many years the company's management has been supporting the objective that around 1.5-2% of the total personnel costs should be spent on the training of managers and employees. Also, several new elements have been implemented to strengthen the system of internal knowledge sharing (Knowledge Stock Exchange, Employee Academy). We believe that we can only remain successful if we explore and capture development possibilities that help us to acquire the necessary knowledge. Our new interactive online forum to share our professional knowledge is the Knowledge Stock Exchange, where our colleagues can share their knowledge in a targeted manner.

Already more than 800 colleagues have started to familiarize themselves with the new initiative and registered in the program.

All employees of Magyar Telekom Group receive training to acquire adequate knowledge for their work and ensure the necessary level of key competences in their activities. Training plans at business-unit level define the direction of development activities, professional training courses, skills and cooperation development programs, management development events and conferences during the given year.

Training is based on the modern methodologies and education forms currently applied in Hungary. The company places significant emphasis on individual development, both for managers and employees, and our colleagues are increasingly motivated and take more and more initiative in the field of self-education.

**Middle, top and line managers** have several opportunities for **development**, ranging from

individual training to courses designed for groups. In 2013 the managers participated in a leadership program aligned to several areas' requirements that were all linked to the corporate strategy. The development activities were not isolated initiatives, as several processes were connected: culture development, long-term change management and organization development processes were offered, together with manager development solutions.

In 2014 the focus was on customer experience and innovation, for which we ran a special management development process in a joint effort with the Museum of Fine Arts and the National Gallery, which both excel in the field of culture and social responsibility. The achievements of the program and the recommendations given by the managers of the company are continuously built into the Museum's operation and programs.

The 4V series (Manager in change, change in the manager) supports the development of managerial competences. In line with the corporate strategy the 4V series is built upon basic and optional modules. The wide variety of modules offered for managers helped the groups to get closer to each other and also supported our manager succession program.

**Coaching** is a key management development and culture-forming tool at Magyar Telekom, both for individuals and groups. In 2014 several organizations launched targeted group-coaching processes for the entire man-

agement team that support sustainable and balanced managerial work.

We created a corporate **mentoring** system with a focus on knowledge sharing and self-development. The program is supported by an online interface where future mentors and mentees can meet. Mentors are supported by practical background material and trainings.

Magyar Telekom's human resources policy places special emphasis on both management succession and professional development in the fields of promotion and talent management. To achieve this goal Magyar Telekom created several corporate and organizational development programs that support the development of individuals and groups with outstanding performance and potential.

'**On the job**' types of development programs have become increasingly popular and important among employee groups. This method is the best to ensure the application of newly-acquired knowledge and the adaptation of new skills to work processes, while effectively using internal resources in the knowledge-transfer process.

Several areas primarily focus on the development of the personal effectiveness of key employees, the main objective of which is to retain knowledge within the company and to ensure a sound basis for the innovative operation of human resources. Almost all skill and



Management development within the Fine Arts project



The company also supports its employees in their studies pursued within the state education system by drawing up study contracts with them, providing financial subsidies and some reduction of working hours. In 2014, Magyar Telekom drew up a total of 171 study contracts. Out of these 21 covered school training, the others were related to training courses or agreements containing mutual commitments.

attitude development requirements included the requirement to prepare for change management.

The company considers it important that the knowledge and experience of an individual are transformed into organizational knowledge. For this purpose, in addition to the traditional training methods, the company provides a proactive and innovative development environment that inspires new ideas and their practical implementation, as well as their efficient application by the employees. The opportunity to share knowledge internally is a huge value for the company and this has been organized for the last 8 years.

In order to **involve talented young people and new knowledge**, from 1995 to 2008 our company ran an internship program called 'Starting Block', aiming to inject fresh knowledge into the organization. As part of the Telekom Trainee program between 2008 and 2014 we welcomed university and college students to acquire practical knowledge in their fields

of expertise for 5 months, with 20 hours per week of work. Besides acquiring professional experience, the students worked with the most innovative tools.

Our approach remains unchanged and from 1 January 2015 Magyar Telekom Plc. and T-Systems Hungary Plc. jointly offer similar opportunities for almost 500 students with even more flexible conditions than before. Traineeships can be started at any time during the year, whenever there is demand at the given organization, and students may work more than 20 hours per week if they wish to and can reconcile such work with their studies.

The Group offers the opportunity for mandatory work practice to 35-40 students on average per year, and some 40 students are provided consultation when writing their dissertations. In 2014 the Corporate Sustainability Centre offered professional training to 1 intern, and professional support to 9 dissertation writers. Training at the organizational units promotes employee development through work experience.

In 2014 approximately 220 trainees worked at T-Systems. In 2014, upon graduating from their universities, almost 50 former trainees continued their work at T-Systems in junior positions.

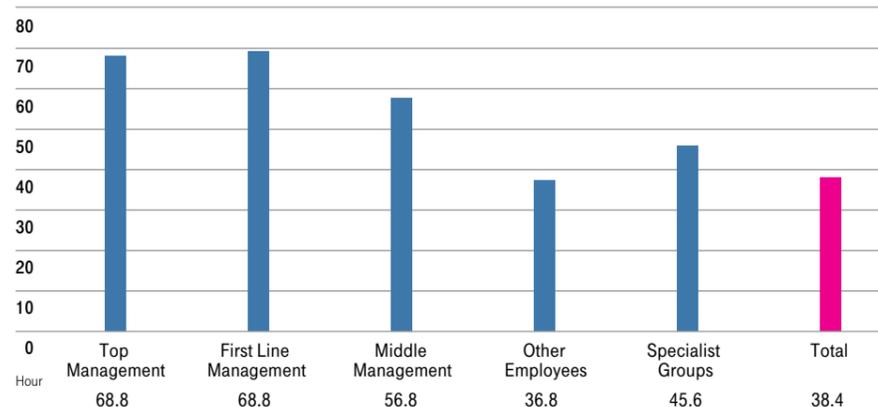
In 2014 T-Systems was twice among the exhibitors at job fairs at the Technical University of Budapest, and we also participated in the Monster Virtual Job Fair. Besides the trainee program, the T-Systems website's Career menu lists full-time positions for those who are interested. As part of the internal job recommendation program we encourage our staff to recommend T-Systems as a potential workplace to people they know.

The company's management strives to involve all employees, if possible, in some **career and performance management system**. The performance incentives and bonuses for all employees are based on organization- and individual-level performance indicators that are defined centrally. The specification of the indicators is based on the objectives and tasks of the relevant organizational unit. In 2014 almost 100% of Magyar Telekom Plc. employees participated in the centrally-operated performance management (TM) system. The majority of the member companies apply the same TM-KMR system as the parent company does, or run their own performance assessment system to assess the employees'

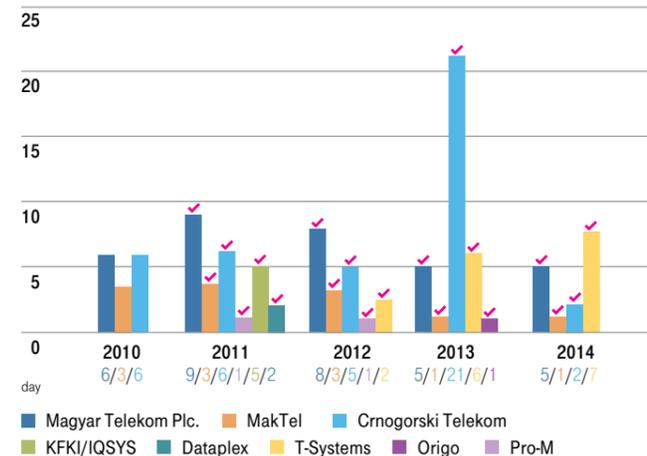


T-Systems' stand at the job fair of the Technical University of Budapest (BME)

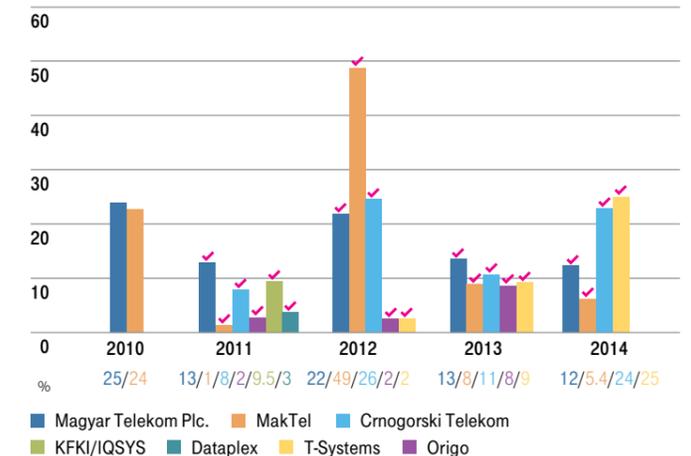
**ANNUAL AVERAGE TRAINING HOURS PER CAPITA, BROKEN DOWN TO EMPLOYEE CATEGORIES AT MAGYAR TELEKOM PLC. IN 2014**



**STUDENT DAYS PER CAPITA AT MAGYAR TELEKOM GROUP**



**RATIO OF DISTANCE LEARNING AT MAGYAR TELEKOM GROUP**





performance and professional development. In the career management (KMR) system not only the employees' professional performance, but also their personal competences and performance potential are assessed and the areas for their future development are also planned.

**Performance assessment** practically involves all employees. The assessment of the top managers is carried out within the system provided by DT, while middle managers and subordinate employees are assessed in Magyar Telekom Plc.'s own performance management system (TM), which was specifically developed for this purpose. The performance assessment of employees who are employed on a commission basis is conducted continuously on the basis of KPI indicators. In 2014 the company assessed the performance of 4817 employees in the TM system.

Magyar Telekom Plc.'s management set the target of assessing all employees each year. The top managers' assessment is performed in the system provided by DT. Assessment of employees and the middle management is performed in the company's self-developed **career management system** (KMR). In 2014 the system stored 6473 employee and 89 middle management evaluations. The system does not store information on the gender of employees, therefore it is not possible to assess the male-female ratio of the evaluated staff.

As part of the performance acknowledgment system we run the Employee of the Year and Team of the Year contest, where the best-performing staff are nominated and selected by votes cast by their colleagues. Those who have been working for the company for many years are given awards as part of the Loyalty program.

As the winner of the prize 'Most Attractive Employer in Montenegro', **Crnogorski Telekom** invests appropriate efforts and attention to attract young graduates and trainees.

For already the fourth year in a row, Crnogorski Telekom has engaged a certain number of fresh graduates in a 9-month trainee program with the help of the Government's Program of Employment and the American Chamber in Montenegro. In 2014 we engaged overall 16 trainees through the Government's Program of Employment. After the 9-month period, 9 of them signed work contracts with the company.

Local talent initiatives and International Career Management rely fundamentally on PPR findings. So far the PPR methodology has covered directors, middle managers and experts, while the talents from non-managerial positions have the chance to grow using training and development offers from the so-named Employee Training Catalogue.



'Magyar Telekom's human policy places special emphasis on both management succession and professional development in the fields of promotion and talent management. For this purpose Magyar Telekom operates various talent management programs, according to the objective.' (Human Policy)

In general, due to its size and limited resources, Crnogorski Telekom mostly relies on DT talent-nurturing offers, specifically on International Talent Space and exchange programs.

Regarding International Career Management, Crnogorski Telekom overachieved the quota in 2013 (6 out, 7 in), while the achievement in 2014 was 3 out and 1 in. The outcome is a growing Montenegrin community in Bonn and responsible management of the remaining and sustainable capacities.

Initiatives for talent attraction and retention of **Makedonski Telekom** include:

- Employment of young graduates (with a special focus on IT-skilled graduates)
- Internship program
- Retention program (with a special focus on developing successors to identified key employees)
- Knowledge-sharing program
- New employees induction program

**COMPETENCES, RESPONSIBILITY**

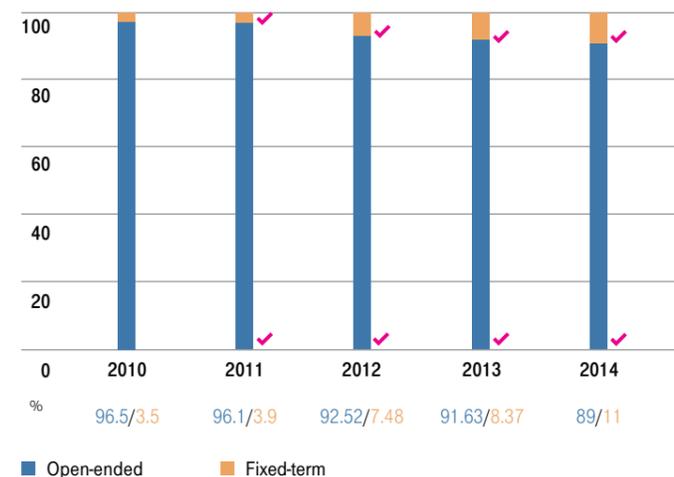
Two Group-wide systems are in place to ensure that the persons determining the economic, environmental and social strategy of the organization (and all employees, for that matter) have the appropriate qualifications and experience: these are the job-grading system and the competence system.

The current job-grading system is more transparent than the previous one, and the structure reflects the true value of job positions rather than hierarchy. Each employee is classified on the basis of the level of responsibility and professional knowledge that the given position requires. In this way individual positions become comparable, making the entire system transparent and clear. The entire system of job positions was reorganized at Magyar Telekom in the course of the system design, and certain elements of the remuneration policy were also adjusted in compliance with the new structure. Remuneration elements are basically determined by the

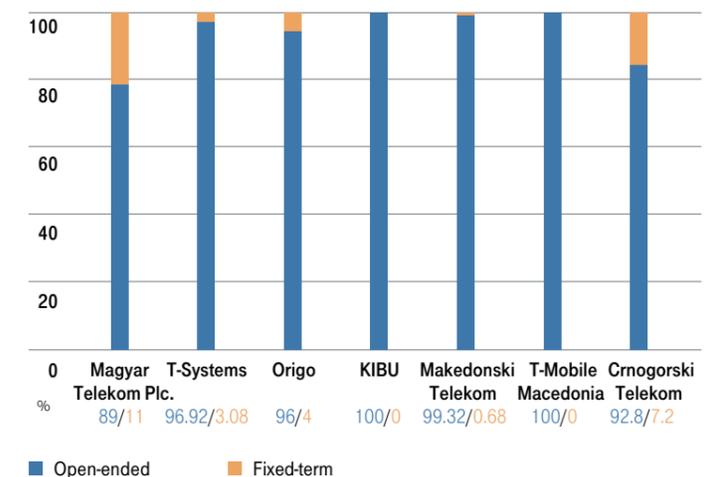


Team of the Year prize-giving in 2014

**RATIO OF FIXED-TERM TO OPEN-ENDED EMPLOYMENT AT MAGYAR TELEKOM PLC.**



**RATIO OF FIXED-TERM TO OPEN-ENDED EMPLOYMENT AT MAGYAR TELEKOM GROUP IN 2014**





'Magyar Telekom Group supports capability development that serves the interests of both the employees and the Company in order to achieve high level of performance and service quality. At the same time Magyar Telekom Group emphasizes and strengthens the personal responsibility of employees in maintaining and improving their level of employability.' (Social Charter, Section 8)

position classification level in which the given job is categorized. Most of the remuneration elements are determined by the job position level (basic wage, % bonus, cafeteria, etc).

On top of competitive compensation, Magyar Telekom remunerates its employees' performance by uniquely attractive and valuable fringe benefits. Besides a cafeteria system with flexible and colorful elements, there is life and personal accident insurance, plus several other optional allowances are available to employees. The allowance within the family holiday discount system can be used for active relaxation, holidays and entertainment in the resorts of Magyar Telekom. Our company supports its employees during difficult times, like with funeral expenses or housing assistance. We encourage employees to take care of themselves, for example by making employer contributions to their voluntary mutual funds. The system of telecommunications discounts is also popular, with a monthly allowance available.

In 2012 T-Systems also implemented the new job-grading system. In 2014 we focused on the maintenance and the preservation of the transparency of the system.

## 5.2. OCCUPATIONAL HEALTH AND SAFETY

Magyar Telekom views health and safety as a precondition of the success of the company that plays 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 operating the Workplace Healthcare and Occupational Safety Management System. Our achievements prove that the ideas and plans were correct.

Similarly to previous years, Magyar Telekom paid special attention to supporting healthy lifestyles and mitigating health risks. To this end we used the opportunity of employment aptitude tests to perform occupational safety and orthoptist screening examinations and we made available other types of examinations too, based on the preferences of our employees.

Occupational healthcare specialists performed 5241 aptitude tests as well as 1476 cardiovascular and musculoskeletal screening examinations.

It is also a success that we provide complex ophthalmologist examinations within the screening program. The ophthalmologists performed 4028 examinations and diagnosed 1738 employees with various illnesses, for example cataractogenesis and congenital glaucoma (6 and 8 persons respectively), high blood pressure (21 persons), diabetes (2 persons) and multiple sclerosis (2 persons).

In 2014 2426 employees took part in screening examinations that were performed independently of occupational healthcare examinations. Managerial screening examinations had 232 participants (54% of the managers) at three healthcare service providers, the cost of the examinations totaling 15 131 901 HUF. Dimenzió Mutual Insurance and Self-help Association also organized screening examinations, participated by 1410 persons, while during the Health Week 1419 examinations were performed at 11 locations for a total of 695 employees. We drew up contracts with 14 healthcare service providers for the Health Week to the amount of 7 009 000 HUF.

Magyar Telekom continues to provide glasses to its employees working with computer screens through several service providers. In 2014 there were 508 eye specialist recom-

mendations to use glasses at work, based on which 281 employees purchased eyeglasses. We provided financial support of 3 229 110 HUF to buy eyeglasses.

In 2014, based on the risk assessment results, the employees' vaccination history and vaccination protocol, it was necessary to procure 1500 ampoules of Encepur Adults (tick-encephalitis vaccine). However, it was very hard to procure the necessary quantity as there was a prolonged shortage in the market. Finally we managed to purchase the necessary amount of medicine and started the vaccination in September. The company purchased vaccinations to the value of 6 026 480 HUF.

Magyar Telekom further caters for its employees' needs through cooperation with Dimenzió Mutual Insurance and Self-help Association and the Dimenzió Health Fund. Any employee who joins the association may buy life, pension and health insurance and mutual assistance services through Dimenzió.

From the autumn of 2014 Magyar Telekom introduced the innovative 'smart home' solution to its residential customers. With the use of the new product a home's security can be monitored with a smartphone and one can automate everyday routine tasks in the home. Our colleagues provide technical assistance

and install movement and entry detectors, smoke sensors, IP cameras, electricity sockets, light intensity controllers as well as the central units connecting and controlling the equipment. In order to equip 'smart homes' it was necessary for our colleagues to obtain new professional and occupational safety knowledge because the installation of the equipment required high-voltage and system security expertise.

It was also a major challenge to adopt the 2014 changes to the legislation regarding working at height. The amendments had an impact on almost all occupational safety rules of working at height, including training, risk assessment methodology and documentation of the activities. Thus we had to update our internal policies and upgrade the protection equipment of our employees. The necessary modifications and proposals were worked on by an expert team and the new regulations do not only ensure compliance with the law but also have a positive effect on the safety of our employees.

Simultaneous to the launch of our 'Future Work' workplace environment, in 2014 we introduced part-time teleworking for almost 100 employees, as part of our Telekom 2017 strategy. An important part of this strategy is to introduce new working methods and culture,



### Move Telekom!

The biggest healthcare program of the company, the 'Move Telekom!', was launched at the beginning of 2014. Anyone could join the four-month program for whom health is important

and would like to change his or her lifestyle without seeking to take part in professional competitions or if someone feels that he can help others who have just started the challenge, with his own experience.

The participants were getting into shape and reduced their body mass index in teams or individually while competing for valuable prizes to be given out to those contestants who went through the biggest change during the four months of exercise.



Participants of Move Telekom! healthcare program





including support for teleworking. Although teleworking is more and more common in Hungary, in the current legal environment it is complicated to build and manage teleworking workplaces from an occupational safety point of view. Teleworkers work from home on specific days of the week, but the regulations do not distinguish between company worksites and home offices. The IT background of teleworking can be provided easily via online tools, but ensuring properly ergonomic furniture as well as the supervision and documentation of the activities is a greater challenge. Due to the high number of our employees, the geographical distribution of our sites and customized methods, we had to find customized solutions. Our colleagues learned about the requirements for teleworking workplaces from information material published on the intranet, and the occupational safety compliance of such workplaces are ensured by a database containing electronic statements and photos of teleworking workplaces.

As part of the Future Work project we built a pilot area within the headquarters of the company where we set up a test office environment and implemented new working methods. Almost 90 colleagues took part in the pilot. As a basic concept we applied the principle of 'activity-based working'. It was an important factor that the physical environment supports the applied working methods (e.g. teleworking, project-based work), therefore there are no dedicated workstations and the colleagues share the available workspace. From an occupational safety point of view we put a lot of emphasis on the ergonomics and safety of the pilot workplaces, and another interesting chal-

lenge was to monitor the psychological effects of the project. The simultaneous change of the work environment and working methods (i.e. teleworking, customized work and meeting methodology, new office and IT environment) allows us to examine the impact of the individual elements not just one by one, but also as a whole, and helps us to further develop our activities on the basis of the experience of the pilot project.

There were no occupational illnesses or serious or fatal injuries in 2014. Altogether there were 29 occupational safety accidents (i.e. causing incapacity to work for more than 3 days), which is the same figure as in the previous year. Half of the accidents took place during travel – there were 4 accidents with vehicles and 11 while traveling on foot. Almost all the accidents of the latter type were dislocations of the ankle while using stairs or falling off the curb. Based on the statistical data we focused on the pedestrian traffic and we wish to invest more effort in this area.

The most common injuries are bruising and dislocation of extremities;  
 Magyar Telekom Plc.: 65 accidents, 1,058 working days lost out of 1 565 765 working days.  
 The distribution ratio of accidents: 50 in technical departments and 15 in offices.  
 T-Systems: 4 accidents, 71 working days lost out of 336 918 working days.  
 The distribution ratio of accidents: 1 in a technical department and 3 in offices.  
 Suppliers are not registered.

As a responsible employer, **T-Systems** feels it important to support the preservation of the

health of its employees. Based on feedback we refreshed the system of annual health screening so that employees can access various screening possibilities. Our staff in Budapest can visit two places for health screening on three days of the working week. Staff outside Budapest can go in groups for screening four times a year.

We offer our managers one screening per year. In the T-Systems headquarters we organise blood donations 4 times per year.

By introducing the 'All you can move' sports card, T-Systems Hungary makes it possible for its staff to take advantage of various discounts at numerous sports facilities.

Support for cycling: due to positive feedback from employees, in 2014 two new stations were added to the TeleBike bike-rental network. We support staff using their own bicycles by providing bike storage in guarded car parks and two changing rooms with showers have been made available to staff.

In 2014 **Crnogorski Telekom** started to apply a more systematic approach regarding the development and implementation of regulations related to occupational health and safety. As part of the intensive work to meet the highest standards in this field, the following measures were implemented in 2014:

- New Company Directive on protection and health at work.

- Act of Risk Assessment.
- Online training on work safety for all employees.
- Training for all employees from CTIO areas on work safety.
- First tutorial in yoga for Customer Service employees, implemented by an internal certified yoga trainer.

In cooperation with the trade union, we have continued to provide and improve the large scale of employee benefits related to health protection and the promotion of healthy lifestyles:

- numerous sport and recreational offers for all employees,
- free-of-charge medical checkups for all children of the employees, up to the age of 14,
- medical checkups (preventative) for women,
- medical checkups (preventative) for men,
- annual checkups for all employees.

Both the quality and quantity of the extended offers supporting healthy lifestyles in 2014 have been highly appreciated by the employees.

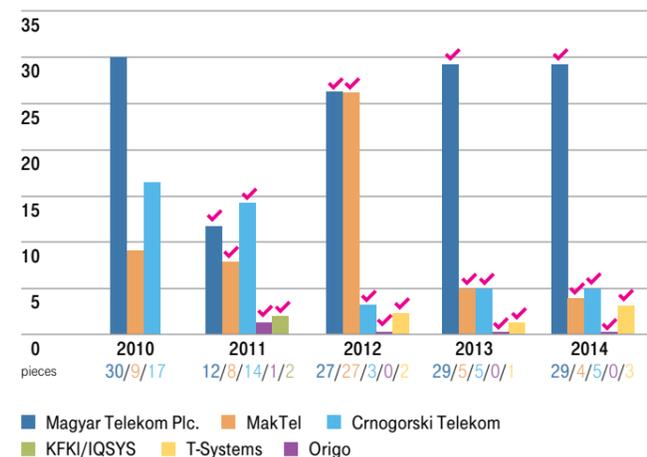
**Makedonski Telekom** also supported initiatives aimed at promoting healthy lifestyles in 2014:

- Initiative for preparing, equipping and furnishing an in-house training centre.
- Established practice for timely reporting and promotion of occupational safety at work, protection of employees, and health promotion in cooperation with the Red Cross and the Institute for Public Health.
- Special training sessions for employees who perform tasks and activities that include risk.

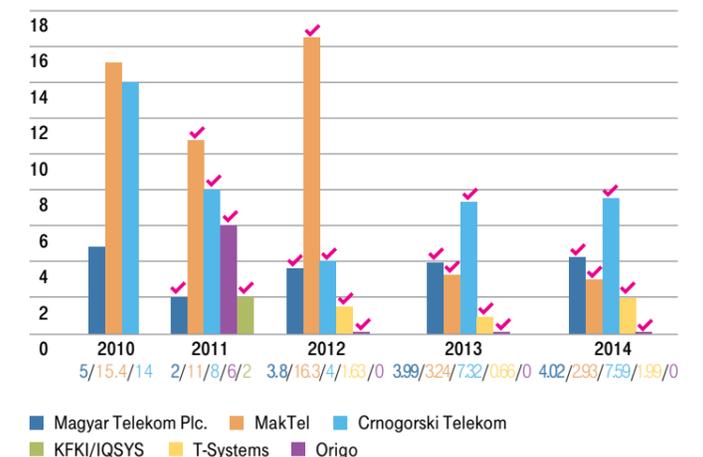


Future Work office in Magyar Telekom's HQ

### WORKPLACE ACCIDENTS AT MAGYAR TELEKOM GROUP



### ACCIDENT RATIO FOR ONE THOUSAND EMPLOYEES



### 5.3. HUMAN RIGHTS, EQUAL OPPORTUNITIES

Magyar Telekom Group's Social Charter and the effective Equal Opportunities Plan define the principles that serve as the basis for the company in addressing human rights in general: [http://www.telekom.hu/static/sw/download/Social\\_Charter.pdf](http://www.telekom.hu/static/sw/download/Social_Charter.pdf), [http://www.telekom.hu/static/sw/download/Magyar\\_Telekom\\_Eselyegyenlosegi\\_Terv\\_2013\\_2015\\_en.pdf](http://www.telekom.hu/static/sw/download/Magyar_Telekom_Eselyegyenlosegi_Terv_2013_2015_en.pdf)

Non-discrimination and equal workplace opportunities are primary objectives of Magyar Telekom Group. The company is one of the first players in the business sector to adopt two-year Equal Opportunity Plans for three-year periods (in line with the Equal Opportunity Plan) since 2008 in cooperation with the collective bargaining partners.

Magyar Telekom Group provides the 'Tell me – ethics line' operated by the Compliance area, for discrimination experienced on behalf of the employer or for breach of human rights. The cases are investigated by the Group Compliance area. If the report is found to have a ground, the management takes the necessary actions to sort out the situation and prevent similar problems in the future.

The Equal Treatment Authority responsible for compliance matters and where employees may report the cases directly, did not initiate proceedings against Magyar Telekom Plc. in 2014 for the breach of equal treatment regulations in the area of employment.

In the course of the implementation of the equal opportunities plan for the years of 2013–2015 the employer has taken the following measures in 2014 to improve the situation of the following employee target groups:



#### Integrom program

Most Roma employment programs try to reach undereducated, permanently unemployed, unskilled people and find them low-paying jobs. As opposed to this, Integrom program's objective is to find quality jobs at big enterprises for young, educated Roma people. Recently more and more young Roma people learn skills or graduate from colleges and universities. However, they often have problems to find a job and in many cases they do not find any that would suit their skill or education. Within the program we support undergraduate or graduate students to find jobs at market-leading Hungarian big enterprises, mainly in administrative and professional positions.

We encourage and help young Roma people to be more and more successful during the recruitment process. We also regularly coordinate with companies so that they can offer proper jobs for applicants and if necessary they can flexibly manage their selection processes.

The program is operated jointly by the Autonomy Fund and the Boston Consulting Group.

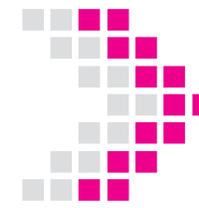
The program's target group is young, unemployed Roma people between the age of 18–35 with minimum college education or skills that would allow them

to take a higher level position than their current one.

Other companies also provide support in preparing the participants. Hays helps them to be successful in the recruitment process while Dramatix offers communication training.



Participants of Integrom program



'Magyar Telekom acknowledges that the right to wage is one of the most fundamental employee rights, and applies every legal means to ensure the wage the employees are entitled to is paid properly and on time.' (Human Policy; Partnership, Article 6; Social Charter, Section 6)

To ensure equal opportunities for **employees with altered working ability or disability** (since 2010) applicants with disabilities using Magyar Telekom's electronic recruitment interface ([karrier.telekom.hu](http://karrier.telekom.hu)) can, on a voluntary basis, register their disability and request relevant help in the selection process.

2014 saw the continuation of the highly successful 'Have you ever tried it ...?' experience-based sensitization program, organized for Magyar Telekom employees. The aim of the events, often held with the involvement of external NGOs, foundations, is sensitization to promote an attitude of understanding the problems of handicapped people. The series of programs were organized on the basis of two services purchased at the Non-Profit Auction: at the Telekom Olympics a show was given by the members of the Hungarian Special Olympics Association and in the

downtown of Budapest Telekom volunteers rode tandem bicycles with people with visual impairment.

In the Y2014 Telekom Health Week we organized a sensitization program for the customer service staff whereby visually impaired masseurs were giving massage to Magyar Telekom employees in the company's offices.

Besides these activities – following the tradition of past years – the company organized very successful thematic employee fairs (Christmas Fair, 'It Is Good To Give' cookie campaign) at various company sites. Magyar Telekom employees could give donations and buy items manufactured by disabled people – working at the Fruit of Care and in the Autist Farms organization – with the involvement of NGOs and the media to support the disabled persons' employment.



Award ceremony at Telekom Family Olympic Games

As member of the Hungarian Business Leaders Forum (HBLF) Diversity HR work group, Magyar Telekom took part in the realization of the 'Open School - You are also in' HBLF diversity video competition. The company also participated in the wheelchair basketball championship as a sponsor and competitor (2 teams).

In 2014, in order to support **employees on maternity leave** (young parents on child care allowance/child care benefit /maternity leave), the 'Young Mother' program supported the company and young parents (on long-term leave) to stay in contact with each other, among others with organizing club meetings and Mother Parties.

MagyarTelekom continuously informs inactive colleagues by way of newsletters, the Young Mother website, the Young Mother informative, dedicated email accessibility and a closed Magyar Telekom community site called 'I have family'.

In order to ensure a proper balance between work and private life it is necessary to share the workload within families. The 'Daddy, it begins!' program tries to raise awareness on the importance of the father's role within the family. The internal communication portal of the company has been publishing an informative for fathers since 2010 that summarizes some essential information for young fathers. Our colleagues who raise children are invited to the company's family programs – Telekom Children Day, the Telekom Olympic Games – together with all family members.

The organizers of the company's family sports event tried to help to find proper balance within the family and in parental roles with the 'My family is my team' sensitization program.

Magyar Telekom actively cooperated with the Central Hungarian 'Work with Small Children' (MuKi) project. As a result they provided mentoring assistance for participating parents with young children. With the involvement of the MuKi project advisor a decision making study was elaborated to assess the feasibility of Job Sharing at the company.

The company applied for and was awarded the Family Friendly Workplace 2013 award with its White box project plan that was realized in 2014.

In 2014 Magyar Telekom and T-Systems jointly and successfully applied for the Family Friendly Company 2014 award and the Three Princes and Three Princesses Movement gave a special award to the company as an acknowledgement of its family-friendly initiatives and efforts.

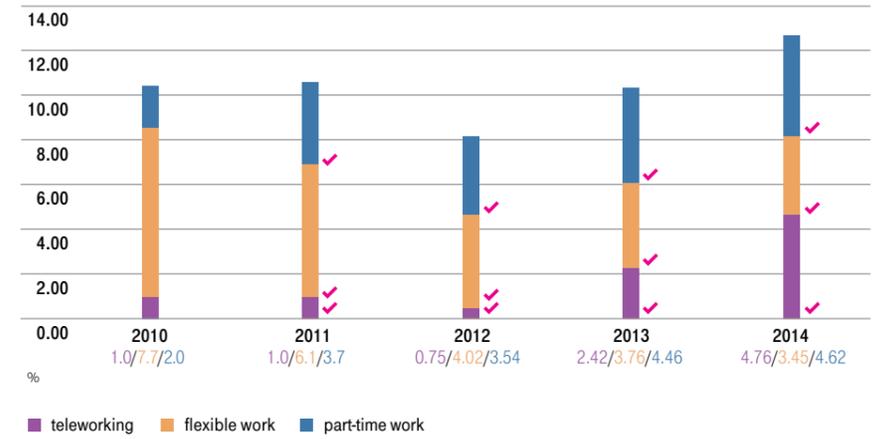
Dimenzió Mutual Insurance and Self-help Association's Family Support initiative helps **Magyar Telekom employees' families** with daycare services and school holiday programs. Parents may choose from daycare, kindergarten and school holiday camp options.

Through the support of **non-typical employment** the company helps families to find a healthy balance between their work and private life as parents/grandparents. Since 2012, as a response to the monthly announced 'Work from home' campaign there is a continuous increase in the number of employees who chose to work remotely on specific days. In the Future Work wing of the company's headquarters all employees work in part-time teleworking since 2014. Partly owing to this opportunity the number of teleworking contracts has dou-



'Observance of working and resting times is a basic right and a requirement of preservation of health of employees. Magyar Telekom lays special emphasis on granting appropriate resting times to its employees, issue them the holidays they are entitled to by law and to record working time true to reality.' (Partnership, Article 5; Social Charter, Section 7)

**ATYPICAL FORMS OF EMPLOYMENT AT MAGYAR TELEKOM PLC. IN PERCENTAGE OF TOTAL HEADCOUNT**



In 2014 a total of 1481 colleagues worked from home 27 227 days, which is nearly 1 million kilometers and 5 years of travelling saving.

bled by the end of 2014 compared to 2013.

During 2014, 323 of our colleagues with teleworking contract worked from home on 19 844 days. 1158 colleagues without teleworking contract used the option and worked from home on 7383 days.

The number of child-friendly offices grew to six in 2014. These offices offer solutions in situations where the parent has to take care

of a child for a couple of hours or days during one of the short school holidays or when the child recuperates from an illness.

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**PARENTAL LEAVE AND RETURN TO WORK**

	Male	Female	Total
Number of employees that took parental leave	3	147	150
Number of employees who returned to work after parental leave ended	2	116	118
Number of employees who returned to work after parental leave ended who were still employed twelve months after their return to work	1	95	96
Retention rates of employees who took parental leave	50%	82%	81%



**FUTURE WORK**

The main objective of the Future of Work Project is to develop such work methods and culture of work, which can provide long-term employee commitment and motivation; so our task was to create the job of the future. For this reason, a pilot area was rebuilt in the center of Magyar Telekom, where a new office environment was developed on a test basis, and new working methods has been introduced.

During the pilot we focused on the following topics:

- motivating physical environment
- trust, cooperation and performance-based work culture
- modern work- and meeting methods
- IT environment for flexibility

**WORK FROM HOME DAYS**

The 'Work from home days' campaign was continued in 2014. This program offered the employees the opportunity to work from their home on the last Friday of each month, provided that they fulfill certain criteria:

- be in such job that allows teleworking,
- availability of the necessary IT tools/network/internet,
- availability of remote desktop application,
- the colleague may not have such duty on the given day that requires personal presence.

All employees are informed about this possibility on the intranet in a communication letter after which a reminder letter is also sent on a monthly basis. Since 2013 it is possible to work remotely on displaced workdays.

The anonymous internal company program, **Abigél**, running since 2008, helps to resolve private life issues. The person with problems may keep contact with Abigél via e-mails, who answers all questions. Abigél's identity is unknown and works under the effect of a non-disclosure agreement.

The simultaneous presence of **multiple generations** at the company helps employees to achieve personal fulfillment at work.

In the next step of the well-designed trainee program the group offers jobs to many young **people starting their career**.

The family-friendly atmosphere of the company helps **young employees** through various channels and ways to raise their families and to be parents. Teleworking is not just attractive for single persons but for those with young children as well so that they can organize their lives more freely and independently.

The majority of the mid-aged, experienced expert pool has a slightly narrower career path potential and may obtain marketable knowledge that is most useful in horizontal career paths. This is supported by the company's significant resources for external and internal trainings and in-house job advertisements. Magyar Telekom expresses its appreciation towards the experienced workforce with numerous acknowledgments, like the Loyalty Award and the Lifetime Achievement Award.

In certain cases those who approach retirement age may choose to enter the company's standby pool. With this MAgyar Telekom would like to take care of its employees and provide an interim solution for the period between work and retirement. The given employee can be reactivated from the standby pool if the continued employment creates mutual benefit for both parties.

We set up a project to ensure an effective and harmonious cooperation between various generations and to this end organized a workshop entitled 'Generations at the future workplace'.

Magyar Telekom supported **female employees in managerial positions** to enhance equal

opportunities with a training series, organized on the basis of the target group's actual needs. The focus of the program was to find a healthy balance between work and private life and to ease problems arising from these special roles.

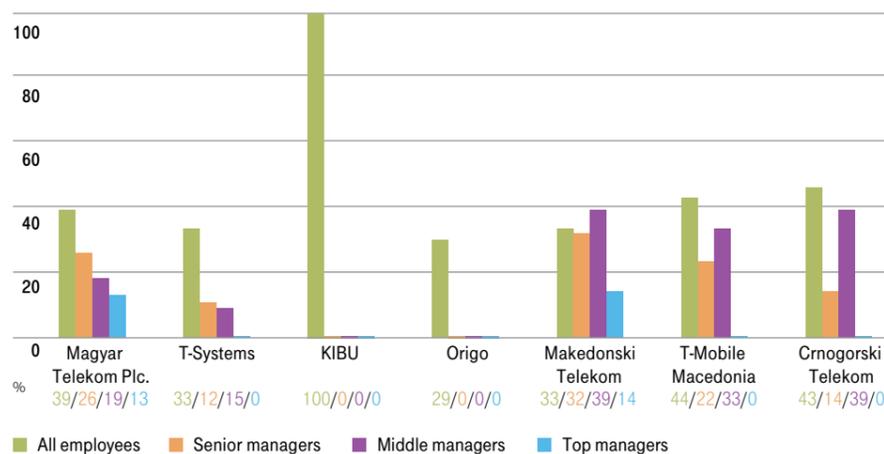
Mária Barra delivered a presentation and organized a workshop at our company for managers on the topics of balanced communication of women and men and crisis communication.

Several female managers from Magyar Telekom joined the IBM Windows Opening initiative and participated in the events.

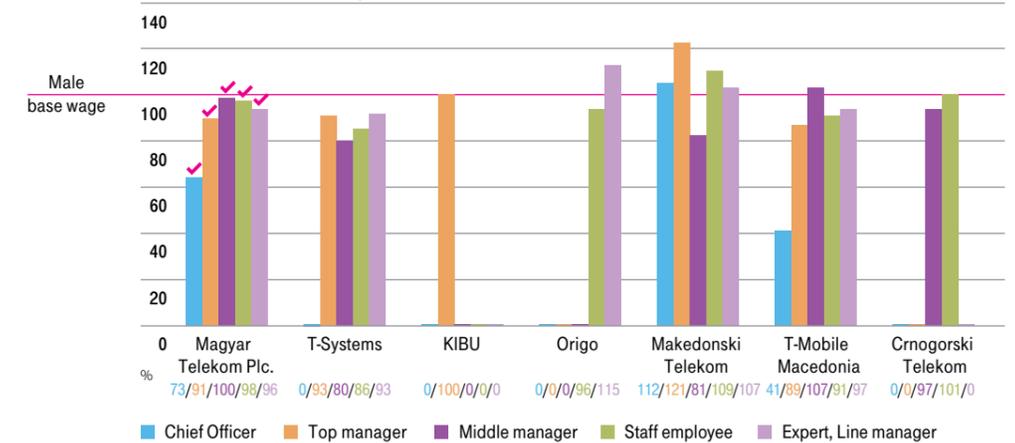
In 2014 Magyar Telekom continued its role in the 'Girls' Day' international initiative as a gold level supporter. Within the frame of the program various information programs were offered for girls from secondary schools at the Magyar Telekom and T-Systems headquarters.

The 'Girls' Day' is an interactive, open day, organized on the same day within the EU, when girls interested in technical sciences can spend a day at a leading technical company or university laboratory. Participants may meet women who are successful in the field of research or engineering sciences.

**PERCENTAGE OF WOMEN AT MEMBER COMPANIES IN 2014**



**PROPORTION OF BASE WAGES OF FEMALE EMPLOYEES COMPARED TO THE BASE WAGES OF MALE EMPLOYEES (100%) BROKEN DOWN BY JOB CATEGORIES, MAGYAR TELEKOM GROUP 2014**





'Magyar Telekom Group recognizes and respects the cultural, social and legal diversity of the nations and societies and is committed to upholding international human rights.'  
(Social Charter, Section 1)

In 2014 again, the Group took part in supporting the ROMASTER talent management program, launched by HBLF in 2008. The program assists young talented Roma people, learning in secondary schools, to continue their studies in tertiary technical, business or legal education institutions. Magyar Telekom's mentor supported one of the mentees of the program so that he can complete his practical training.

Similarly to Magyar Telekom, **T-Systems Hungary** is also in contact with Forrás Consulting Ltd. that pursues its business activities with helping the employment and integration of disabled persons. Since the beginning of 2014 Magyar Telekom employs 1 person with disability as a project assistant. We concluded an agreement in principle with ROMASTER association that helps young Roma people to find employment.

The T-Systems office building is accessible for people with disabilities, several floors are equipped with accessible toilets and parking places in the garage.

T-Systems employs 206 persons above the age of 50, out of which 3 persons work for the company after retirement.

**Crnogorski Telekom** actively promotes equal opportunities and applies this principle in each and every phase of the employment life cycle. Equal opportunities are fully supported by the fol-

lowing company regulations: Company Directive on Recruitment and Selection, Code of Conduct, Company Directive on Employee Relation, etc. Visible examples of that approach can be seen at the public media (job advertisements) and company website, where we clearly emphasize Crnogorski Telekom as an equal opportunity employer. Having in mind that Crnogorski Telekom is perceived among the young population as the most attractive employer, we still have 18% of older population among our workforce, from the age structure above 50.

Official records about possible disabilities in case of existing or new employees are not required by company regulations, nor by local labor legislation.

In the benchmark research on best employers in Montenegro, conducted in 2013, one of the aspects measured in the research was equal opportunities provided by the employer. Crnogorski Telekom won two prizes valid for 2013-2014:

- Best Company to work for: first place (best rated company overall)
- Fair Play Award for best relationship between employer and employees

Starting from 2010, Crnogorski Telekom regularly (annually) updates and communicates Company Directive on Employee relations. Starting from 2014, 'Information for employees on prohibition of mobbing' becomes integral part of this Directive.



'Magyar Telekom Group is committed to the abolishment of exploiting child labor, and guarantees that it always observes the minimum age of entering employment within Magyar Telekom Group, in compliance with the laws of the countries concerned.' (Social Charter, Section 4)

'Magyar Telekom firmly rejects all forms of illegal labor.' (Partnership, Article 1)  
'Magyar Telekom Group emphatically declares that it opposes any form of forced labor.' (Social Charter, Section 3)

This Directive is also used as the tool for validation of the principles defined by Social Charter of Deutsche Telekom AG and valid for the entire Group. It has been justified in 2014 as well based on the annual compliance check, concerning Social Charter of Deutsche Telekom AG.

Initiatives to promote equal opportunities at **Makedonski Telekom:**

- Employment of people with disabilities.
- Employment of orphans.

#### Child labor

As a socially responsible company Magyar Telekom is committed to eliminate child labor. Since 2010 we regularly monitor the headcount under the age of 18. Based on our database Magyar Telekom Plc. did not employ any employee under the age of 18 in 2014.

#### Forced and compulsory labor

Employment at Magyar Telekom Group is compliant with the principles laid down in international treaties against forced and compulsory labor. Magyar Telekom Group member companies comply with the respective country's laws and other regulations on the prohibition of forced labor. Magyar Telekom Group member companies process and control the employees' identification documents—in line with the respective country's data protection laws—solely to the extent and duration necessary for the employment and determination of the employees' benefits. In 2014 no complaints were filed with the relevant authorities against Magyar Telekom Group's affiliates in the context of forced labour, and no proceedings or investigations were launched against the Company in this regard.

#### Freedom of association and collective bargaining

Magyar Telekom Group has acknowledged the freedom of association and the right for collective bargaining in its Social Charter. Magyar Telekom strives to maintain a dialogue and cooperation with employee representation bodies in the spirit of openness and trust. The Social Charter and the long-standing relationship between Magyar Telekom's management and the employee representation bodies are the guarantee that the relevant rights are observed. 100% of the Group's employees

in Hungary, 93% in Macedonia and 100% in Montenegro come under the scope of collective bargaining agreement. Additionally, all employees in Macedonia are governed by a general collective agreement of the private sector, so with these employees the ratio of employees covered by collective agreement is 100% in Macedonia.

## 5.4. MANAGING CHANGES

### Employee representation bodies

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 HR Officer and the HR Management Director are responsible for 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 partners of the given governance area are responsible for communication with the local employee representation bodies.

At Magyar Telekom, communication with the employee representation bodies—both verbally and in writing—is the exclusive right and responsibility of the HR area. This can ensure that rights are exercised in full compliance with the regulations of the Labor Code and the collective bargaining agreements. On the other hand, this practice helps relieve the business areas from the difficulties of managing the employee representation bodies. Naturally, when necessary, the executives of the business areas are also actively involved in the process under the coordination of the HR area.



'Magyar Telekom is committed to promoting the enforcement of trade union rights and does not hinder the formation and operation of employee representative bodies. Magyar Telekom is committed to seeking negotiated settlement to any labor dispute and will only resort to legal consequences if the negotiations fail to reach a result.' (Partnership, Article 10; Social Charter, Section 2)

#### Organization restructuring

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.

If the significant organization restructuring measure does not impact any components of employees' job contracts (job, place of work, etc.), then a notice is to be sent under the general obligation to cooperate, but no specific deadline is defined by either the Labor Code or the Collective Bargaining Agreement. Individual notices are also provided to the employees before the changes take place.

Foreign affiliates inform their collective bargaining partners and employees in accordance with the relevant stipulations of the local statutes.

#### Results of the 2014 negotiations with the employee representations – Agreement with the Interest Reconciliation Council, amendment of the Collective Agreement

In October 2013 Magyar Telekom reached an agreement with the employee representation bodies about the 2014 wage and headcount issues. According to the agreement of the Interest Reconciliation Council in 2014, the company planned to terminate employment of 250 persons with the parent company. Most of

these employees left the company at the end of 2013. Also at the end of 2013 the remaining headcount of 240 employees were laid off to complete the downsizing plan for 2013.

In case of mass termination of employment the company continues to maintain its principle of provident dismissal. The affected employees are entitled to severance and a period of dismissal notice (release from work), pursuant to the provisions of the Labor Code. Dismissed employees are entitled to an extra severance pay, pursuant to the Collective Bargaining Agreement, if their employment is terminated with mutual agreement, or the employees accept an inactive status. Reemployment of dismissed employees is supported within the Chance Program, which has been running successfully for several years, including active jobhunting, labor market training and retraining. The affected persons may keep their SIM cards during the period of notice, and may also continue to use the tariff package provided to the employees for a period not longer than three months.

In 2014 there was no salary increase at the company. Contribution to the deferred start pension insurance remained 3% which is the same as in 2014. The other elements of the fringe benefits system remained broadly unchanged.

The January 1, 2013 amendment of the Collective Agreement was signed together with the Interest Reconciliation agreement. The higher wage supplements than specified in the Labor Code remained in force for yet another year, till December 31, 2014. These include the supplement for night shift and the supplement for extraordinary work on a working day, as well as the supplement for work in continuous shift. The more favorable calculation formula of the severance pay and the pay for the period of

release from work on dismissal stays in effect till October 1, 2014.

#### 'Chance' program continues

'Chance' Program continued in 2014 by supporting employees dismissed through collective redundancy in finding new employment. Upon registration the employees involved in downsizing could use the so far successful services, like the two-day labor market training course in groups, support in active job search,

financial support to training and retraining activities to meet labor market requirements, personal psychological and labor law consulting, as well as follow-up activities and monitoring participants' potential placement are also granted. In line with the new labor market requirements the program was extended by the so-called JOB club meetings that offer opportunities to meet personally, to keep contact via Skype and to attend the Job Fair with more than 30 exhibitors.



The information package (Chance Package) set up for the program participants aims to provide targeted information, enhance their chance for a successful change and finding the right new job.

#### FLUCTUATION AT MAGYAR TELEKOM GROUP<sup>(34)</sup>

	2010 (Plc./Group)	2011 (Plc./Group)	2012 (Plc./Group)	2013 (Plc./Group)	2014 (Plc./Group)
Total fluctuation	10.0%/8.9%	9.3% ✓/9.5% ✓	10.6% ✓/8.0% ✓	13.4% ✓/13.5% ✓	16.8% ✓/15.4% ✓
Termination initiated by the employee	1.5%/1.6%	2.1% ✓/2.8% ✓	3.7% ✓/3.8% ✓	3.9% ✓/3.4% ✓	4.4% ✓/4.7% ✓

#### FLUCTUATION AT MAGYAR TELEKOM GROUP IN 2014<sup>(35)</sup>

	Magyar Telekom Group	Magyar Telekom Plc.	T-Systems	Origo	Makedonski Telekom	T-Mobile Macedonia	Crnogorski Telekom
Total fluctuation	15.40% ✓	16.80% ✓	10.13%	49.00%	1.54%	7.98%	3.50%
Termination initiated by the employee	4.70% ✓	4.40% ✓	6.34%	32.00%	0.00%	0.00%	1.31%

#### NUMBER OF NEW HIRES AT MAGYAR TELEKOM GROUP IN 2014

Member company	Magyar Telekom Plc.	T-Systems	KIBU	Origo	MakTel Group	Crnogorski Telekom	MT Group total
head	996	191	0	73	18	35	1313

(34) There are no data available broken down to age and other indicators.

The number of employment terminations, with the exception of the 2012 data, are compared to the previous year's closing headcount, due to the employment of the rented workforce, in 2012 we calculated with an annual average headcount. This change does not impact the comparability of the data.

(35) There are no data available broken down to age and other indicators.



**EDINA LUCZA**  
Human strategy  
senior manager

Due to the developments of the external environment and strong competition characterizing the global and domestic telecommunication market and in order to further enhance, Magyar Telekom's competitiveness the company is forced to take radical cost reduction measures within the frame of which Telekom lays off approximately 1700 employees in 2014–2015.

Telekom supports the employees who leave the company through the Esély ('Chance') program with active job seeking, labor market training and personal advisory services. Besides, in 2014 the company announced a voluntary exit program as well. Within the program the employees who voluntarily leave the company will receive a one-off extra allowance, based on the number of years they spent at work.

The initiative had a positive response among employees. To make a decision is always a responsibility but at the same time it gives freedom as well. Based on the survey among employees who leave Telekom the biggest motivation was the latter, i.e. they felt that they can decide on their own future. The majority of those who were contemplating to leave the company have already left, and we continue to build our company's future with the committed staff that stays with us.

Headcount reduction is not an easy challenge for any of the parties involved. The best that we, as HR, can do is to support our colleagues with fair processes and humane solutions. I think that with the announcement of the voluntary exit program we took another step in this direction.



## 5.5. INVOLVEMENT OF OUR EMPLOYEES



Magyar Telekom's main goal in corporate sustainability is that sustainable thinking should become part of the company's identity. This goal is facilitated mainly by the hello holnap! club, in which we share topics, activities and initiatives about sustainability that are relevant to everyday life. The club is held every month, except during the summer.

In 2014 employees could take part in the programs listed below:

In January we talked about volunteering programs and the attitude of Hungarians towards them. Our guests were Rita Galambos, strategic director of the Democratic Youth Foundation, and Zoltán Tóth, president of the Mobilisuli association.

February saw a presentation about the possibilities for using renewable energy in the home by Nándor Beleznai, general director of Wagner Solar Hungária Kft., and Gábor Pukler, Magyar Telekom's director of innovation.

Digital inclusion was on the table in March with Bence Ságvári, head of the Research Department for Social Relations and Network Analysis, and József Bana, who has been a volunteer on the Digital Bridge program for ten years.

In April we met Tibor Pollák, director of infrastructure at Magyar Telekom. We learned

about the innovative solutions implemented in the company's real estate portfolio.

In May, the European Day of Equal Opportunities was the inspiration for Mátyás Dobó's presentation on mobile applications that can help people living with disabilities.

Kristóf Horváth (aka Actor Bob) and his students were our guests in October. The topic was the challenges of Roma inclusion and we talked about Kristóf's initiative that promotes the importance of education among Roma youth.

TV personality Attila Till talked about using personal awareness in supporting socially important initiatives in November.

The club in December was substituted by the 'It's good to give!' Cookie Campaign (Adni jól Sütiakció).



**PÉTER NOVÁK**

hello holnap?

Sure, no later than that! Those who do not join will miss it...

With a little exaggeration—they will miss everything, because not only technology is on an exponential development orbit but as a result also the known and the unknown world, too. But what happens in the future? What is in the horizon? What will happen to us? Will it bring us good or suffering—is the most frequent question at philosophical tea parties. The theme—as I experienced it—gave new meaning to the seemingly old-fashioned genre classification, too! Because 'one needs a team' means that it is worth belonging to somewhere, to find company for self-education, beyond mandatory day release courses. To voice our difference of opinion, to find out that others think differently, to know that one can be sure and to know that there are doubts, not just a few... This is what keeps me on track, the everlasting update of a desired set of controls and norms—in the abnormal present. My telltale idealism is based on experience: I have never met so many volunteer organizations and valuable micro-communities before! Will to live is Immense Power—if we consciously desire to act. We will act, that's for sure. Whether on our own or we will be forced to... This is the classical question...

Now we can! Freely, among ourselves, together with familiar faces. I beg you let us not let ourselves down!



After the summer break we started our club in September with the promotion of the 7th Sustainability Day. Our guest was Györgyi Orosz, co-founder of the Hősök Tere (Heroes' Square) program, which aims to change the pessimistic attitude of Hungarian people. We welcomed Györgyi at our Sustainability Day, too.



Rita Galambos and Zoltan Tóth in the hello holnap! club



50 volunteer organizers, 13 locations, hundreds of cookies, thousands of buyers, 1479 hours of voluntary work and 1 974 030 forints raised: they are the amazing numbers for the event on 8 December.

Employees of Magyar Telekom and the Sustainability Media Club sold their home-made cakes to people with a sweet tooth and a good heart. Magyar Telekom added to the sum so that altogether 5.4 million HUF was donated to Tábittha House Children's Hospice, which provides help free of charge to the families of terminally ill children.

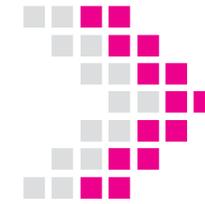
As a responsible company Magyar Telekom deems it important to take part in the Earth Hour events. We first participated in 2009 and since

then we do something in every year to remind ourselves and others to the link between overconsumption and climate change and the dangers of such unwanted developments. In 2014 we joined the worldwide initiative and switched off light in our shops and office buildings plus offered environment friendly products in our webshop at a discount price.

Between its launch in May 2013 and November 2014 the 1600 registered employees used TeleBike on 17 000 occasions, and according



Magyar Telekom volunteers at the It's good to give! (Adni jó!) Cookie Campaign



In 2014 six new electric bikes were added to the TeleBike fleet. TeleBike, Magyar Telekom's self-service, community bike rental system enables employees to rent city bikes free of charge for a short time. Bikes can be used for commuting between four Budapest company sites, enabling employees to get from one meeting to the other during working hours swiftly and without generating any load on the environment.

to GPS data (installed in the bikes for security reasons) the total distance they covered was almost 27 000 kilometres.

In the hello holnap! club of April we presented awards to the employees that had collected

the most hello holnap! points. In the employee survey on sustainability, employees had named a bicycle as the most wanted prize, so Margit Gacsályi, Ákos Mikola and Gábor Hugyecz were rewarded with bicycle vouchers to the value of 100 000, 70 000 and 50 000 HUF respectively.



Ákos Mikola



Gábor Hugyecz



Margit Gacsályiné Békési



The awards ceremony for the hello holnap! points collectors



In the field of internal knowledge sharing we continued the operation of the Employee Academy where employees may exchange knowledge and information that helps to enhance the efficiency of the individual; to improve presentation skills and to get to know each other and our work.

At the Academy there were lectures on 4G, the roaming regulations of the European Union and the actual developments of technology.

In September we organized the Telekom Family Olympic games. This year's novelty was that not only did employees compete in the competitions, but their family members could too. 964 people took part in one or more events, and 300 medals and certificates were handed out.

At the Family Friendly Workplace conference, organized by the Hungarian Academy of

Sciences, Magyar Telekom Group was awarded a special prize.

In the large enterprise category competition Magyar Telekom and its subsidiary T-Systems Hungary were awarded a special prize, which according to the jury was earned for the wide variety of actions applied by the company in different life situations to support employees with families.

The corporate voluntary program has become more popular year after year. Internet Academy,



Digital Bridge at Encs



The 'Family Friendly Workplace 2014' award is offered to companies which contribute to making society more family friendly, support families in raising children through their family-friendly operation, and promote the balance between work and private life.

Super Service training, Mobile Professors, Gondolatbörze, Digital Bridge, Mobilisuli: various forms of education for children and adults were integrated under the name of Telekom Smartdigital Program (Telekom Okosdigitális Program).

According to the employee survey on sustainability, 61% named Magyar Telekom as a leader company in sustainability in Hungary, but 20% did not name any company. The awareness of the definition of sustainability among the country's population is 25% according to a residential survey, but 74% among our employees.



961 employees ✓ worked 8518 hours ✓ on these projects in 2014. This means a 39.4 million HUF ✓ contribution to society.



SmartDigital education for primary school students