



6. SOCIAL ENGAGEMENT



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6.1. SPONSORSHIP



Until 2016, Magyar Telekom, throwing in a broad array of its telecommunication services, promotes the attainment of the goals of the HOC and the preparation of future Hungarian athletes for the Rio de Janeiro Olympic Games as platinum sponsor.

The goals of the company's sponsoring activities are the creation of experience and value for the customers and partners.

The Group, as major sponsor of Hungarian culture as well as musical and social life, is devoted to support high profile events, performers and productions that represent top quality in their area or genre. In its sponsorship activity the company plays a role in the implementation of social initiatives in a manner and to an extent worthy of its economic significance.

Magyar Telekom has been the committed supporter of the Hungarian sport life for decades, and considers sport a cornerstone of its sponsoring strategy. The company is proud to have contributed to much prominent national and international sport success as sponsor. As a part of its support activities, Magyar Telekom supported the Hungarian team and the Hungarian Olympic Committee in the 1996 Olympic Games in Atlanta, later in Sydney, Athens, Beijing and London, too.



As an important part of its sports sponsorship, Magyar Telekom, as sponsor of FTC football club, has a main role in supporting adult and junior football and healthy lifestyle.



As the committed sponsor of the Hungarian Swimming Association, Magyar Telekom also contributed to winning the rights to organize the 2017 FINA World Aquatics Championship.

We support our athletes, also participating in the Olympic Games, with our telecommunication tools: we plan to offer technical background for the athletes, the organizers and the fans.

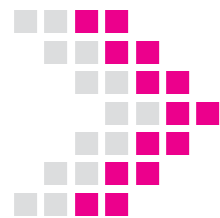
As the most loyal sponsor of the MKB-MVM Veszprém handball team, the company is committed to support the national handball sport. The team took part successfully in Champions League and SEHA league—and won the latter.



As not all fans can visit all matches, we offered them the possibility of watching the events together on big screens in front of the Aréna. These fan events also has programs for families.

One of the biggest mass sport events, 29th Vivicitá City Protecting Run was also supported by Magyar Telekom. Besides athletes and runners, families and physically disabled athletes also participated in the contest. Programs on healthy lifestyle were amongst the events of Vivicitá.

Magyar Telekom is present at the greatest Hungarian festivals – VOLT, Balaton Sound, Sziget, Campus, EFOTT – as a sponsor. Being a sponsor, we are mainly appear at the festivals with our telecommunications tools, considering viewpoints of sustainability, as well. We also point out to our partners that it is indispensable for them to act in an authentic way in all three aspects of sustainability.



We organized transports between several festival locations in the way to avoid unnecessary trips, to decrease CO₂-emission.

As we did with kilometers, we successfully decreased the amount of paper, used during festivals: we published most of our information online, instead of printing regulations and brochures. Festival furniture was mostly (80% of it) made of old pallets, while some decoration was made out of materials, used in Telekom shops before.

We produced some small gifts, related to the festivals: part of these—like the 270 molino bags—were made from reused materials. Re-cups, known from the previous year, also appeared at festivals in 2014.



As a committed sponsor of music, our company became the cooperating partner of Budapest Music center, as well as of the renovated Music Academy.

T-Systems Hungary sponsored some relevant initiatives:

- XIX. Carpathian Basin Hungarian secondary school computer competition (INFOPROG 2014): In the Hungarian-language schools of the Carpathian Basin this initiative is unique, because it promotes telecommunications and information and communication technologies to the younger generation. Our company believes it important to embrace young Hungarian talents, so we supported the event in 2014 as well.
- Euroskills 2014: The aim of the event was to find the most talented, best trained, most capable young IT specialists. We sponsored the program that is well-known and popular among young people.

Crnogorski Telekom's sponsoring platform focuses on sports, music and culture – which is perfect for underlining our brand promise 'Life is for sharing'. Within the company's sponsorship strategy, sports have a special place. The company is the golden sponsor of the Montenegrin national football team and general sponsor of the Telekom Montenegrin Football First League. Additionally, in 2014 Crnogorski Telekom supported and sponsored Budućnost Basketball Club.

Regarding music as one of the main areas within the sponsorship strategy, as every year, we sponsored numerous musical events and activities. We partnered with organizations across Montenegro, and supported the Asfaltiranje Hip-Hop Festival in Podgorica, the Southern Soul Festival in Ulcinj, Sea Dance in Budva, and After Beach Parties across Montenegrin coastline. In September 2014, with the support of Deutsche Telekom, Crnogorski Telekom organized Electronic Beats, festival of electronic music in Podgorica.

In 2014, the company was also the sponsor of the Telekom Underhill Fest, an international documentary film festival which featured a series of concerts, film projects and lectures in Podgorica. Telekom supported the International TV Festival in Bar,

as well as FIAT, festival of alternative theatre in Podgorica.

Sports, music and culture are the three principal pillars of the sponsorship strategy of **Makedonski Telekom and T-Mobile Macedonia.**

In 2014, we supported the Ohrid Swimming Marathon, one of the largest sporting events in Macedonia, the Shar Planina Ski Cup, as well as the humanitarian Mavrovo Giant Slalom, where company teams took part. This year, the funds were dedicated for the Center for support of persons with intellectual disability Poraka. This year, Makedonski Telekom and T-Mobile Macedonia made official the partnership with the most awarded sports club in Macedonia: Vardar.

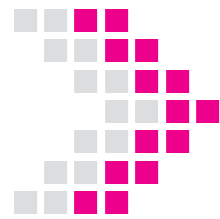
In the area of music sponsorships, this was another year where the international Skopje Jazz Festival carried our logo. The concerts of Balkan stars Bijelo Dugme, as well as the Macedonian and internationally renowned Vlatko Stefanovski, Esmá Redzepova and Tavitijan will be remembered by the sponsorships of Makedonski Telekom and T-Mobile Macedonia in 2014. The prominent Ohrid Summer Festival and the Struga Poetry Evenings, attended by internationally acclaimed artists, are just one part of the sponsorships in the field of culture.

6.2. DONATIONS

Development of communities, awareness-raising

Telekom Smartdigital Program (Telekom Okosdigitális Program): digital competence development for children and adults

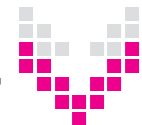
Being a responsible company, we believe that besides offering services we also have the task of helping people use these services and closing the digital divide that exists between the different regions of the country.



As part of this, we organized an educational program: during its free lectures we share our knowledge of the digital world with children, parents, adults and teachers.

Our aim is to help the next generation use the internet in a clever and conscious way, maximizing its possibilities. We think children should be able to ask people around them

about the digital world –this is the reason why we give lectures to teachers and adults, too. These intentions led us to create the Telekom Smartdigital Program, with which we contribute to the improvement of Hungary’s digital maturity. The program has several modules; we operate most of them together with Digital Knowledge Academy as a partner.



- Smartdigital Program in primary schools: Magyar Telekom’s volunteers talk in schools about conscious, safe and ethical mobile and internet usage.
- Smartdigital Program in secondary schools: During these lectures, our volunteers talk about smart and safe internet usage, as well as personal branding online.
- Smartdigital Program for parents: We show parents how to keep their children safe in the digital world. Besides basic knowledge about internet safety, we also talk about cyberbullying.
- Smartdigital Program for teachers: During the 2 × 45-minute lectures we show teachers how to be partners with their pupils in the digital world.
- Digital Bridge for small settlements/Digital Bridge Fest: We visit villages, too, to talk about the possibilities offered by the internet. With this, we would like to help reduce – and eventually stop – the digital divide. The Digital Bridge Fest offers a talent contest that people can watch online, as well as conversations with our volunteer experts.
- Smartdigital Program in Telekom shops: In our shops, our experts (called Mobile Professors) help people with the technical aspects of our products and services.
- Smartdigital Program in homes: After buying broadband internet service, customers can request a home visit by one of our experts to talk about the use and advantages of the internet.

Beside these modules, in 2014 we started Gondolatbörze on the internet, a moderated forum where Magyar Telekom’s clients and

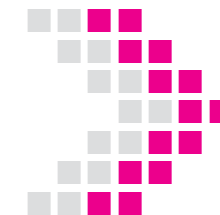
others who are interested can exchange ideas and experiences about our services and other related topics.



Okosdigitális education for schoolkids



Presenting the donation at Tábittha House



It’s good to give! Cookie Campaign (Adni jó! Sütiakció)

In 2014 we organized for the fourth time our Christmas charity programme, It’s good to give! Cookie Campaign, together with Sustainability Media Club. The beneficiary of the campaign was Tábittha House Children’s Hospice – they offer help and a homely environment to children with terminal illnesses and to their families. The campaign had several locations, where the selling of home-made cookies to colleagues and the sending of cookie Christmas e-cards raised almost 2 million HUF. Magyar Telekom added a further 3 million, which altogether meant a donation of 5.4 million HUF.

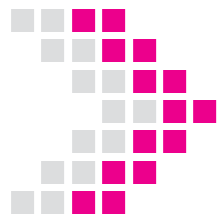
Home-made cookies were ‘shared’ with colleagues on 8 December in the various Magyar Telekom offices: 13 places altogether (Budapest, Nyíregyháza, Szeged, Győr, Pécs). We didn’t just make cookies, but bought them too; visitors were also welcome to help by buying cookies. Colleagues from the members of Sustainability Media Club (Fenntarthatósági Média Klub) – Origo, RTL Klub, CEMP, Class FM, Central Média csoport Zrt., TV2, Axel-Springer, Ringier, Metropol – also took part in

the campaign. Péter Novák and the alternative rock band Quimby joined us, too. Foodstylists took photos of the cookies and Christmas e-cards using these photos could be sent, each adding 100 HUF more to the donation. The cookies and cards added up to a donation of almost 2 million HUF; a further 3 million HUF was added by our company. In this way, the beneficiary for 2014, Tábittha House Children’s Hospice, received 5.4 million HUF.



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





In 2014 **T-Systems** continued to support Kastélyosdomó's social and development centre, operated by the Ecumenical Aid. The institute, opened in 2013, helps the reintegration of families in crisis into society with its special rehabilitation program.

Among the many projects of **Crnogorski Telekom** in 2014, the highlight of the year was the donation contest called 'Za svako dobro' ('For every good'), which raised 23 thousand EUR for a long-term project that finances socially responsible projects of special importance in Montenegro.

From among the 70 NGOs that applied for grants, four projects were selected and awarded with funds for implementation.

- 'No hate offline, no hate online': a project to prevent cyberbullying among teenagers.
- 'Free your creativity': showing how new technologies can empower women who are victims of domestic violence.
- 'Day care': specialist support for children with autism.
- An Android app promoting the botanical garden Dulovine near Kolašin.

The contest was open to all non-governmental organisations from Montenegro that could apply their projects in the fields of education, arts and culture, environmental protection and the creation of equal opportunities for networking and participation in digital society. The aims of the project include making people more aware of Crnogorski Telekom's social

responsibility activities, engaging important stakeholders and gaining their trust, and increasing transparency in the company's social engagement. In order to ensure transparency and the selection of the best projects, besides Crnogorski Telekom's employees, representatives from NGO 'Fund for active citizenship', Montenegrin TV station TV Vijesti and the local United Nations Development Program office participated in the selection of the winning projects.

Besides the contest for socially responsible ideas, the year 2014 was also marked by the cooperation with NGO Bicklo.me in order to promote cycling as a sustainable mode of transport. Thanks to a donation by Crnogorski Telekom, 18 bike racks have been installed in Podgorica, and a mass cycling event was organized to promote cycling.

The company also participated in disaster relief activities to support the victims of floods that hit several countries in the region in May 2014. Telekom gave a corporate donation of 10 000 EUR and in cooperation with Red Cross Montenegro the company opened a donation line in order to enable its customers to give their contribution and help those in need. By the end of June, the total number of SMSs was 104 156.

As part of **Makedonski Telekom's** charitable giving in 2014 there was a donation to the First Children's Embassy in the World Megjashi, as well as support for the now traditional walk against breast cancer.



T-Mobile for Macedonia Foundation

The T-Mobile Macedonia Foundation is one of the first foundations in Macedonia that was founded by a business entity. A pioneer in corporate responsibility since 2002, the foundation operates with a focus on children, especially those from vulnerable groups, with the goal of providing them with the highest quality of life possible.

- The first 5 are the most important years

In partnership with UNICEF, the T-Mobile Foundation for Macedonia is running a campaign about the importance of development in early childhood. The purpose of the partnership is to raise awareness about high-quality education in the first 5 years, but also to generate funds for opening centres for development in early childhood. These are alternatives to kindergartens in areas where it is not feasible to build kindergartens, mainly in rural and margi-

nalized areas. The donation of the T-Mobile Foundation for Macedonia has been used to open eight centres in Selce, Jargulica, Desovo, Zleovo, Debreše, Dolno Lisice, Ratavica and Centar Zupa, while at least five more will be opened in the course of 2015. T-Mobile donated part of the revenue from SMS messages on New Year's Eve specifically for this purpose.

- Charity donations telephone lines

Since 2002 the T-Mobile Foundation for Macedonia has initiated the opening of humanitarian charity donations telephone lines, with the goal of encouraging citizens to donate to help people or organisations involved in humanitarian work. In 2014 the numbers were used 55 times: 51 times for individual citizens and 4 times for legal entities. The foundation covers the personal income tax of the donated amount for each customer, so that the users of the funds can receive the entire amount donated.

- e-Macedonia Foundation

The e-Macedonia Foundation was established in 2004 by Makedonski Telekom for the expansion and support of benefits from the information society. The goal of the foundation is to enable vulnerable groups of citizens to use the new technologies and become part of the digital society.

In January 2014 the e-Macedonia Foundation started a partnership with the NGO 'Open the windows'. The aim of the partnership is equal inclusion of persons and children with special needs in the information society. Therefore, through the joint project 'The computer as the window to the world', the e-Macedonia Foundation and the NGO 'Open the windows' procured assistive smart computer equipment customized for persons with disabilities and organized courses to teach them how to use the equipment. The ultimate goal of the project is greater inclusion of these persons into society.

Civil and CivilNet Tariff Package

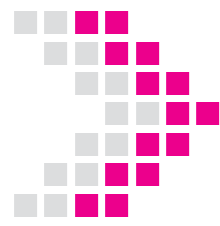
Magyar Telekom launched its Civil Tariff Package service in March, 2004. Civil Tariff Package provides 500 minutes of free calls without monthly fee and connection fee in the domestic fixed line network. The tariffs of usage exceeding 500 minutes contain an average of 30% discount on the call charge of the basic package. The organizations can use the money so saved for their socially useful programs.

In 2009—responding to the demands of the NGOs—Magyar Telekom extended its Civil

tariff package service to internet access, as well, by launching its CivilNet tariff package, which provides internet access service without connection fee and monthly fee to public benefit organizations selected through applications. Applications can be submitted for the CivilNet tariff package along with the Civil tariff package.

In 2014, the company provided discount schemes to 27 organizations in an overall value of 2.4 million HUF.

6.3. OUR EMPLOYEES AS CORPORATE CITIZENS



In hello holnap! Supplemented voluntary donations program we leverage the power of communities. We support the initiatives of the local communities so we encourage our colleagues to help some civil program in their own neighborhood by offering voluntary work.

The core element of the Supplemented Individual Donations program, renewed in 2012 and named as Supplementary volunteer donations, is that in addition to financial donation, employees are also expected to commit themselves to the supported NGO with voluntary work.

hello holnap! Supplemented voluntary donations program is to enhance the culture of corporate citizenship among the employees, strengthen the relationship between the individual and the NGOs, raise awareness of the support objectives of Magyar Telekom and, last but not least, increase employee loyalty.

Voluntary work beyond working hours at the chosen NGO is a compulsory element of the program. The employee is requested to describe the voluntary work, being part of his voluntary donation, in the annex of the form provided under hello holnap! The voluntary work may be physical or intellectual contribution, but the request to do voluntary work must come from the supported NGO.

For financial support above voluntary work we set up two categories:

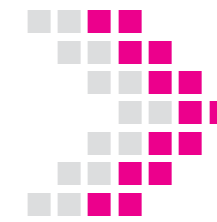
- The employee's own initiative: In this case the maximum amount of company support is 50 000 HUF. Supplementary support is provided as follows:
 - employee donations up to 15 000 HUF the company matches with twice this amount;
 - employee donations between 15 001 HUF and 50 000 HUF the company donates an equal amount.
- Collective initiative of employee groups: In this case the maximum amount of company support is 200 000 HUF. Supplementary support is provided as follows:
 - in case of the collective initiative of employee groups, where minimum 4 Magyar Telekom employees are involved in the donation and the connected voluntary work, and the amount of the donation paid by the employees is minimum



Volunteers of the 10 year-old Digital Bridge Program

- 50 000 HUF, the company supplement will be 200 000 HUF;
- in case of the collective initiative of employee groups, where fewer than 4 Magyar Telekom employees are involved

in the donation and the connected voluntary work, and the amount of the donation paid by the employees is minimum 25 000 HUF, the company supplement will be 100 000 HUF.



We increased the sense of social responsibility of our employees with the organization of volunteer programs; 8% of team building activities had charitable elements as well. In 2014 14 such programs were organized, where altogether 961 Magyar Telekom volunteers ✓ participated in 8518 hours ✓. With these programs we provided 39.4 million HUF ✓ worth of theoretical contribution to the society.

In December 2014, we organized a donation campaign for charitable purposes again, with the involvement of employees. We asked them to bring home-made cookies on that day: this is the traditional Adni jó! Sütiakció. The cookies were sold to each other based on the honor system: everybody paid an amount they wished to. The company supplemented these donations adding up to more than 2 million HUF, and donated another sum of 3 million HUF to Tábita children's hospice.

T-Systems employees could support social groups in a number of ways:

Telekom Okosdigitális Program

Our colleagues participated in Telekom Okosdigitális Program as volunteers, and gave presentations in several schools across the country on the correct and ethic use of mobile phones and the internet. 30 T-Systems colleagues joined the program, giving altogether 141 presentations.

Volunteer teams

T-Systems participated in three actions in 2014: 29 of our colleagues helped gardening HIA's courtyard at Soroksár, 13 volunteers supported HIA at Basilica, and 15 colleagues took part in Adni jó! Sütiakció by Magyar Telekom.

In 2014, **Crnogorski Telekom** continued to organize blood donation activities. In cooperation with Montenegrin Centre for Blood Transfusion, around 40 employees and managers donated blood and helped to raise awareness to this important social issue. In December 2014, the company was awarded with the Recognition

of contribution to blood donations in Montenegro, given by the Montenegrin Office for Blood Transfusions and the Montenegrin WHO Office.

At **Makedonski Telekom** there were several projects in the field of social responsibility:

Skopje Marathon – challenge for humanity

The employees were running for donations to persons with intellectual disability. A team of employees in Makedonski Telekom and T-Mobile Macedonia were running for humanitarian goals at the Skopje Marathon. For every kilometer run by the marathon runners, the company made donations to the day-care centre for persons with intellectual disabilities. Nineteen employees ran 21 kilometers each, while one employee ran 42 kilometers; thereby the total amount of the donations equalled 11 000 euros. The donation will be used to renovate and adapt the rooms of the day-care centre Poraka, thus drastically increasing the number of protégés attending the centre.

Humanitarian New Year's caravan of the employees

For the thirteenth year in a row, the Foundation T-Mobile for Macedonia organized the New Year caravan. Over 150 employees of T-Mobile and Makedonski Telekom volunteered in the organization and implementation of the caravan, which brought joy to more than 2000 children from vulnerable groups throughout Macedonia, via 50 organizations. Shows were organized and New Year packages were distributed to children without parental care, children with disabilities, children from socially vulnerable areas, etc.