

A large, leafy tree stands in a grassy field under a clear blue sky. A person is sitting on a branch of the tree. The tree's shadow is cast on the grass. The background shows a line of bushes and a path.

SUSTAINABILITY REPORT

2022



Együtt.
Veled

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LETTER FROM THE CEO

Dear Reader,

The best measure of a company's strength and stability is how it performs in difficult times. After 2020, many believed that a shock more drastic than the global health emergency could not come. We had already begun to put the challenges behind us when a generationally unprecedented war trauma occurred in our immediate neighborhood, and we are also facing an economic crisis not seen since the 2008 global crisis. So, 2022 was a year that shook not only Hungary, but Europe and perhaps it is not an exaggeration to say, also the world as a whole.

In this uncertain and ever-changing environment, Magyar Telekom must be a stable point of reference for its customers, investors and employees, its direct and indirect stakeholders, while remaining focused on its main operational objective, which has not changed despite the difficulties: the full-scale digitalization of Hungary.

We are proud that our sustainability approach has long been an important and well-known Magyar Telekom trademark. Sustainable development is essential for the future of our business. After completing our strategy in 2020, our company has set new long-term goals until 2030, with milestones for 2025. With digitalization for development, social accessibility and environmental protection in mind, Magyar Telekom aims to remain the country's leading sustainable company, listening to trends and adapting to them where appropriate. As a responsible company, there is only one way forward: to lead by example and set a course towards digitalization, environmental protection, and diversity.

We are determined to support the successful full-scale digital transformation of Hungary.

We will do this by providing our customers with the best services available, on the best network, in an ever-changing market environment, regardless of global influences.

Our focus is on innovation, network development and digital business development, which are essential elements of our country's digital evolution. Magyar Telekom has spent more than HUF 300 billion in the last 5 years to develop its mobile and fixed network infrastructure in Hungary, which resulted in 375,000 new fiber lines in 2022 alone, and nearly 77% of our fixed network is now gigabit-enabled. We now offer gigabit speeds to almost 3.5 million homes and businesses.

In 2022, we continued our network modernization program spanning several years. The modernization of our mobile network was essential to cope with the dramatic increase in data traffic. As part of this, we completely switched off our 3G network. Our 4G network, with almost nationwide coverage and a better customer experience than provided by previous technologies, remains available for both voice and data. Voice traffic for customers with 3G-enabled handsets or less has been taken over by the existing 2G network.

The environmental aspect of this move is not negligible: given the near nationwide coverage of 2G/4G, a redundant network, the decommissioning of the low-use 3G network will result in large energy savings.

Thanks to our climate strategy and energy saving measures, we are on track to meet our 2030 targets. As part of this, we have reduced our direct (scope 1) and indirect (scope 2) emissions by 39% compared to the base year (2015), and our other direct (scope 3) emissions (base year: 2017) by 15%. And for the eighth consecutive year, we have offset our known remaining emissions to zero.

We are also preparing for future needs: network modernization and 5G-enabled devices are important prerequisites for the geographic expansion of the 5G network in the medium term. As part of our sustainability strategy to 2030, we are committed to providing 67% 5G coverage to our customers by 2025.

Our long-term plan to 2030 is to reach digital maturity for 6 million people, 4 million of them by 2025. As a responsible service provider, we will play our part in creating digital equality in Hungarian society. We aim to make digital opportunities available to all ages. The "Legyélte! Generation NOW" program launched in November 2019 reached almost one million people by 2022. In addition to educating the elderly, we are paying distinguished attention to compliance with child protection guidelines.

In 2022, Magyar Telekom continued to pursue its policy on diversity, equal opportunities, and inclusion, which was renewed in December 2021. Our aim is to provide all our employees with a consistent working, learning and development experience, and to strengthen the sense of inclusion and involvement. As a committed employer, we place high priority on increasing the proportion of women in leadership, in fact we aim to have at least 40% women in our overall management team. In 2022 this proportion was 27.27% in the Group.

It cannot be stressed enough that perhaps never before has the world faced so many challenges. There is no doubt that the greatest treasures in these times are stability, continuity and uninterrupted progress. This is the path Magyar Telekom is on, and this is reiterated by reliable investor assessments and global ESG indices which, based on its operations, ranked Magyar Telekom in the top league in the telecom sector in 2022.

As part of our strive for sustainability, we continue to observe the UN Global Compact objectives and Sustainable Development Goals (SDG) as standards to follow. An important feedback about our efforts is how we are assessed by responsible investor analysts. In 2022, the company retained its position as member of the FTSE4Good index family, receiving a 'B' Prime rating in the ISS ESG Responsible Investor Assessment and achieving the best rating of AAA in the MSCI ESG Assessment. Also in 2022, Magyar Telekom was ranked in the top 8% of the CDP Supplier Engagement Rating (SER) and received an A- in the Climate Change Rating.

The difficulties that have increased doubts in many quarters in the past period have only made our company more determined to achieve and even improve on the goals it has set itself. As a stable, secure point in uncertain times. This is also supported by our sustainability strategy, through which we cherish the ambition to reduce environmental, social and economic risks, and to prove that we are not only capable of doing this, but also empower our customers to do so.

Budapest, April 14 2023



TIBOR RÉKASI
Chief Executive Officer

OUR APPROACH

This Sustainability Report presents the results of Magyar Telekom Plc, T-Systems Hungary Zrt.¹ and Makedonski Telekom. In the Sustainability Report, references to the Magyar Telekom Group, the „Group” and „Group-level” refer to the group of companies formed by Magyar Telekom Plc, T-Systems Hungary Zrt. and Makedonski Telekom. In the Sustainability Report, the term Magyar Telekom refers to Magyar Telekom Plc. and T-Systems Hungary Zrt. together.

Sustainability approach

Since Magyar Telekom recognized the overall importance of sustainable development long ago, as well as the fact that this is specifically critical for future business operations, it remains committed to pursuing its operations, corporate governance and other activities in the spirit of sustainable development in Hungary and in all countries where the Group is present through its operations or partnerships. This is not only a token of our future business success, but one of our major assets in light of the Group's role in the region and its social, environmental and economic influence.

Sustainable development is not a challenge for a single individual. It affects everyone across the whole corporate Group. Therefore, it cannot be approached as a task dedicated to one organizational unit. The different entities of the Group learn about and then apply the sustainable practices applicable in their respective areas through the policies governing internal operating procedures. Sustainability policies that affect the entire company are recognized and mastered by our new employees as an integral part of the corporate culture. The different tasks often belong to different entities within the Group and require the cooperation of organizations far away from each other. Magyar Telekom's sustainable corporate governance practice is described in the [Chapter on Corporate Governance](#).

Values identified by our sustainability approach in the environmental, economic and social dimensions:

Economic dimension

- Business venture, integrity, transparency
- Vision, innovation
- Employees, team, dynamism
- Customers

Social dimension

- Democracy, information society
- Future generations, sustainable society
- Diversity, social solidarity, quality of life
- Partnership, talent, creativity

Environmental dimension

- The Earth
- A living and healthy environment
- Nature, biological diversity
- Natural resources

Sustainability Strategy (2021–2025–2030)

The main goal of Magyar Telekom's 5th Sustainability Strategy is to remain the country's leading sustainable company by putting digitalization at the service of the development of people, families and businesses, as well as the protection of the environment. The main guiding principle of the company's new strategy is to maintain its current leadership role as both a company and an infocommunication service provider. It has therefore set long-term targets for 2030, which it will continuously monitor and update as necessary.

CLIMATE PROTECTION

What we do as a company: We keep our direct and indirect emissions (scope 1+2) at net zero by an 84% decrease (compared to 2015) and reduce the part of the emissions of our suppliers and customers attributable to us (scope 3) by 30%.

What we do to enable others: Our customers to take climate action and reduce emissions by providing ICT services applicable as climate protection (i.e. smart) solutions. At least half of our revenues come from services that support climate protection by 2030.

Emission decrease (2025):

- Keep our direct & indirect emissions (scope 1+2) at net zero by an overall 16% decrease in consumption
- Decrease the emissions of our suppliers and customers attributable to us (scope 3) by at least 20%
- Review the possibility of introducing a "Shadow CO₂ Price"

Decreasing others' emissions (services for climate protection) (2025):

- At least 20% of our revenues to come from climate protective services

Tasks supporting climate goals (2025):

- Establish and report on climate risk management process (in line with TCFD)
- Impose internal carbon tax and establish internal carbon market

Resource efficiency goals supporting climate goals (2024):

- Take back used mobile devices from customers, 10% increase
- Take back and sustainably manage used CPEs from customers
- Zero technological waste disposal
- 100% sustainable packaging

Emission decrease (2030):

- Keep our direct & indirect emissions (scope 1+2) at net zero by 84% decrease compared to 2015
- Decrease the emissions of our suppliers and customers attributable to us (scope 3) by 30%
- Take into consideration the carbon footprint in the process of supplier selection

Decreasing others' emissions (services for climate protection) (2030):

- At least 50% of our revenues to come from climate protective services

DIGITALIZATION

What we do as a company: We work on the digitalization of the country and make gigabit access available to 100% of our customers.

What we do to enable others: We help 6 million people to achieve responsible digital maturity.

Digitalization of Hungary (2025):

- 4 million gigabit-ready households (access independent) 67% 5G coverage

Digital responsibility (2025):

- More than 4 million people whose digital maturity we have promoted

Digitalization of Hungary (2030):

- Gigabit access available to all our customers
- Nationwide 5G coverage

Digital responsibility (2030):

- 6 million responsible digitally mature people

DIVERSITY & INCLUSION

What we do as a company: we create a 100% inclusive workplace.

What we do to enable others: we provide 100% accessible services

Inclusive workplace (2025):

- 100% accessible workplace
- Ratio of female management: minimum 35%

Accessible services (2025):

- 100% WCAG compliance

Inclusive workplace (2030):

- Ratio of female management: minimum 40%

Accessible services (2030):

- 100% accessible services

Sustainable Development Goals (SDGs)

In 2015, the UN adopted its sustainable development blueprint to be implemented by 2030. These 17 goals and 169 targets determine the main direction towards resolving the most urgent problems posing a threat to humanity and the planet. Magyar Telekom also elaborated its Sustainability Strategy encompassing the period from 2021 through 2030 in line with these SDGs.



¹ From 1 February 2023, Magyar Telekom will offer new IT and telecommunications services from a single source to its residential, medium and large enterprise customers. From 1 February 2023, the name of T-Systems Magyarország Zrt. has been changed to Telekom Rendszerintegráció Zrt.

CORPORATE GOVERNANCE



Publicly listed companies are increasingly expected to clearly state their corporate governance principles and the extent to which those principles are implemented. As a company listed on the Budapest Stock Exchange, Magyar Telekom is highly committed to measuring up to these expectations and to meeting legal and stock exchange requirements.

Sustainability Coordination

The group-level governance of corporate sustainability operations in 2022 is shown on the diagram below. From 2020 to the end of 2021 the Sustainability Committee (SC) (previously: Group Sustainability Coordination Council) was responsible for group-level coordination.

From 2020 to 2022, the Chief People Officer (CPO) was the senior executive responsible for sustainability and the sustainability coordination was under the Corporate Communications Hub in the People Unit area. From 1 January 2023, the senior executive responsible for sustainability became the Chief Financial Officer (CFO) and the sustainability coordination was transferred to the Capital Market Relations Hub area.

In the operation of the Sustainability Squad¹, strategy development and strategy management are separate, so sustainability activity is carried out at two levels:

1. Strategy development and strategy management

Within the Sustainability Squad, the strategic vision is developed, and the implementation of the strategy is managed, communications are prepared and relations with various national and international organizations are managed.

2. Operative implementation level

Operational activities, execution of tasks, data reporting, etc. are carried out within the organizations of the management areas and business lines.

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To increase the transparency of the company's corporate governance practices Magyar Telekom provides information on this [website](#).

Information on general meetings and the resolutions adopted at them is available on this [website](#).

The operation of the Sustainability Squad is regulated by a group level directive called "About the regulation of Magyar Telekom Group's sustainability operation and the responsibilities and competence of stakeholders".

In compliance with the directive the Sustainability Squad meets regularly, at least quarterly, to coordinate company and group sustainability tasks effectively, with decisions taken by Sustainability Squad members through voting.

The Sustainability Squad provides regular reports and presentations to the Chief Executive Officer (CEO) and the Chief People Officer (CPO) (from 1 January 2023: Chief Financial Officer), on the basis of which they set the main direction of the Magyar Telekom Group's sustainability activities and take decisions on the following topics, with the input of the members of the Leadership Squad:

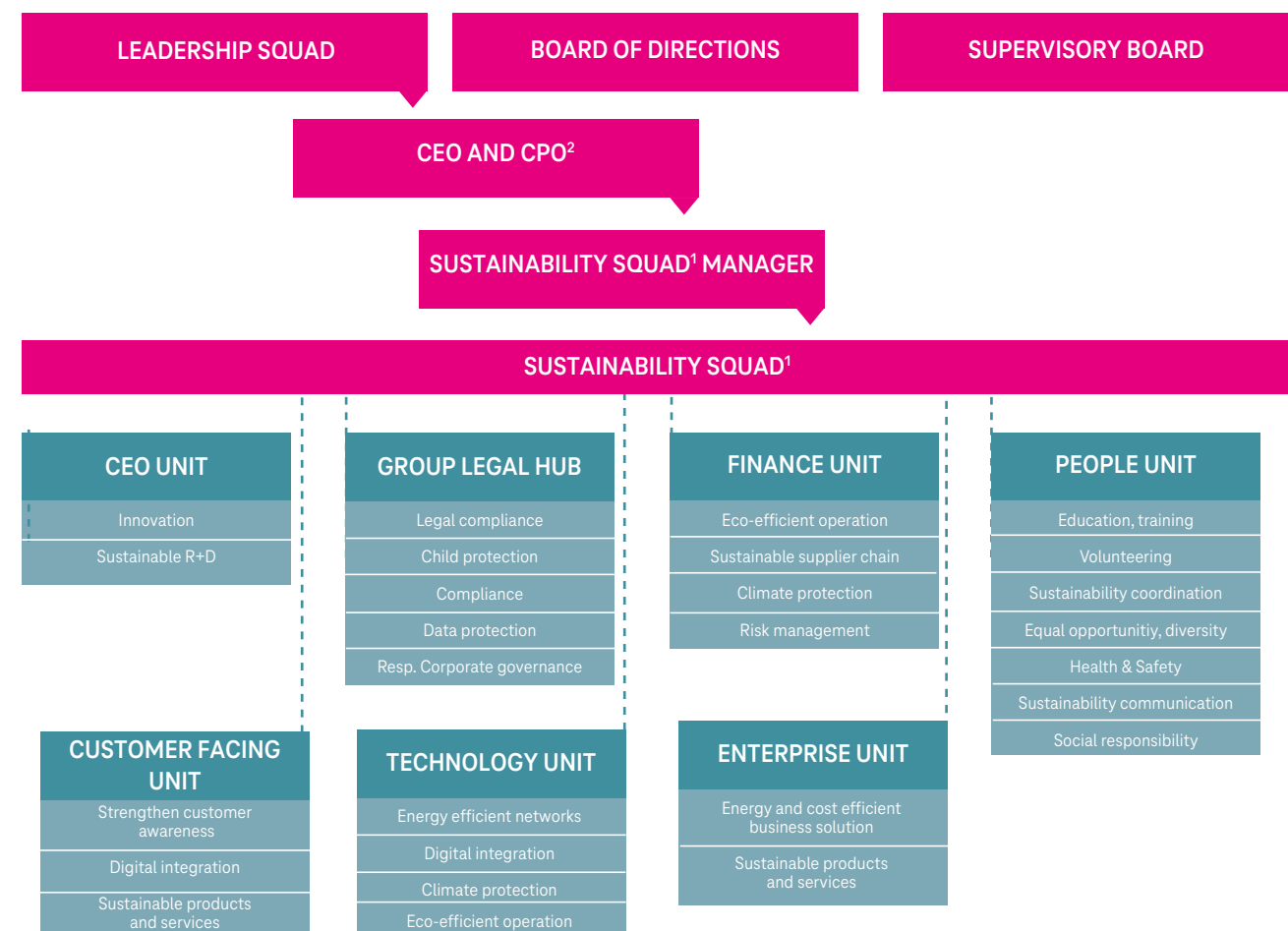
- Group policies
- Group sustainability strategy
- Group sustainability development tasks
- Group sustainability communication roadmap

The Leadership Squad liaises with stakeholders directly or through the Sustainability Squad. Inquiries received are channeled to the individual areas, with critical sustainability-related inquiries being forwarded by SC members to the relevant people.

Communication is based on the results of the above activities, one important element of which is the annual Sustainability Report, which in 2023 was overseen by the senior sustainability manager, the CFO, professionally managed by the Capital Market Relations Hub and with Planet Fanatics' Network LLC. as sustainability advisor.

COMPETENCE	RESPONSIBLE
Determination of main directions, decision on key issues	CEO and CPO ²
Ensuring the necessary framework and supervision of the activities	CPO ² , member of Leadership Squad
Making the decisions and resolutions necessary for the operation, ensuring the coordination for the performance of tasks	Sustainability Squad ¹
Professional management, harmonized implementation of group level tasks, participation in the Hungarian and international professional activities	Sustainability Squad ¹ manager - a Corporate Communication HUB Lead
Implementation of tasks of the management area/organization/member company, information, participation in meetings, data supply, implementation of operative tasks	Sustainability Squad ¹ members

Management of Magyar Telekom from a sustainability aspect in 2022



¹ The Sustainability Squad will continue to operate under a new name, the ESG Squad, based on Internal Instruction 404, updated in Q1 2023.

² The responsibilities as defined in the internal instructions in force as of 31 December 2022 are included in this report. As of 1 January 2023, the CPO was replaced by the CFO and the Sustainability Squad leadership was transferred to the responsibility of the Head of Capital Market Relations HUB.

Hierarchy of the sustainability activities

The changes in the hierarchy of Magyar Telekom Group's sustainability activities and in the structure of the Group as a result of the agile transformation are presented in the annual sustainability reports.

The sustainability strategy is determined in line with various policies of the Group, Hungarian and international trends (climate protection, electromagnetic fields, responsible content services, etc.) and in consideration of the stakeholders' expectations (i.e. proposals made at round-table discussions and various sustainability forums, email messages, survey results, etc.). The continuously updated strategy then serves as a basis of our tasks and objectives.

All our activities are supervised by the CEO and the CPO (from 1 January 2023: Chief Financial Officer), based on our regular reports. In order to manage risks that may have an impact on the business we established the sustainable supplier chain management process.

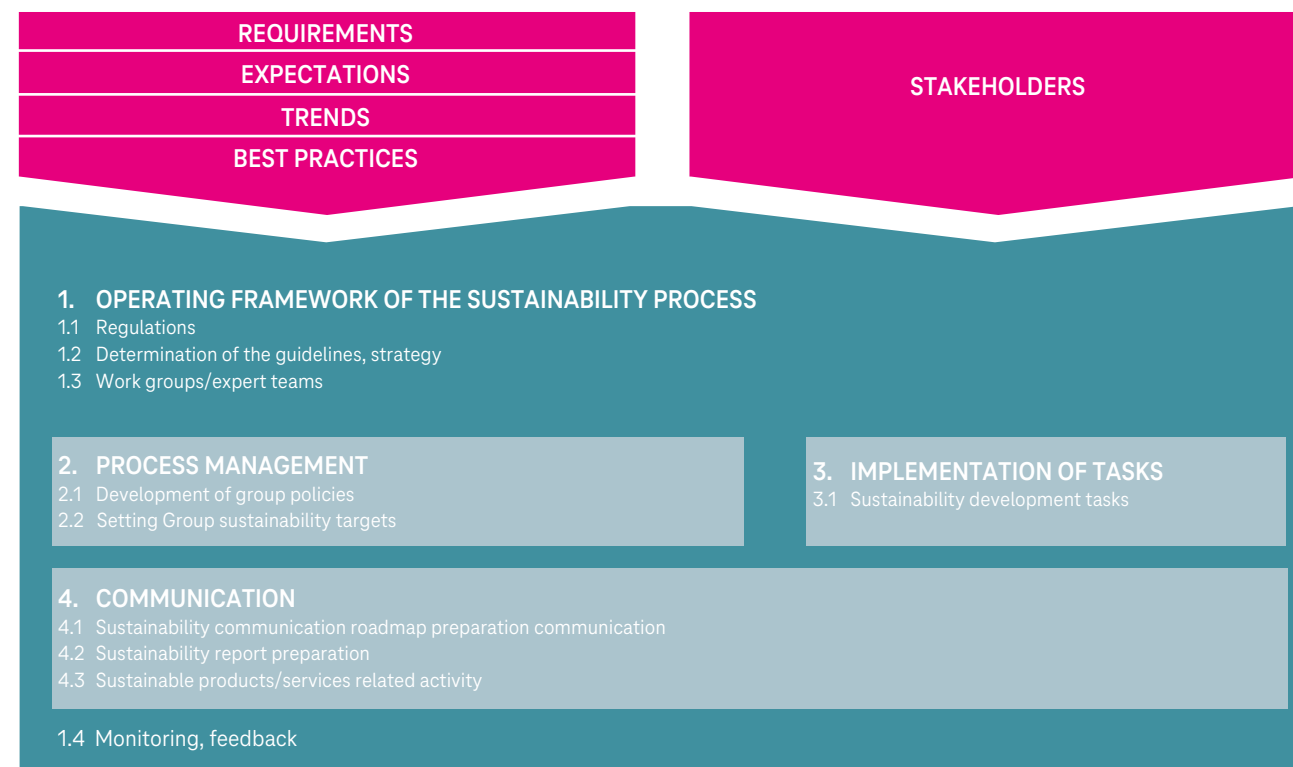
Incidents are managed by a work group established by the Sustainability Squad and based on them we elaborate measures to mitigate potential exposures.

REGULATION OF THE SUSTAINABILITY ACTIVITIES, GROUP SUSTAINABILITY PROCESS, ENVIRONMENTAL COORDINATION

The sustainability management process covers Magyar Telekom Group's entire sustainability activity (including environment protection).



THE CONNECTION OF SUB-PROCESSES AND ACTIVITIES IS SHOWN IN THE FOLLOWING FIGURE:



CORPORATE COMPLIANCE

Magyar Telekom Group's Corporate Compliance Program has been elaborated with the aim of ensuring that Magyar Telekom Group conducts its business with maximum awareness and commitment, in accordance with relevant laws and regulations, in harmony with the strictest possible business ethics standards.

To this end we have issued directives addressing the potential compliance risks, operate the procedures set out them and provide training for our employees on an ongoing basis. Clear processes are in place for whistle-blowing, investigation, monitoring and remedy of suspected cases of non-compliance.

The Corporate Compliance Program is supervised by the Group Compliance Manager. The Group Compliance Manager reports directly to the Audit Committee and is in direct contact with the Board of Directors, the Supervisory Board and the management. The central point of the Compliance Program is the Code of Conduct that summarizes the relevant requirements and the applicable ethical norms. Employees may ask compliance-related questions through the Kérdezz! (Ask) portal.

The Company verified the cases of unethical conduct reported during the year and launched appropriate investigations where necessary. In the cases where the action of fraud was verified, appropriate remedial actions were taken. Complaints and comments related to issues and violations of internal and external regulations can be submitted to Magyar Telekom Group's Mondd el! (Tell us) portal.

INTERNAL CONTROL SYSTEM

The presentation of the system of internal controls, evaluation of the activity in the relevant period.

Magyar Telekom's management is committed to establishing and maintaining an appropriate level of internal control system to ensure the reliability of the financial reports and minimize operating and compliance risks. Our internal control system is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in conformity with International Financial Reporting Standards (IFRS) adopted by the European Union.

Starting from year 2021 Corporate Responsibility is designated as a separate area within our control environment, for which we cover the related risks with dedicated controls.

For the business year 2022 we accomplished control documentation and evaluation in the IT supported ICS-Tool system. Transaction Level Controls describe the controls built into our business processes that have been designed and operated to ensure that material misstatements in each significant financial account and disclosure within the financial statements are prevented or detected in a timely manner.

(Complete evaluation of our internal control system is based on the method established in "Internal Control—Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The operation of the internal control system is supported also by the independent internal audit function. Beyond tasks regarding the risk based internal audit work plan, contributes to the enhancement of the internal control processes and to the reduction of existing risks through ad hoc audits and ICS testing. The Internal Audit area follows up the implementation of the measures defined based on the audits. The Supervisory Board and the Audit Committee also receive regular reports on the findings of the audits, the measures taken, based on the findings and the fulfilment of the tasks.)

In line with the criteria of the adopted internal control framework, management evaluates the effectiveness of the internal control system in each financial year. Management's assessment for 2022 is finished and based on the collected information, the internal control system operated effectively in the respect that it prevented potential material misstatements in the financial statements and minimize operating and compliance risks.

INTERNAL AUDIT

Magyar Telekom Group's Internal Audit organization is part of the Group Internal Audit and Risk Management HUB. Functionally, the chief audit executive reports to the Audit Committee and Supervisory Board and the organization belongs administratively to the Chief Financial Officer. The chief audit executive also regularly reports to the Board of Directors on the results of audit engagements or other activities.

Internal Audit works according to the International Standards for the Professional Practice of Internal Auditing and internal regulations such as the Group Auditing Charter and Group Auditing Manual, which documents are made available to all employees. The Internal Audit activity is independent and objective, which involves evaluating and improving the operations, processes, and effectiveness of organizations, providing advisory services, thus helping to achieve Magyar Telekom Group's objectives.

The chief audit executive is responsible for preparing the annual audit plan, submitting it to the Audit Committee and obtaining approval from the Supervisory Board, as well as regularly reviewing and modifying it to reflect changes in Magyar Telekom Group's business activities, risks, operations, programs, systems, and controls.

During the preparation of the annual audit plan, internal audit focuses on the trends and emerging risks that have a potential impact on the operation of Magyar Telekom Group. According to this methodology, among other important subjects, ESG topics have been incorporated into the annual audit plan for 2022, with which Internal Audit supported the organization in its ESG-related efforts, via mapping the effectiveness of the management framework, internal controls, and processes.

RISK MANAGEMENT

The **Risk Management Guidelines of Magyar Telekom Plc.** is our policy that all our disclosures our shareholders and the investment community be accurate and complete, and fairly present our financial and operational results in all material respects. Such disclosures are made on a timely basis as required by the applicable laws, rules and regulations.

To achieve these objectives, we continuously develop and regularly review the functionality and effectiveness of the elements of our risk management system. Our risk management includes identification, assessment and evaluation of risks, development of necessary action plans, as well as monitoring of performance and results.

Magyar Telekom performs its risk management activities in accordance with the risk management guidelines developed by the Group level risk management organization and approved by the Boards of Directors.

The risk owners of the individual organizations are responsible for identifying, reporting, assessing and monitoring risks on a continuous basis, in line with the framework of the risk management process, under the governance of the central risk management organization.

Magyar Telekom's Group level risk report is regularly submitted to the Board of Directors, the Audit Committee and the Supervisory Board as well as to Deutsche Telekom's risk management organization.

During the annual planning process the management takes into account potential risks.

The chief audit executive has the responsibility to ensure that engagements of the annual audit plan are executed, including the establishment of objectives and scope, the documentation of work programs and testing results, and the communication of engagement results. Applicable conclusions, recommendations and measures are prepared as part of the published audit reports and Internal Audit actively monitors and supports the implementation of corrective actions.

The established risk management standard provides a process framework:

- following the identification of risks, they are analyzed, assessed and quantified in details, then they are quantified (by estimating their probability of occurrence and potential impact) according to a predefined methodology. The assessment of risk assessment enables the management to focus more effectively on those risks that have a significant impact on the company's strategic objectives.
- following the assessment, the decision is made on the specific measures to reduce risks,
- the relevant risk owner implements, monitors and evaluates the relevant measures, and
- these steps are repeated as necessary to reflect actual developments and decisions.

Risk items affecting our operations are reviewed regularly throughout the Company. All of our subsidiaries and entities are obliged to identify and report their operational risks. After evaluation of these risks, results are reported to the Company's management, to the Board of Directors, to the Audit Committee and the Supervisory Board. This regular reporting ensures that the most significant risks are monitored, up-to-date risk mitigation measures are implemented and regularly monitored.

Our risk reporting system is complemented by a continuous reporting procedure, which requires all of our departments and subsidiaries to report on a real-time basis any new material fact, information or risk that comes to their knowledge. Information thus submitted is monitored and evaluated by the risk management area and the Chief Financial Officer is notified when a new material risk or information is identified.

An internal regulation has been issued to define responsibilities of each employee in risk monitoring and management.

The risk assessment is carried out for a two-year period. This is also our forecast period. If there are significant risks beyond the forecast period, such risks are monitored on a continuous basis.

Besides the systematic management of risks the identification of opportunities and their strategic and financial assessment are also essential part of our annual planning process. This allows us to take these opportunities into account in our forecasts.



CLIMATE AND ENVIRONMENT PROTECTION

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7 AFFORDABLE AND CLEAN ENERGY



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12 RESPONSIBLE CONSUMPTION AND PRODUCTION



13 CLIMATE ACTION



STRATEGY TARGETS (2021–2030)

One of the main focuses of Magyar Telekom's sustainability strategy for the period 2021–2030 is climate protection and the related operational eco-efficiency targets. Many elements of the previous strategy have been retained and complemented in line with the emission reduction commitments. We have set short- (until 2025) and medium-term (until 2030) targets for the Hungarian affiliates.

Our main target for the period until 2025 is to keep our direct and indirect emissions (scope 1+2) at net zero, while reducing our total energy use by 65% (compared to 2015).

We aim to achieve this through the following sub-goals:

- reduction of our fossil fuel use by 40%
- reduction of electricity consumption in our fixed network by 20%
- reduction of electricity consumption in our mobile network by 15%
- reduction of electricity consumption in our data centers by 13%
- reduction of energy use in buildings by 16%
- reaching 3000 MWh in the use of our own renewable energy sources
- voluntarily offsetting the remainder of our scope 1+2 emissions.

Digitalization plays an important role in Europe's green transition, which would use more and more energy without improving its energy efficiency. To achieve the emission reduction targets we have committed to by 2030, and to make them real emission reductions, we have set a number of energy efficiency targets:

- reduce our fossil fuel use by 70%
- reduce the electricity consumption of our fixed network by 27%
- maximize the increase in electricity consumption of our mobile network at 2%
- reduce the electricity consumption of our data centers by 20%
- reduce the energy use in buildings by 20%
- continue to source 100% of our electricity from renewable energy, of which 6000 MWh will be produced by us

In addition to these reductions, we consider it important to offset the remainder of our scope 1+2 emissions in the period 2025–2030, too.

We also aim to reduce our other indirect emissions (scope 3): by 20% by 2025 and by 30% by 2030, in line with our SBT commitment. To this end, we aim to include the so-called shadow carbon price in our selection criteria for procurement, and we will strive to offer an increasingly wide range of climate-friendly services.

We also intend to explore the possibilities of and rely on the internal carbon market and the internal carbon tax to achieve our emission reduction targets and offsets.

In the 2015–2020 period, it already became the practice to include a climate risk and opportunity analysis in business and sustainability reports in line with the TCFD recommendations. From October 2022, Magyar Telekom listed as a **TCFD-supporter**. In continued TCFD compliance, we intend to build a stand-alone climate risk management process to reduce the company's vulnerability to climate change.

Climate change can only be effectively countered by a shift to a circular economy. As part of the action plan coordinated by Deutsche Telekom, which will run until 2024, we want to contribute to this with the following goals

- increasing the take-back of used mobile phones
- take back and sustainably manage CPE devices used by customers
- our technological waste will not be placed at disposal sites
- sell our own branded products in 100% sustainable packaging

CLIMATE AND ENVIRONMENT PROTECTION

As one of Central Europe's leading ICT service providers, we are committed to sustainable development, including climate and environmental protection, in line with our mission. 2021 was a year of developing a longer-term strategy, replacing the previous 5-year perspective with a 5+5-year vision. Climate protection remained a high priority in our sustainability strategy. Our emission reduction commitments made in 2018, approved by the Science Based Target Initiative (SBTi), and replaced by more ambitious targets in 2019 in response to the IPCC's 1.5°C report, have been placed at the core of the strategy. In the 2030 Strategy, in addition to our commitments to SBTi, which only applied to Magyar Telekom Plc, we have extended our commitments to cover T-Systems Hungary Ltd. Co, too, which are as follows:

- Reduce our Scope 1–2 greenhouse gas (GHG) emissions by 84% compared to 2015;
- Reduce our Scope 3 GHG emissions by 30% compared to 2017.

The European Union's Green Deal also prioritizes energy use and emissions in the telecom sector, recognizing that this sector can make significant contribution to achieving climate neutrality by 2050 through 5G, artificial intelligence, IoT and cloud-based services, but also that these could increase its energy use. It aims to increase energy efficiency and achieve climate neutrality in data centers by 2030 as a first step. This is also one of the main pillars of Magyar Telekom's new climate strategy, in addition to the fact that the Group's entire electricity consumption, including that of its data centers, must be covered from renewable energy from 2021, in line with the parent company's expectations. We are leading the way in this, as we have been following this practice at Magyar Telekom Plc since 2016, and at our national affiliates since 2018. So far, this has been achieved predominantly through purchased guarantees of origin (GoO), but our strategic goals also include the expansion of our own (onsite) renewable capacity and conclusion of long-term power purchase agreement(s) on renewable energy.

Our new strategic goals include enabling our customers to actively participate in climate protection and reduce their emissions. We want to do this at group level through our ICT services, such as smart solutions. Our goal is that by 2030 at least half of our revenues should come from services supporting climate protection.

One of the base years for our emissions reductions is 2015, so in this chapter we present data for 2015 and the last 5 years. The targets approved by SBTi apply only to Magyar Telekom Plc and not to the other affiliates of the Group.

We take our climate protection ambitions so seriously that from 2022 we have also included an annual breakdown of target achievement (ESG performance) in the remuneration system for senior executives of the Magyar Telekom Group.

WE'VE HAD OUR SCIENCE-BASED TARGET APPROVED



In order to provide investors and our value chain partners with a very accurate and detailed picture regarding Magyar Telekom Group's climate protection activities, we have been reporting to the **CDP** (formerly Carbon Disclosure Project) online platform every year since 2010.

Despite the increasing requirements, we achieved a **A-** rating in 2022, which is better results compared to previous years. The new requirements in the CDP have also played a role in shaping our new strategy.

The European Climate Pact is part of the European Union's Green Deal. Its main objective is to encourage citizens, institutions and all organizations to take action against climate change. Magyar Telekom Plc. has become part of the initiative based on its SBT commitments and has received an outstanding **North Star rating**, thanks to the annual reporting on the CDP platform.

Participation in different organizations addressing climate change

The company has been an active member of the Sustainability Working Group of **ETNO** (European Telecommunications Network Operators) for many years. Members help each other to solve a wide range of sustainability-related problems. The ETNO working group has been particularly involved in shaping EU climate change legislation in 2021.

Energy security was given a prominent role in ETNO's work in 2022, a white paper was published. In its statement addressed to the European Commission and the member states the organization has emphasized that the telecommunications network must be added to the priority list in order to ensure service continuity in the event of planned power outages. Magyar Telekom has also dealt with this risk in its risk management process. In 2022, Magyar Telekom Group remained carbon neutral for the eighth consecutive year. We believe it is important to contribute to a net zero emissions world, for the time being on a market basis.

In order to achieve carbon neutrality, Magyar Telekom Group purchased exactly 188 362 MWh of renewable energy in form of GoO generated by solar-, wind- or hydroelectric power plants – or with renewable energy contract in 2022. From 2022, it was possible to purchase guarantees of origin for renewable energy produced in Hungary, which enabled us to support domestic energy producers. The share of renewable energy in total energy consumption was 75% in 2022. We became carbon neutral by also cancelling 17,119 CER (Certified Emission Reduction) credits

Risks and opportunities

Within the Business Continuity Management (BCM) framework, we identified critical climate risks (floods, heat alerts) and developed a response plan. In 2022, 514 cases had to be investigated due to various weather-related problems, but the level of damage to the networks did not reach response level (HUF 50 M per month).

In 2020, the regular run of our business was heavily disrupted by the pandemic. The Hungarian colleagues worked remotely more than half of their working hours, which resulted in a small reduction of energy consumption in the buildings.

The subsequent waves of the epidemic in 2021 saw slight increase in this proportion, with colleagues spending 60% of their working hours in home office. In 2022, another challenge had to be faced: the energy crisis. This also contributed to the fact that Magyar Telekom was the first in Hungary to experiment with the introduction of the new work schedule in the large corporate sector: between July and October, four teams - including both support and customer relations areas - tested the four-day work schedule as well as market research (internal-external) was also conducted on this subject.

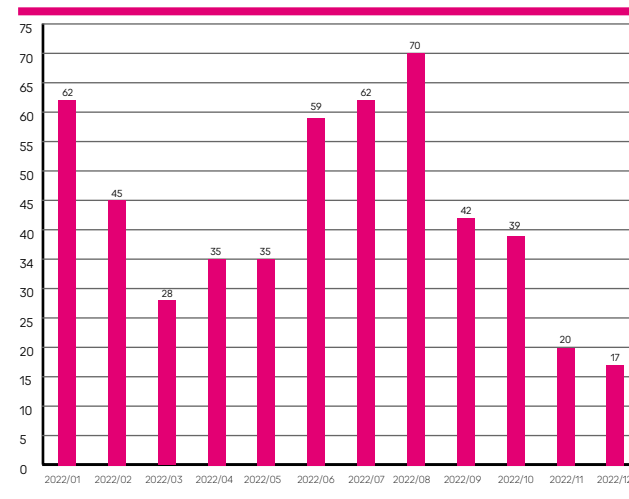
Time spent in remote work was thus still very high (49%). Based on the recommendations of the **TCFD** (Task Force on Climate-related Financial Disclosure) initiative, we have identified risks and opportunities related to our operations, which we published in the **2022 Annual Report**.

The first-round analysis of the physical risks of climate change on infrastructure was carried out in case of Hungarian subsidies - with regard to extreme temperatures, using different climate scenarios (RCP4.5 and RCP8.5). We note here that by improving the spatial resolution of the data, in case of flash floods and forest fires, we are likely to have a lower exposure, but for now we do not have detailed set of data available. Flash floods were the most risky weather event, and the operation of 19–24% of the infrastructure (depending on the scenario used) could be negatively affected by extreme hot weather in the coming decades. This analysis can help to make the infrastructure more resistant to the expected changes during modernization.

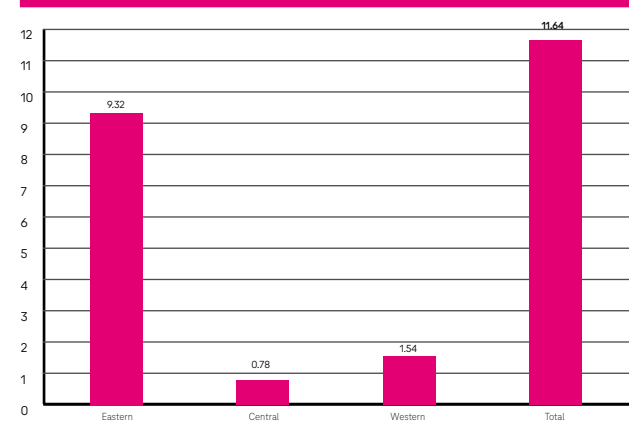
For the modernisation of infrastructure - for which we have earmarked HUF 2 billion for 2023 - we plan to implement the following technological applications: more heat-resistant batteries, economical air conditioning and free-air ventilation. By combining these three technologies, the use of air conditioners can be reduced by up to 90% per year, resulting in energy savings. It is planned to renovate all or part of nearly 1200 sites. The modernisation strategy will reduce the area occupied by technology by around 2000 m².

In setting our emission reduction targets, we have taken into account the current requirements of the Paris Agreement and the EU, as well as IPCC's 1.5°C target, but we assume that regulators will set more stringent emission reduction targets in the future, compliance with which may involve financial risk.

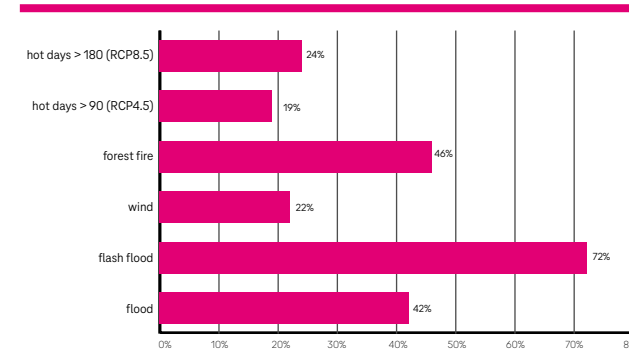
Weather-related damages at Magyar Telekom Plc. in 2022



Regional cost distribution of storm damage restoration associated with service outage at Magyar Telekom Plc. in 2022



Climate vulnerability of Magyar Telekom's sites to specific variables as a percentage of all sites



However, our forward-looking climate strategy, even with stricter regulations, gives us an edge over our competitors.

One of the pillars of our carbon neutral operation is that we use 100% renewable electricity at all affiliates, so future price uncertainty poses a risk to this pillar. The more consumers switch to green energy, the more the price may rise, which in the case of Magyar Telekom could mean tens of millions of forints in extra expenditure. In addition, however, long-term renewable use can continue to be a business advantage as our customers increasingly look for sustainable products and services. As part of our new strategy, we aim to mitigate this risk, including onsite renewable energy generation and reducing electricity consumption.

Climate change can adversely affect not only our own operations but also our supply chain. We can mitigate this risk by assessing our suppliers, and we have a shared interest in building a resilient network of suppliers. For more information, see our **Stakeholder / Suppliers** section.

We especially focus on procuring energy-efficient equipment for our networks, ensuring that all our products and services meet the environmental sustainability requirements, and making sure that our customers can take advantage of the opportunities we offer to save energy and environmental resources. For more information, see the **Digitalization** chapter.

Race to Zero campaign

Magyar Telekom was the first and only Hungarian company to be listed in the **UNFCCC Race to Zero** campaign in 2020. The aim of the campaign is to encourage businesses, cities and even public institutions to support the achievement of the Paris Agreement targets by implementing voluntary emission reductions in line with the Paris Agreement. The results of the campaign were presented at the climate negotiations in Glasgow in 2021, with the aim of increasing the ambition of the signatories to the Paris Agreement to do their part to maximize global warming at 1.5°C, if possible. We have been included in the Race to Zero by joining the Global Compact and our ambitious commitment to the SBTi. Another 9 Hungarian entities joined the campaign in 2022, but Magyar Telekom remains the only Hungarian large enterprise to take part.



RUNNING OUT OF GBS INCLUDED IN YOUR PACKAGE?

CHOOSE THE **GREEN** 1GB OPTION THAT ENABLES YOU TO ROAM THE NET AND FIGHT CLIMATE CHANGE AT THE SAME TIME.

ExtraNet Green 1 GB option

We wish also to give our customers the opportunity to choose a service that contributes to climate protection, if they share our commitment to fighting climate change. This is why we created our ExtraNet Green 1 GB option in 2019. In 2021 we continued to guarantee that for those who choose the option, we will generate the equivalent amount of energy needed to transmit their data, using our own solar PV system. In 2022, a higher proportion of customers chose this expansion option out of the 1GB options than in previous years.

CLIMATE PROTECTION AND ENERGY EFFICIENCY

The carbon dioxide equivalent (CO_{2e}) – taking into account the global warming potential from the IPCC 5th Assessment Report - continues to be used as an indicator for the quantification of Magyar Telekom Group's GHG emissions. Emissions are not measured but calculated using the **Greenhouse Gas (GHG) Protocol**¹ methodology. Emissions from the bio-component of fuels are not reported separately. Following the GHG Protocol, we report our indirect (scope 2) emissions both as location-based and as market-based. In market-based terms, Magyar Telekom Group's emissions are at net zero for the eighth consecutive year.

More accurate calculations for the new strategy

Details of Magyar Telekom Group's GHG emissions are shown in the table below. With the new strategy, the calculations have been refined to better reflect reality, so the figures applied in reports before 2021 have been slightly revised. The activity data (quantities of energy used) have not changed, but the emission factors have been changed to country-specific values for the year in question². The quality of emission inventories can be improved by taking regional or even local specificities into account. Since country-specific data are available for Hungary and partly for Macedonia, we have chosen to use them instead of the specific emissions found in the international literature.

Magyar Telekom Group's overall and affiliates overall GHG emissions (tCO_{2e})

GHG EMISSIONS (tCO _{2e})	2015	2018	2019	2020	2021	2022
Natural gas	7 102	6 898	3 416	3 135*	2 736*	2 463
Oil	1 041	383	429	457	356	274
Fuel (total)	14 668	13 006	12 531	9 557*	9 608*	10 027
<i>Fuel (diesel)</i>	7 838	7 383	7 507	6 014*	6 010*	6 033
<i>Fuel (gasoline)</i>	6 830	5 624	5 024	3 543*	3 598*	3 994
Electricity	108 272	86 911	76 873	66 201	67 509*	63 085
District heating	4 127	3 826	4 808	4 909	4 601	4 355
Total emissions: scope 1+2 location-based	135 210	111 024	98 058	84 260*	84 809*	80 203
Magyar Telekom Plc.	104 327	82 919	67 458	59 499*	61 847*	57 791
T-Systems Hungary	4 610	5 201	5 181	3 563*	3 125*	3 659
Makedonski Telekom	26 273	22 904	25 419	21 198*	19 837*	18 753
Total emissions: scope 1+2 location-based	135 210	111 024	98 058	84 260*	84 809*	80 203

Another important consideration was that specific emissions may vary from year to year, reflecting changes in the energy mix or even technological developments, so we replaced time-constant factors with time-dependent values. In many cases, emission factors valid for a given year are available after the publication of Magyar Telekom's sustainability report, so depending on the availability, we make subsequent corrections in order to increase the accuracy, and until then, we replace the missing ones with the nearest available factors in time. The data in the report in the last two years therefore show greater uncertainty compared to the previous period.

Emission factors for electricity for Hungarian affiliates are based on the AIB³ publication and for Macedonian data on the basis of the official national statistical publication. In the case of energy carriers, the Hungarian **National Inventory Report (2022)** was the source of the emission data. For consistency, the recalculated data are reported for the whole timeline.

* Compared to the previous report, the data have changed due to the update of emission factors.

In 2022, the total GHG emissions of Magyar Telekom Group decreased by 41% compared to 2015, amounting to 80 203,4 tons of CO_{2e}, for which Magyar Telekom Group consumed a total of 916 682 GJ of energy in 2022.

Within Magyar Telekom Group, Magyar Telekom Plc. is responsible for the vast majority of scope 1+2 emissions, accounting for 72% of the Group. The table summarizes the direct and indirect emissions of the affiliates, excluding market measures, for the years 2015–2022.⁴

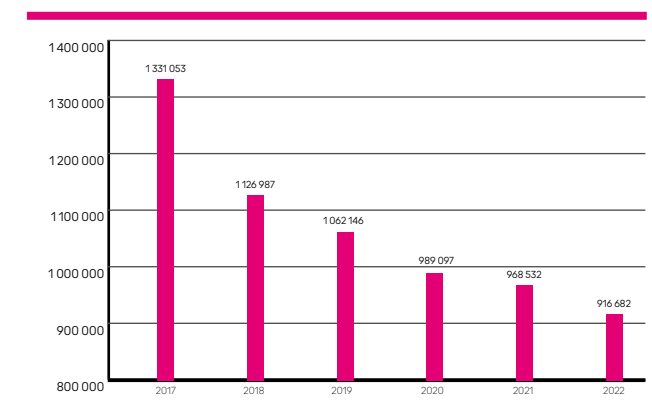
Magyar Telekom Plc. scope 1+2+3 GHG emissions (tCO_{2e})



Magyar Telekom Plc is the only company within the Group with a commitment for other indirect (scope 3) emissions. The emissions associated with the company have evolved between 2017 and 2022 as shown in the chart, with details on each later in this section.

Magyar Telekom Group continuously strives for energy efficiency. As a result of the measures adopted, the total energy consumption of the Group significantly decreased compared to 2015 levels.

Magyar Telekom Group's total energy consumption (GJ)



¹ Greenhouse Gas Protocol is a standard developed to calculate GHG emissions, which is a methodology also recognized by the Science Based Target initiative

² The specific emission values of cars will be updated as soon as available.

³ Data can be found on the following website dating back to 2015, currently up to and including 2021.

⁴ Makedonski Telekom's 2022 data in electricity, renewable energy and fuel consumption are based on estimation for December month, therefore these data may change (clarified) in the next report.

DIRECT OR SCOPE 1 EMISSIONS

Magyar Telekom Group's Scope 1 emissions (tCO_{2e})

SCOPE 1 EMISSIONS (tCO _{2e})	2015	2018	2019	2020	2021	2022
<i>by source</i>						
Natural gas	7 102	6 898	3 416	3 135*	2 736*	2 463
Diesel and heating oil	1 041	383	429	457	356	274
Fuel (total)	14 668	13 006	12 531	9 557*	9 608*	10 027
<i>by affiliate</i>						
Magyar Telekom Plc.	17 461	15 896	11 825	10 269*	10 060*	10 161
T-Systems Hungary	3 045	3 114	3 270	1 697*	1 521*	1 569
Makedonski Telekom	2 305	1 277	1 282	1 184*	1 118*	1 033
Total Scope 1 emissions	22 811	20 288	16 377	13 149	12 699	12 763

* Compared to the previous report, the data have changed due to the update of emission factors.

Natural gas consumption

There was a significant 50% reduction in overall natural gas consumption and consequently emissions between 2018 and 2019, following our relocation to our new energy-efficient headquarters building in Hungary. After 2021 in 2022 again a smaller decrease of 10% can be attributed primarily to real estate sales and energy saving measures voluntarily introduced by Magyar Telekom to deal with the energy crisis declared by the Hungarian government.

Natural gas consumption (MWh), Magyar Telekom Group



Car fleet

At Group level, the number of vehicles in the fleet decreased by 3% in 2022 compared to 2021, the number of benefit cars increased, while the number of service cars decreased. As the "green transition" of the fleet continued in Magyar Telekom Group, the number of hybrid cars increased by 30% compared to the previous year, repeating the expansion of the previous year.

Fuel consumption increased by 5%, while mileage increased by 6% at Group level compared to the previous year, resulting in an increase in the vehicles' average consumption (6%).

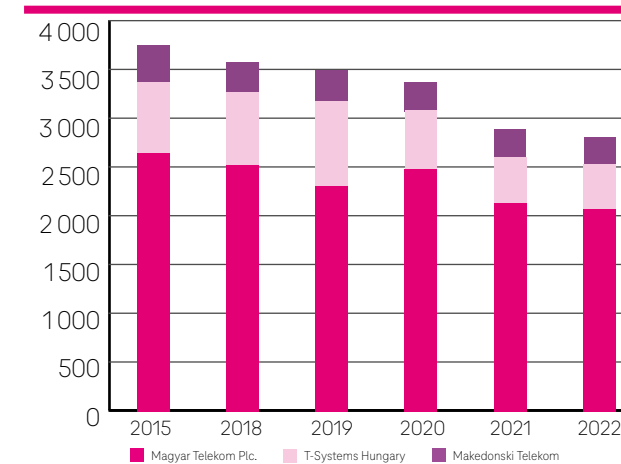
The consumption of electric and hybrid cars soared from 10.9 MWh to 81.8 MWh. The slow development of the charging station network has led to a shift from pure electric vehicles to hybrid vehicles.

Fleet composition (number of vehicles), Magyar Telekom Group

FLEET COMPOSITION (PCS)	2015	2018	2019	2020	2021	2022
Total	3873	3568	3489	3368	2883	2805
<i>By fuel type</i>						
<i>Diesel</i>	2244	2027	1956	2002	1659	1574
<i>Gasoline</i>	1541	1336	1266	1064	838	730
<i>Hybrid</i>	85	200	260	295	381	496
<i>Electric</i>	3	5	7	7	5	5
<i>By usage type</i>						
<i>Benefit car</i>	1423	1450	1587	1417	1217	1226
<i>Service use</i>	2450	2118	1902	1951	1666	1579

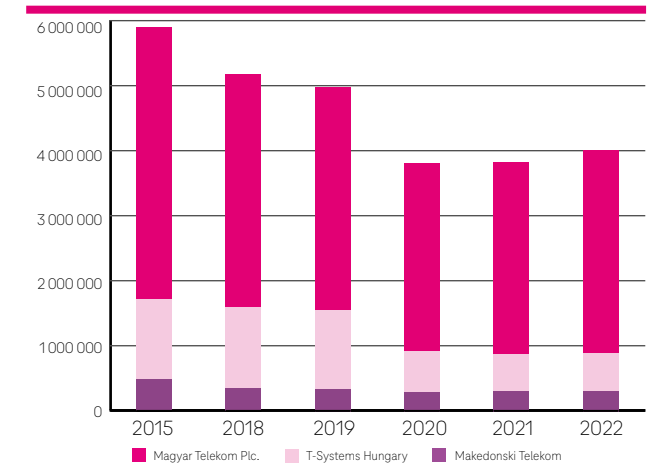
Within the Group, Magyar Telekom Plc. still has the largest fleet.

Number of cars, Magyar Telekom Group



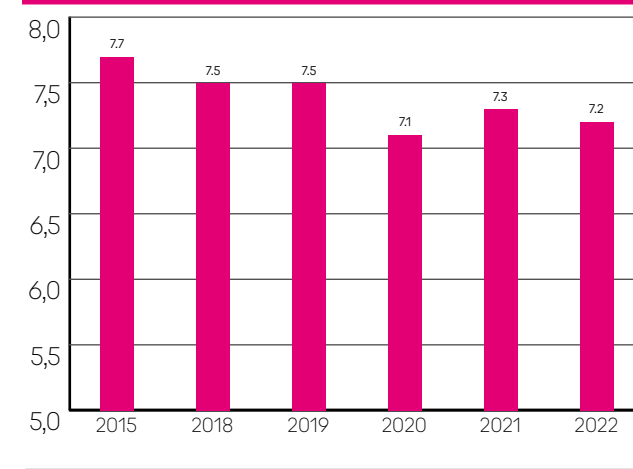
(PCS)	2015	2018	2019	2020	2021	2022
Total	3 873	3 568	3 489	3 368	2 883	2 805
Magyar Telekom Plc.	2 644	2 519	2 305	2 475	2 129	2 065
T-Systems Hungary	716	738	866	592	456	455
Makedonski Telekom	381	311	318	301	298	285

Fuel consumption (liter), Magyar Telekom Group

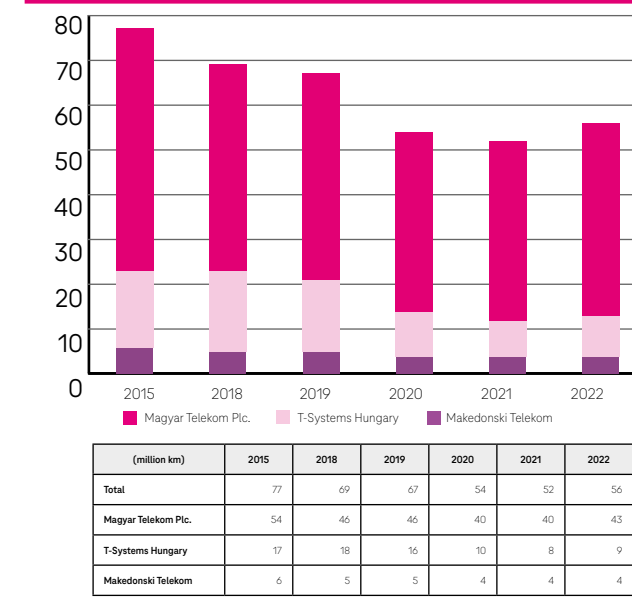


(liter)	2015	2018	2019	2020	2021	2022
Total	5 890 122	5 174 952	4 972 523	3 800 795	3 823 378	4 004 921
Magyar Telekom Plc.	4 175 040	3 579 917	3 423 047	2 876 855	2 954 954	3 108 997
T-Systems Hungary	1 224 583	1 242 923	1 208 954	631 938	560 444	588 524
Makedonski Telekom	490 499	352 112	340 522	292 002	308 000	307 400

Average consumption (l/100km), Magyar Telekom Group



Mileage (million km), Magyar Telekom Group



INDIRECT OR SCOPE 2 EMISSIONS

Our Scope 2 emissions are determined in two ways, based on the GHG Protocol's recommendations. We use the so-called location-based method to determine our total emissions, while the market-based calculation reflects how the company can choose to regulate the market given the options available.

The Group's total local emissions decreased by 6% compared to 2021, the fact that the proportion of renewables in the Macedonian electricity mix has increased drastically contributed to the decrease.

Magyar Telekom Group's Scope2 emissions (tCO_{2e})

SCOPE 2 EMISSIONS (tCO _{2e})	2015	2018	2019	2020	2021	2022
Scope 2 emissions – location-based						
By source						
Electricity	108 272	86 911	76 873	66 201	67 509	63 085
District heating	4 127	3 826	4 808	4 909	4 601	4 355
by affiliate						
Magyar Telekom Plc.	86 866	67 022	55 633	49 230	51 787	47 629
T-Systems Hungary	1 565	2 087	1 912	1 866	1 604	2 090
Makedonski Telekom	23 968	21 627	24 136	20 015	18 719	17 721
Total Scope2 emissions	112 399	90 737	81 681	71 111	72 109	67 440
Scope 2 emissions – market-based						
by source						
Electricity (adjusted by green energy consumption)	32 522	11 046	20 704	14 697	1 016	0
District heating	4 127	3 826	4 808	4 909	4 601	4 355
by affiliates						
Magyar Telekom Plc.	11 100	3 213	4 065	3 866	3 767	3 298
T-Systems Hungary	1 581	313	439	643	451	659
Makedonski Telekom	23 968	11 346	21 009	15 097	1 399 ⁵	397
Total Scope2 emissions	36 649	14 872	25 513	19 606	5 617	4 355

*Compared to the previous report, the data have changed due to the update of emission factors.

⁵ Corrected data. It was listed incorrectly in the 2021 Sustainability Report.

Electricity

Magyar Telekom Group continued to strive for energy efficiency in 2022, with electricity consumption decreasing by 7% compared to 2021, and electricity consumption accounting for 74% of total energy consumption. We are increasing our energy efficiency in line with our Sustainability Strategy and ISO 50001 certification guidelines.

As a responsible company, Magyar Telekom Plc. gives priority to energy efficiency issues. We continuously measure, monitor and evaluate our energy consumption and the significant influencing factors related to it, both in terms of real estate and technological infrastructure (or technology and related service equipment). Based on these measurements, we continuously explore energy efficiency opportunities, which we implement in the form of projects in line with our energy management objectives.

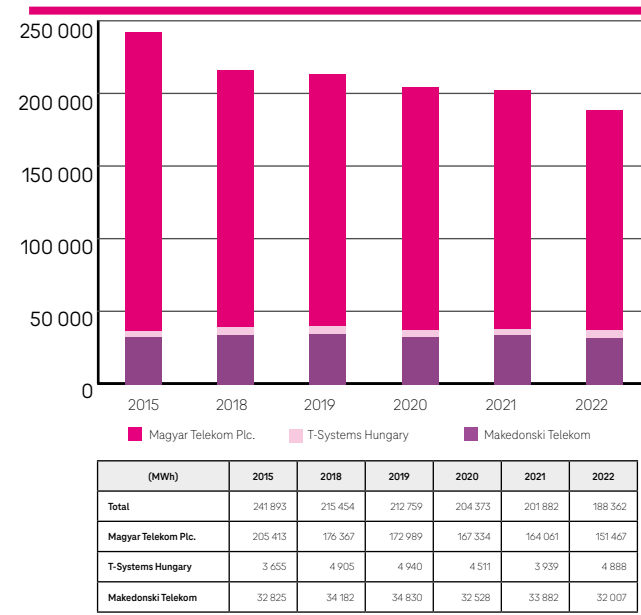
Improvements implemented in 2021 and 2022 have reduced Magyar Telekom Plc.'s energy consumption by a total of 14,300 MWh, consisting of:

- phasing out of the copper network, replacing it with optical networks
- partial switch-off of the 3G network
- modernization of mobile network equipment
- intensive use of energy-saving software applications
- phasing out and decommissioning of obsolete transmission technologies (PDH/SDH)
- replacement of batteries
- replacement of charging equipment
- replacement of technological air conditioning systems
- site optimization.

We are investing significant resources into improving our energy management system and related automation and intelligence, and increasing the number of metering points.

We do this so that energy consumption anomalies can be identified in time and properly addressed as soon as possible to prevent unnecessary and unjustified consumption.

Electricity consumption⁶ (MWh), Magyar Telekom Group



Employee community solar panel project

Magyar Telekom was the first in Hungary to introduce the community solar panel project. Under the project, our colleagues rent solar panels from us for a year and the energy generated is used locally. In the first project, we installed solar panels on top of our educational building in Kékvirág street, and in 2020 two more solar systems started operating in Szeged.

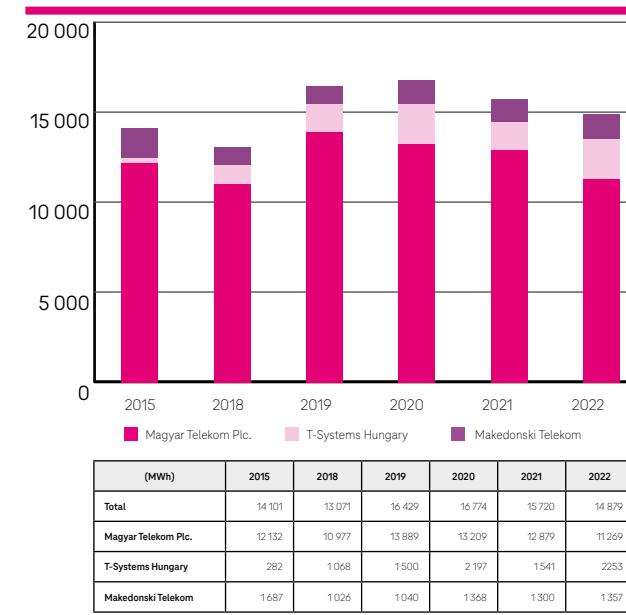
The employee solar project was announced in 2022, now including the Szeged solar panels, so a total of 200 colleagues participated again in the project. Nothing shows the success of the program better than the fact that the quantity offered sold out even faster than before. Since their installation, the solar panel systems have produced a total of about 318 MWh of clean energy, of which 94,76 MWh in 2022. For **Kékvirág utca**, **Szeged I.** and **Szeged II.** the current production can be monitored.



District heating

The use of district heating decreased by a total of 5% on Magyar Telekom Group level compared to 2021, while that of the two affiliates increased slightly, the consumption of Magyar Telekom Plc. decreased. Some of the decrease in energy consumption was the result of the sale of real estate and partly due to measures for reducing energy consumption.

District heating (MWh), Magyar Telekom Group



OTHER INDIRECT (SCOPE 3) EMISSIONS

We started to measure our Scope 3 emissions more accurately as we became part of the Science Based Target initiative. In determining our emissions, we used our own operational numbers, GHG Protocol indicators and CDP data or publicly available reports from our suppliers. The emissions relate only to Magyar Telekom Plc's operations and as committed, we report these indirect emissions from 2017. Due to corrections to the emission factors related to electricity (see scope 2 emissions), several recalculations have been made in this category to maintain consistency across the timeline. In 2022, we refined the methodology of several categories (business trips, use of sold products), and more detailed activity data (waste) enabled more accurate calculations.

Equipment operated and leased by our customers

The CPE equipment operated by our customers consume a significant amount of energy, but they are essential for the use of our services. Since 2016, we have been accurately monitoring all networked devices and their performance (set-top boxes, modems, terminals). Taking into account the user numbers at the end of 2022, the energy consumption of the devices used by our customers to connect to our services was 230.8 GWh of electricity, which generated nearly 68 kilotons of CO_{2e} emissions. The specific energy consumption of CPE devices decreased by 1% compared to 2021, it is still 20% lower than in 2016, however, their number is constantly increasing.

Business travel

In 2022, after the end of the pandemic, the number of business trips saw high increase compared to 2021. For business trips, we took into account the emissions of air and rail transport based on the 2021 publication of the European Environmental Protection Agency, while for cars we calculated with the emissions factors of Magyar Telekom's fleet.

Home office

Magyar Telekom has continued to promote teleworking during the pandemic, with mutual benefits for both employees and the employer. According to a survey conducted in 2017, around a third of our colleagues choose to travel by car, which means travelling an average of 40 kilometers a day. Colleagues who choose public transport (around two thirds of our employees) travel 30 kilometers a day. In 2022, we recorded 518 858 teleworking days – an increase compared to 2020 – saving our colleagues nearly 17,5 million kilometers of travel and 92 years of travel time. These figures show that teleworking is a key driver of travel replacement. For more information on non-typical forms of employment, see [the section on Diversity and equal opportunities](#).

In the case of employee commuting, we also took into account the energy consumption during telecommuting among the scope 3 emissions based on ecoact's methodology guide prepared in 2020 (Homeworking emissions, White Paper).

⁶ The procured electric power volume does not include energy produced by us.

Magyar Telekom Plc. Scope 3 emissions (tCO_{2e})

GHG EMISSIONS (tCO _{2e}) BY THE FOLLOWING CATEGORIES	BASIS OF THE CALCULATION	2017	2018	2019	2020	2021	2022
1. Procured goods and services	purchase values and reported company emissions	16 733	16 920	25 828	14 052	39 484	30 274
2. Tangible assets	purchase values and reported company emissions	12 311	14 929	22 789	14 593	21 012	9 948
3. Activities related to fuel, energy	purchase values and reported company emissions	4 132	1 327	2 026	710	1 140	9 000
4. Upstream transport and distribution	sold products	10 909	12 338	11 913	11 289	11 947	11 080
5. Waste	waste quantities and country/EU specific emission factors	3 330*	3 452*	3 140*	2 096*	1 643*	2 044
6. Business travel	travel data and EU specific emission factors	447*	366*	309*	63*	37*	191
7. Commuting	travel habits based on an internal survey	47 308	2 638	2 044	1 331	1 155*	1 343
8. Upstream leased assets		Not relevant					
9. Downstream transport	km traveled by transporters	380	637	764	674	737	592
10. Processing of products sold		Not relevant					
11. Use of products sold	energy use during the lifecycle of sold products	40 630*	50 411*	25 519*	41 047*	38 332*	36 449
12. End of lifecycle management of products sold	sold products	2 417	2 734	2 639	2 501	2 647	2 455
13. Assets leased out	energy consumption of CPEs	63 781	66 390	55 324	51 689	64 445*	67 562
14. Franchise activities		Not relevant					
15. Investments		Not relevant					
Total		202 377	172 142	152 297	140 047	182 579	170 939

* Compared to the previous report, the data have changed due to the update of emission factors, changes in the calculation methodology, and the detail of the available data.

ENERGY AND CLIMATE EFFICIENCY

Energy efficiency remains a priority among the efficiency targets identified in previous years, while a climate efficiency indicator has been introduced from 2021, in line with the new strategy. Both indicators are sector-specific and are only provided for Magyar Telekom Plc, and we aim to continuously improve these indicators in line with the digitalization and climate goals set out in the strategy.

Our energy intensity is measured by the electricity intensity of our telecommunications network, i.e. the amount of data transmitted per unit of electricity consumption (in GBit/kWh).

For our climate sensitivity, we look at the amount of greenhouse gases emitted into the atmosphere per unit of data transmitted, expressed in kg CO_{2e}/TB. For the calculations, we have only taken into account our electricity consumption related to the technology.

Hungarian member companies are treated as a single entity for the purposes of data clearing.

ENVIRONMENTAL EFFECTS

The developments of Magyar Telekom Plc. are basically not subject to impact assessment. In 2022, we impacted nature conservation areas in the following cases:

- Sukoró – authority opinion
- Kisdörgicse – authority opinion
- Vámosmikola – impact analysis

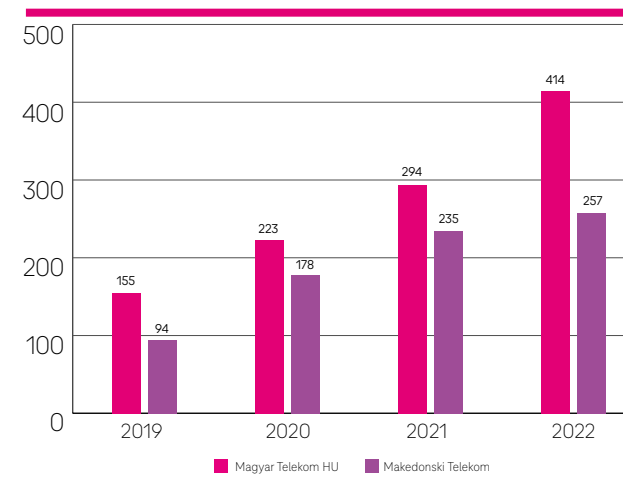
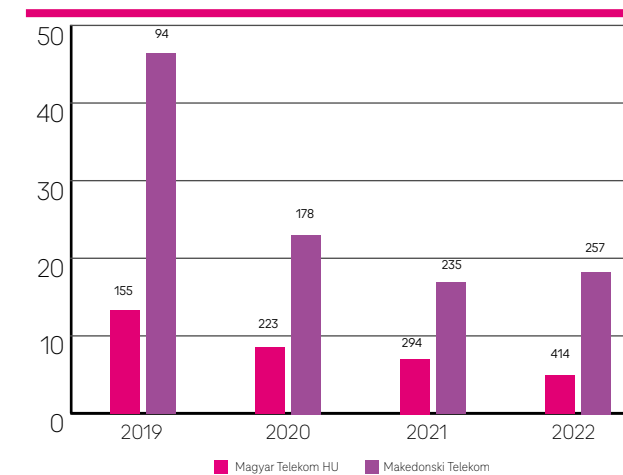
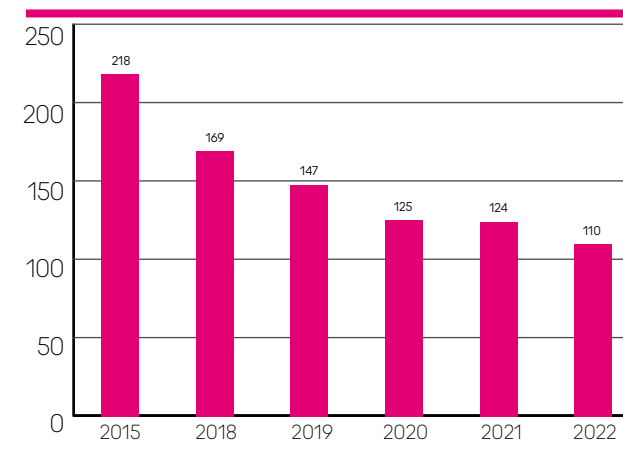
The relevant authorities in the nature conservation areas concerned have not raised any objections to the projects. There was no damage to the natural environment. We continue to respect the protected areas and plan our developments in compliance with all relevant laws and regulations.

Land use, landscape effect

It is important for the group that its investments are realized only with the necessary amount of land use, if possible by maintaining the original condition of the environment, and that its buildings fit into the local landscape as much as possible.

The composition of the mobile network has not changed significantly, with 8,115 sites (base stations, repeaters, micro connections) in 2022 at group level, 72 more than last year, which shows the 5G network expansion, too. The number of shared-use towers was 1,871, up by 43 compared to the previous year. The total number of towers in use also showed an increase.

⁷ The previously published data included only the data traffic on the IP core network, so the present data are not comparable to the previous report.

Energy efficiency (Gbit/kWh), Magyar Telekom Group⁷Climate efficiency (kg CO_{2e}/TB), Magyar Telekom GroupEmissions per revenues (kg CO_{2e}/Mft), Magyar Telekom Group

Noise and vibration protection, electric and magnetic fields (EMF)

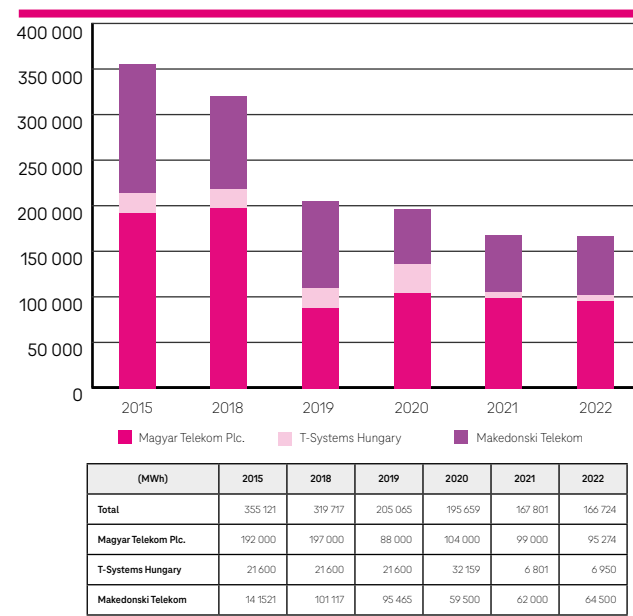
In the operation of our sites, we need to pay particular attention to the impact of outdoor air conditioning and diesel-fueled emergency generators as potential noise sources. In 2022, there was one complaint from the public about the air conditioning installed in one building. The measurement by the accredited measuring station confirmed that the noise limit value was not exceeded.

There were 23 cases of measurements related to electromagnetic radiation, including 1 due to a request from a resident, 8 due to requests from landlords and 3 due to contractual obligations, and 10 cases due to changes in technical content or modernization. In all cases, the results of the measurements were in compliance with the relevant standards

Water consumption

Magyar Telekom Group uses water exclusively for social purposes. Water consumption at group level did not change significantly compared to previous year.

Water consumption (m³), Magyar Telekom Group



Fulfilling manufacturer and distributor duties

We work with manufacturers to ensure that environmental awareness is part of the manufacturing and recycling processes of our devices. Procurement requirements are discussed in more detail in the [Stakeholders/Suppliers section](#). Read more about products with sustainable features in the [Digitalization section](#).

It is important to us that we only burden our environment to the extent necessary, so we pay particular attention to the inspection, repair and re-deployment of equipment used in our network. The recycling rate for CPE equipment was 57,5% in 2022.

Hungarian companies are fulfilling their obligations as manufacturers and distributors as follows:

- In the case of electronic equipment, which is also covered by the Product Fees Act, the companies chose to pay the product fee, the state utilization system. Magyar Telekom Plc. paid the mandatory product fee, the annual collection expectation was 45% in the IT category. (The state system still does not provide company-level data on the results achieved.)
- In the case of batteries, the obligation has been partially delegated to an intermediary organization by Magyar Telekom Plc, as allowed by the law. Its contracted partner, ReLem Nonprofit LLC over-achieves the statutory requirement every year.

On our websites, we inform our customers about the possibility to return used and waste equipment and batteries in accordance with the legal requirements. All manufacturers of the devices we sell have the energy efficiency certificates required in the European Union and comply with the environmental legislation.

Our customers can find information about the service life of the devices, their recycling and the materials used in our stores on the basis of the manufacturer's declarations. The energy efficiency of the network equipment purchased is a priority

Air pollutants

In Hungary, we pay an air pollution charge in accordance with national legislation. The amount of pollutants emitted by the boilers owned by Magyar Telekom Plc. is 0.352 kg/h for NOx and 0.0743 kg/h for CO, according to the relevant air quality protection measurement reports. Sulphur dioxide is not monitored because desulphurized fuel is the standard in Hungary.

The total emissions are slightly higher compared to the previous year, because then due to the pandemic, fewer colleagues were in our buildings than in 2022, and then energy consumption was also reduced. At Magyar Telekom, we are doing our utmost to manage the risks associated with our fluorinated greenhouse gas (F-gas) equipment. The amount of F-gases released into the atmosphere during leaks is recorded in the register of the National Climate Protection Authority by our service partners, and we started processing the data at the end of 2022. In the future, we would also like to take this source into account in GHG emissions.

WASTE

The quantity and quality of waste generated is largely dependent on ongoing telecoms projects and developments: at group level, total waste increased by 20% in 2022 compared to the previous year. While the amount of hazardous waste and municipal waste, as in previous years, decreased, the amount of technological and other waste (e.g. building demolition waste) increased significantly. The volume of recycled waste was 57%, an indicator continually increasing since 2017.

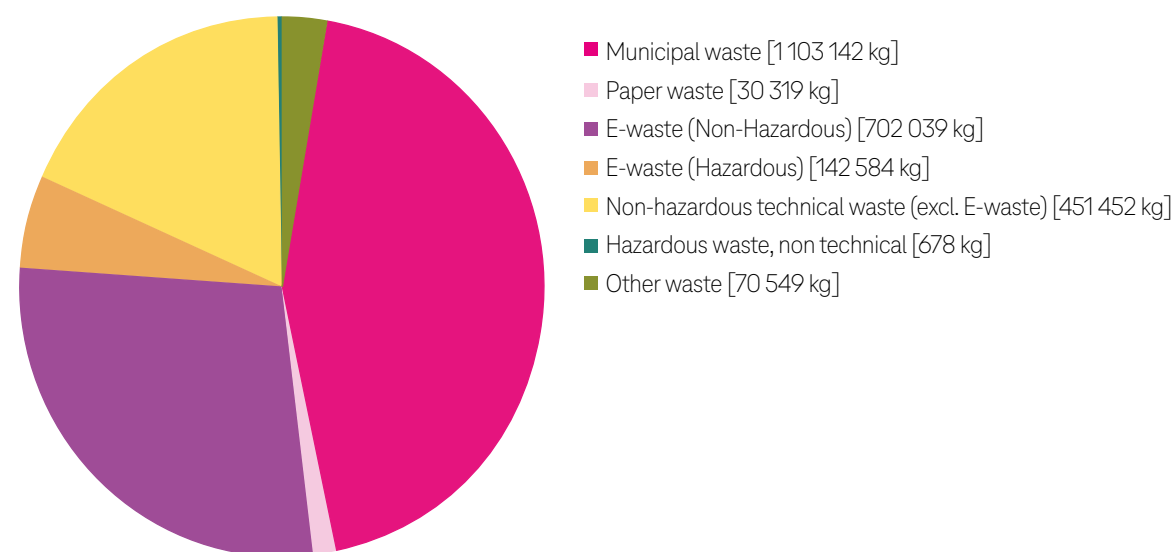
To reduce the environmental waste burden:

- our used assets are recycled within the company wherever possible, sold, rented/leased or given to our employees or to external partners free-of-charge (donation);
- we provide separate waste collection facilities at sites where possible;
- we improve efficiency through review of contracts and collection points, inspections, communication;
- the group-level DT regulation on the management of cable waste was published in 2015, and we comply with it.

In 2021, a new project was launched across Deutsche Telekom's affiliates to shift to a circular economy, reduce waste and thus contribute to global climate protection. Goals include increasing the take-back of mobile phones used by customers, avoiding technological waste going to landfills and 100% sustainable packaging for private label products.

A total of 57% of the waste generated by Magyar Telekom Group's activities was recycled. In the case of municipal waste, local public services are compulsory to use, therefore only estimated quantities are available; waste is deposited in authorized landfills. The company does not transfer waste directly for incineration or composting.

Types of waste generated (kg), Magyar Telekom Group



Volume of waste generated (kg) and ratio of recycling, Magyar Telekom Group, 2015–2022

	2015	2018	2019	2020	2021	2022
Total waste [kg]	3 865 417	4 297 995	4 221 577	2 632 698	2 087 143	2 500 763
Waste turned over for utilization [kg]	528 307	835 543	973 447	776 650	906 307	1 431 096
Utilization rate (%)	14%	19%	23%	30%	43%	57%

The management and supervision of environmental reports filed by our stakeholders remain the responsibility of the sustainability advisor and the Sustainability Squad⁸. Our contact details for receiving comments have not changed (sustainability@telekom.hu).

We will endeavor to respond to any suggestions for improvement, complaints or enquiries received as soon as possible

EU TAXONOMY COMPLIANCE

The EU taxonomy aims to create a uniform understanding of which activities and investments are sustainable. For this, the European Commission has defined criteria with metrics. The businesses affected have an obligation to report on how much of their turnover comes from the economic activities covered by the EU taxonomy. In addition, companies must disclose the extent to which they invest in these economic activities, and what level of operating expenditure is associated with these activities.

Six environmental objectives

The first criteria regarding which economic activities are to be classed as environmentally sustainable in accordance with the EU taxonomy were agreed in 2021. They apply to the taxonomy environmental objectives “climate change mitigation” and “climate change adaptation.” The taxonomy includes further environmental objectives in the areas of “the sustainable use and protection of water and marine resources,” “the transition to a circular economy,” “pollution prevention and control,” and “the protection and restoration of biodiversity and ecosystems.” The European Commission has not yet published any criteria for these objectives, however.

The EU taxonomy distinguishes between economic activities that are “taxonomy-eligible” and “taxonomy-aligned”:

- “Taxonomy-eligible” economic activities are those activities for which concrete sustainability criteria are listed in the taxonomy (Annexes I and II of the Delegated Regulation (EU) 2021/2139).
- “Taxonomy-aligned” economic activities meet these criteria in full. To be taxonomy-aligned, an economic activity must make a substantial contribution to one of these six environmental objectives while at the same time avoiding any negative impact on other objectives (the principle of “do no significant harm” or DNSH). In addition, the company must meet the minimum social standards defined in the Taxonomy Regulation.

Substantial contribution

to at least one of the six environmental objectives of the EU taxonomy:

- Climate change mitigation
- Climate change adaptation
- The sustainable use and protection of water and marine resources
- The transition to a circular economy
- Pollution prevention and control
- The protection and restoration of biodiversity and ecosystems

Do no significant harm

An activity can only be considered to contribute to one of the six objectives if it has no other significant negative environmental impact (DNSH principle).

Compliance with minimum safeguards

The minimum safeguards are social requirements in accordance with

- the OECD Guidelines for Multinational Enterprises,
- the UN Guiding Principles on Business and Human Rights,
- the Core Labour Standards of the International Labour Organization (ILO),
- and other requirements of European legislation.

Implementation at Magyar Telekom

The following economic activities carried out by Deutsche Telekom are currently taxonomy-eligible (the activity numbers refer to Annex I of the Delegated Regulation (EU) 2021/2139, which lists the criteria for the taxonomy environmental objective “climate change mitigation”) and are relevant to Magyar Telekom Group’s activities:

- Data processing, hosting and related activities (8.1)
- Data-driven solutions for GHG emissions reductions (8.2)
- Transport by motorbikes, passenger cars, and light commercial vehicles (6.5): Magyar Telekom vehicle fleet (cross-cutting activity)

Details about these activities we summarise below.

Data processing, hosting and related activities

Taxonomy activity 8.1: Data processing, hosting and related activities

In 2022 T-Systems Hungary (today Telekom System Integration Ltd) operated data centres we assessed according to taxonomy.

The EU taxonomy stipulates that the refrigerants used in data centre cooling systems may not exceed a global warming potential value of 675. This criterion is not currently met by any of the three data centre. Therefore, the taxonomy aligned revenue, capital expenditure and direct expenses are all 0 percent. We will make the change to taxonomy-aligned refrigerants as part of the regular refurbishment program for our data centres. We will carefully review the individual data centres’ compliance with the criteria for preventing significant harm to the remaining environmental objectives in each case as soon as they fulfil the aforementioned climate change mitigation requirements in full. This will enable us to continually increase the taxonomy alignment of our data centres.

⁸ The Sustainability Squad will continue to operate under a new name, the ESG Squad, based on Internal Instruction 404, updated in Q1 2023.

Data centres in addition must comply with the **European Code of Conduct for Energy Efficiency in Data Centres** to be considered as making a substantial contribution to climate change mitigation in accordance with the EU taxonomy. As none of the sites operated directly by T-Systems currently comply with this Code of Conduct, which is a requirement of the EU taxonomy, we are therefore classifying the data centres used for economic activity 8.1 as non-taxonomy-aligned in the reporting year.

Data-driven solutions for GHG emissions reductions
Taxonomy activity 8.2: Data-driven solutions for GHG emissions reductions

We associate those solutions and products that are predominantly aimed at the provision of data and analytics enabling GHG emission reductions with the economic activity Data-driven solutions for GHG emissions reductions (8.2). These are, in particular, solutions and products that Deutsche Telekom has incorporated into their Enablement Factor and Sustainable Revenue Share ESG KPIs, and/or that have been awarded their #GreenMagenta label. We have identified the following taxonomy-eligible services within our Group-wide business activities:

- Business-related video conferences (saves travel-induced CO₂ emissions)
- Workplace and cloud solutions (increases energy efficiency by improving server utilization)
- IoT solutions (saves CO₂ emissions through, for example, smart thermometer)

Taxonomy-eligible solutions under economic activity 8.2 represent 0.36 percent of turnover. Business-related video conferences and cloud solutions make a particularly substantial contribution in this regard.

A life-cycle analysis is required as evidence of taxonomy alignment. This must show that a solution results in substantial greenhouse gas emission reductions both over and beyond its entire life cycle in comparison with the relevant reference solution available on the market. We understand reference solutions to be alternative solutions that would typically be used in a company in our footprint markets. This assumes that the companies are aligned with best practices. The technical screening criteria do not stipulate a specific threshold for “substantial” reductions in greenhouse gases in comparison with the reference solution. As there are differences in the technologies of the various taxonomy-eligible solutions, we have reviewed each solution separately to determine the point from which greenhouse gas savings can be considered “substantial” in accordance with scientific findings. The requisite life-cycle analyses have been prepared for business-related video conference solutions and for some cloud solutions.

To date, we do not have a life-cycle analysis for the IoT solutions, therefore we do not report them as taxonomy-aligned for the reporting year.

A comparison of in-person meetings with the taxonomy-eligible business-related video conference solutions included in Deutsche Telekom’s analysis provided evidence of significant reductions in greenhouse gases. For instance, hybrid meetings reduce greenhouse gas emissions by around 28 percent (small meetings) or 37 percent (large meetings). Regarding the demonstrated reduction in greenhouse gases, we classify web conferencing solutions as taxonomy-aligned.

Of the workplace and cloud solutions covered by the life-cycle analysis of Deutsche Telekom, Future Cloud Infrastructure reduced greenhouse gas emissions by around 16 percent (in comparison with decentralized data centres operated by customers themselves).

T-Systems Hungary’s (today Telekom Integration Ltd) Cloud-based services (Instant DC, AzureStackHub, Instant Phone) are also offered as an infrastructure as a service model: the customer’s IT systems are integrated on T-Systems operated platforms. Centralizing the service in this way not only reduces the consumption of materials for hardware but, thanks to the highly energy-efficient operation of our data centres, also cuts greenhouse gas emissions. The platforms above are available for Telekom customers as an infrastructure service model. Via a platform operated by T-Systems Hungary, businesses can flexibly purchase computing capacity, memory resources, and network resources, among other things. Improved server utilization and the highly energy-efficient operation of our data centres mean that, according to some analyses in the industry can result 20–30% savings in energy consumption.

This scenario is based on the assumption that customers use their own, decentralized server infrastructure for storing and processing data, rather than the cloud solution. As the basic life-cycle assessments have been evaluated in Germany and have not been compared to the Hungarian workplace and cloud services, we classify them as non-taxonomy-aligned activities.

The Open Telekom Cloud is also offered as an infrastructure as a service model for Magyar Telekom HU customers. According to the life-cycle analysis, using the Open Telekom Cloud or SAP Cloud Services leads to savings in greenhouse gas emissions of 50 percent in comparison with the reference scenario, but until now there were neither revenues, nor expenditures connecting to these activities, therefore they do not appear in the taxonomy-aligned rows.

Currently, IoT solutions in Hungary are in pilot or product development process, and the life cycle analyses of the IoT solutions have not yet been completed, so for the time being we do not report them as taxonomy-aligned services for the reporting year.

For the aforementioned solutions, we exclusively use infrastructure located in Hungary. The requirements for the “Transition to a circular economy” conform to current EU legislation, which we enforce as part of our environment management activities at our sites.

The taxonomy-aligned solutions for GHG emissions reductions represented 0.02 percent of revenue, 0 percent of capital expenditure, and 0.01 percent of operating expenditure.

Transport by motorbikes, passenger cars, and light commercial vehicles (6.5)
Additional taxonomy activities (e-mobility)

Magyar Telekom Group has a vehicle fleet that includes both company cars and service vehicles. The economic activity Transport by motorbikes, passenger cars, and light commercial vehicles (6.5) is therefore relevant as a cross-cutting activity with a supporting function for our core business.

As we are pushing forward with the transition to an electric fleet, and as the car industry is also improving, the majority of new vehicles purchased already meet the CO₂ thresholds set in the EU taxonomy. Magyar Telekom and T-Systems Hungary together used more than 400 cars with this feature. We were also able to provide evidence of the alignment of these vehicles with the other key EU taxonomy requirements, which are based on current EU legislation for new vehicles, therefore the related expenditures we classify as taxonomy-aligned, and it covered the total 0.16 percent of the total indirect cost.

A complete overview of the economic activities that are currently part of the EU taxonomy is available using the **EU Taxonomy Compass**.

All activities identified as taxonomy-eligible were checked for their taxonomy alignment. A taxonomy criterion that applies to all activities is the climate risk analysis. This was carried out at Group level by Deutsche Telekom and no significant climate risks were identified in association with the taxonomy-eligible activities. However, the management of climate risks is still under development in Europe as in Hungary and does not yet meet the taxonomy requirements in full.

Deutsche Telekom ensures compliance with minimum social standards for all taxonomy-eligible activities through a Group-wide management system. The standards refer to the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the ILO Core Conventions and the International Bill of Human Rights. We perform our human-rights-related due diligence obligations using a risk-based management system encompassing both the Group and our supply chain. We also maintain a process of trust-based dialog with employees’ representatives and trade unions.

The following table provides an overview of our taxonomy-eligible and taxonomy-aligned economic activities for the reporting year. It breaks the figures down into both absolute values and the applicable percentage of Group revenue, capital expenditure, and operating expenditure (indirect cost).

MAGYAR TELEKOM GROUP		REVENUE		CAPITAL EXPENDITURE (CAPEX)		OPERATING EXPENDITURE (INDIRECT COST)	
		Million HUF	%	Million HUF	%	Million HUF	%
RELEVANT TOTAL FIGURES FOR THE GROUP		746 669	100	126 653	100	174 572	100
Of which:	taxonomy-eligible	3 038	0.41	434	0.34	286	0.16
	of which: taxonomy-aligned activities	135	0.02	0	0.00	286	0.16
	6.5 Transport by motorbikes, passenger cars, and light commercial vehicles	0	0.00	0	0.00	275	0.16
	8.2 Data-driven solutions for GHG emissions reductions	135	0.02	0	0.00	10	0.01
of which:	non-taxonomy-aligned activities	2903	0.39	434	0.34	0	0.00
	8.1 Data processing and hosting	327	0.04	400	0.32	0	0.00
	8.2 Data-driven solutions for GHG emissions reductions	2 577	0.35	34	0.03	0	0.00
Of which:	non-taxonomy-eligible activities	743 631	99.59	126 219	99.66	174 286	99.84

The total Group figures used as the basis for calculation in accordance with the EU taxonomy in the reporting year amounted to HUF 746 669 million (revenue), HUF 126 653 million (capital expenditure), and HUF 174 572 million (operating expenditure). The revenue and capital expenditure were determined on the basis of the consolidated financial statements. In line with the EU taxonomy regulations, the disclosures on capital expenditure do not form part of a capital expenditure (capex) plan that is part of a plan to expand taxonomy-eligible economic activities. Operating expenditure relevant to the EU taxonomy represents only a small proportion of total operating expenditure. This includes costs that relate to research and development; building remediation measures; short-term leases; maintenance and repair; and any other direct expenditures relating to the day-to-day maintenance of property, plant and equipment.

As Magyar Telekom's core business is not yet adequately covered by the criteria in the EU taxonomy an aggregate view of the taxonomy eligibility of all economic activities results in 2022 in very low proportions of taxonomy-eligible revenue (0.41 percent), capital expenditure (0.34 percent), and operating expenditure (0.16 percent).

In the 2022 financial year, the taxonomy-aligned proportion of all economic activities of the Magyar Telekom Group was 0.02 percent of revenue, 0 percent of capital expenditure, and 0.16 percent of operating expenditure. The taxonomy-aligned proportion is attributable to economic activities 8.2 Data-driven solutions for GHG emissions reductions and 6.5 Transport by motorbikes, passenger cars, and light commercial vehicles.



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QUALITY
EDUCATION

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DECENT WORK AND
ECONOMIC GROWTH

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INDUSTRY, INNOVATION
AND INFRASTRUCTURE

10

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INEQUALITIES

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RESPONSIBLE
CONSUMPTION
AND PRODUCTION

STRATEGY TARGETS (2021–2030) AND 2022 RESULTS

DIGITALIZATION OF HUNGARY

- Gigabit access available to all our customers
- Nationwide 5G coverage

AVAILABILITY OF THE SERVICES

Magyar Telekom guarantees its customers' rights in connection with service availability and troubleshooting based on the **General Terms and Conditions of Contract (GTC)** available at the customer service points and on the Internet. In this it declares that it meets the published quality targets while it provides services over the entire service territory, verifies this via measurements and publishes the measurement methods. Here, the company also defines the quality targets for the services provided, meeting of which is continuously measured and made available to everyone on an annual basis.

DIGITAL RESPONSIBILITY

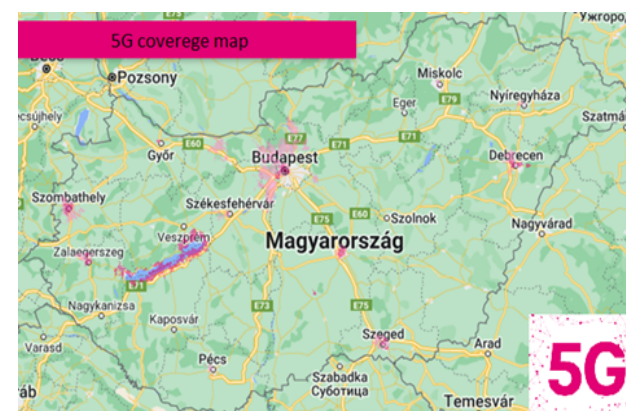
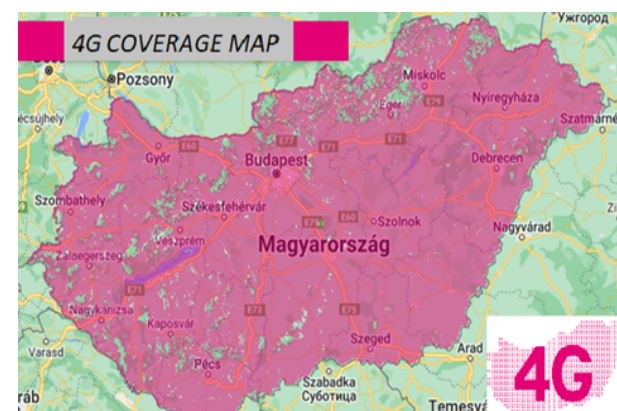
- 6 million responsible digitally mature people

Fault management for customers is handled in a defined process – in accordance with their rights set out in the GTC – after having detected and filed the problem with the company.

Magyar Telekom, by permanently developing technical solutions, security systems and backup tools, seeks to ensure continuity of the availability of the services, by setting the enhancement of customer experience as an objective.

ANNUAL SERVICE AVAILABILITY (%) (2018–2022)

ANNUAL SERVICE AVAILABILITY (%)	2018	2019	2020	2021	2022
Cable television analogue/digital	99.98/99.50	99.98/99.82	99.99/99.82	99.982	99.98
SatTV	99.91	99.919	99.928	99.935	99.941
IPTV	99.84	99.896	99.904	99.906	99.915
Fixed line internet (ADSL/GPON/CableNet)	99.90/99.95/99.92	99.93/99.96/99.94	99.93/99.96/99.94	99.94/99.97/99.96	99.95/99.97/99.96
Mobile internet (2G/3G/4G)	99.893	99.878	99.87	99.866	99.921
Telephone/VoIP/VoCa	99.94/99.93/99.95	99.93/99.95/99.95	99.94/99.96/99.96	99.95/99.96/99.97	99.95/99.97/99.97
Mobile telephone (2G/3G/4G)	99.906	99.878	99.873	99.889	99.906



SAFE USE OF MOBILE PHONES, ELECTROMAGNETIC FIELDS

In order to provide high-quality services to the Hungarian and Macedonian mobile telephone subscribers through the mobile telecom network, UMTS licenses were distributed among operators in Hungary in December 2004 and for operators in Macedonia in June 2009. In December 2011 Magyar Telekom also acquired the right to launch the LTE service and commercial rollout started in 2012. By the end of 2017, the frequency rights acquired in the 800 MHz band allowed almost 100% of Hungarian citizens to use Magyar Telekom's LTE service. In March 2020, Magyar Telekom acquired further spectrum rights in the 700 MHz and 3.5 GHz bands, allowing the company to launch its 5G service.

The rollout of the 5G-related networks has intensified the interest of communities in the topic of electromagnetic fields, which also puts in focus the company's strategy in addressing the issue.

The electromagnetic exposure limits in Hungary have been determined in line with the guidelines set by ICNIRP (International Commission on Non-Ionizing Radiation Protection), which are based on the practice applied in most European countries and on Recommendation 1999/EC/519 of the European Commission. As a result of the relevant Hungarian decree adopted in August 2004 (63/2004./VII. 26. - ESzCsM) on the basis of ICNIRP guidelines, the regulations in Hungary are compliant with the EU regulation on electromagnetic fields.

In the framework of the company's overall education program, new employees are informed about issues concerning electromagnetic fields as part of their mandatory orientation training. We provide our customers with detailed information on the page [Health and Safety](#).

Within the Deutsche Telekom Group, issues related to electromagnetic fields are regulated as part of DT's EMF objectives, the so- called 'EMF Policy Recommendations', with special emphasis on transparency, information provision, support of and involvement in research. Magyar Telekom has applied the relevant Deutsche Telekom recommendation as mandatory regulation since 2004, while Makedonski Telekom has done so since March 2011.

To support preventive action both Magyar Telekom and Makedonski Telekom set up dedicated EMF workgroups that meet quarterly and monitor EMF-related developments both at national and international levels and respond to the EMF-related queries of the authorities, residents or employees.

Further information about T-Mobile International's EMF Policy Recommendations adopted by Magyar Telekom is available in English on the [website of Deutsche Telekom](#).

In the framework of this policy, Magyar Telekom and its subsidiaries make every effort to address the complaints and inquiries in an efficient manner. For more information visit [this website](#).

The EMF policy was also endorsed by Makedonski Telekom. The policy sets forth the basic principles applicable to the responsible use of mobile communications technologies.

In this document, we assume commitment for greater transparency, for the provision of information and for involvement in the relevant processes.

MOBILE NETWORK, NETWORK DEVELOPMENT

According to the Company's common practice, base station antennas are installed in a way that employees normally cannot stay in front of them, cannot and do not have to work in the relevant zone, and passageways do not cross the areas in question.

If in extraordinary cases, people must pass or work in front of the antennas – this usually happens in relation to external contractors' work, e.g. when renovating a building, safety distance data are made clear and available. If necessary, site measurements can be conducted, or in justified cases, the antennas can be temporarily relocated or the capacity of the transmitter reduced.

If a Magyar Telekom employees performing work in the vicinity of an antenna detect an unidentified signal source, they will use their RADMAN personal radiation detector to determine the boundaries of the safe zone so as to prevent any eventual health risk.

Compliance with the value limits defined by law for Magyar Telekom mobile network is audited and certified by independent measurement bodies.

In each and every case when building new base stations the company acts in accordance with the relevant laws and consults and, cooperates with the relevant stakeholders. If needed, citizens' forums are held with the participation of all concerned parties to reach an agreement.

COMMUNICATION

Despite the fact that the radiation of Magyar Telekom's handsets and mobile base stations is well below the ICNIRP emission limits, the Company considers it important to provide information on handsets and base stations, both to employees and customers.

We coordinate these matters several times a year with the National Media and Infocommunications Authority's experts and supply measurement data for their purposes.

In addition to internal communication, in 2022 Magyar Telekom continued to respond openly to inquiries about the safe use of mobile phones.

The SAR values of the devices are included in the user manuals in the mobile set packaging and are available in Telekom shops as well.

RESEARCH

Exposure of the world's population to non-ionizing electromagnetic radiation and electromagnetic fields has considerably increased in recent years. Since a civilized society cannot avoid the use of equipment emitting non-ionizing electromagnetic radiation, like mobile telecommunication equipment, satellite and terrestrial television/radio broadcasts, flight navigation, meteorological satellites, radio astronomy, space exploration, the exposure of the environment and the population is expected to increase further in the future. The World Health Organization (WHO) and several other international organizations, as well as research groups, monitor the impact of technological development on human health.

The assumed health effects of mobile telecommunication have been studied and analyzed for almost thirty years. So far scientific research has not confirmed any negative health impact of mobile telecommunication on the human body.

The largest research project of this type, the INTERPHONE project of WHO-IARC (International Agency for Research on Cancer) conducted with the participation of 13 countries, was closed in 2011. After closing the INTERPHONE project on May 31, 2011, WH-IARC classified electromagnetic fields into the 2B potential carcinogenic category. According to the Chairman of the WHOIARC workgroup "the evidence, while still accumulating, is strong enough to support a conclusion and the 2B classification. The conclusion means that there could be some risk, therefore we need to keep a close watch for a link between cell phones and cancer risk". At present the following agents are classified into category 2B: coffee, petrol, the exhaust of petrol-fuelled engines, nickel and alloys, talcum powder, network frequency magnetic field and mobile phone use, as well.

Through its GSM Association membership, Magyar Telekom has directly contributed to the progress of independent research into the health impacts of mobile networks.

Every national affiliate of Deutsche Telekom is committed to supporting independent research aimed at extending the company's knowledge on the impacts of electromagnetic fields. This makes the Deutsche Telekom Group one of the biggest supporters of research on this subject.

DEVELOPING THE INNOVATION POTENTIAL OF T-SYSTEMS HUNGARY¹

In 2021, the company decided to build an innovation ecosystem, and the framework was put in place in Q4.

The primary objective is to unlock the innovation potential: to create an agile, start-up-like operation. T-Systems Hungary has created an E2E product development process for efficient idea management, incubation, and dynamic product development. It builds on the company's existing and underutilized products and product development experience, with an emphasis on product development based on real customer needs, and on the support and effective implementation of independent new innovative ideas, under tight financial control. The competences of the different disciplines are supported by a knowledge-based development process, an idea management team and a network of Subject-matter Experts.

In the framework of E2E product development, which ensures an ownership approach throughout, the development of the ideas received is supported by incubation, and the creation of pilots and product prototypes is supported by start-up-based operations. The new approach is that the project is based on a specific market need at the start of product development, with validation ensured by continuous customer feedback and sales commitment. The prototypes produced can feed back into the refinement of customer needs, so that a specific sales target can be defined at the end of product development. The method minimizes risks and optimizes costs and resources.

The Investment Committee has started to function as the main resource allocation body, with permanent participants from the professional, strategic, and commercial fields, as well as experts in finance, accounting and controlling. The Investment Committee decides on the launch of pilots, PoC projects and the allocation of OPEX and CAPEX resources based on proposals from the Idea Management Team. As part of the E2E process, all departments of the company work together to maximize the innovation potential.

T-Systems Hungary has set up an electronic platform to track innovation ideas, pilot projects and prototypes.

In addition to creating an innovation environment and culture, the decision-making structure is well documented.

The learning process, the continuous documentation of experience and the maintenance of the knowledge base of innovation projects are also done in line with the service catalogue, so that new products can become part of the T-Systems Hungary product portfolio in a synergic and non-overlapping way. During product development, sustainability was given significant priority.

The E2E product development portfolio management will include the involvement of external resources (R&D and EU) and the enhancement of the company's tendering activity. It is linked at several points to the projects of higher education players and foundations, strengthening the company's strategic partnership with universities.

T-SYSTEMS HUNGARY'S INNOVATION PROJECTS IN 2022

Canary (EHS smart watch)

This smart watch application was developed to create a safe environment for employees in warehouses. The solution reacts to the increasing shortage of labor that is a huge problem nowadays. The solution supports the integration of a new segment, employees with reduced capacity of work. Employees with hearing disabilities need to wear these smart watches during their work. In case of any emergency such as fire alarm, the watch alerts them with constant vibration. Only the employee can stop the alert notification via the smart watch. After this the application sends an automatic message to a central email address with the employee's ID. So it is constantly traceable who has been notified already.



Forklift proximity detection

The forklift proximity detector application is our EHS (Environment, Health and Safety) solution, which we developed on customer demand. The application alerts the operators and drivers when a forklift approaches, so it prevents any eventual accidents, injuries.

Vehicles are equipped with tags to determine their route and speed. To prevent collisions, workers are notified of an upcoming vehicle. As soon as the truck is within a dangerous distance, the watch on the worker's wrist emits a vibrating and visual signal, helping the worker to react in time and get out of the way of the approaching truck. For more information about the solution click here.



¹ From 1 February 2023, Magyar Telekom will offer new IT and telecommunications services from a single source to its residential, medium and large enterprise customers. From 1 February 2023, the name of T-Systems Magyarország Zrt. has been changed to Telekom Rendszerintegráció Zrt.

Pack Track package logistics solution

Pack Track is a smart indoor package tracking solution that enables state-of-the-art automation of digital devices in current, manually operated package logistics processes. It is a high-precision, real-time tracking system, supporting common cloud-based web applications and handheld devices. The solution has been tested on a large package logistics partner and is currently operational on commercial scale.

5G SMART EU R&D developments

T-Systems Hungary is part of the European consortium of 16 enterprises that demonstrate the potential of the 5G SMART project in real-life manufacturing environment, highlighting 5G values and possible uses. The experiments test integrated manufacturing applications such as industrial robotics or machine vision-based telecommuting and develop features such as time synchronization or positioning of manufacturing situations.

The 5G SMART project work ran until May 30, 2022, and is currently in the product development phase.

In 2022 the aim of T-Systems Hungary in the 5G-SMART project was to contribute to the study of potential use cases, MNO options and their requirements, as well as the related KPIs, and to the evaluation of different network design options, taking into consideration technical use cases and business-related KPIs. The knowledge amassed as a result of the project (e.g.: analyses, studies, proposals) can be used by T-Systems Hungary to improve and further develop relevant, self-developed solutions.

SmarTruck

The SmarTruck is a „smart box” that can be mounted on a forklift truck and that transmits in real time a variety of useful data, such as: operating times to schedule maintenance, or a gyroscope in the box to detect collisions, or even integrate the system with a company access card through its access management module.

SmarTruck is a smart forklift system that can be built modularly, according to our customers' needs.

A major advantage is that even with a heterogeneous forklift fleet (i.e. vehicles of different makes and types), the fleet can be managed through a single Cloud-based system.

RTLS

High-precision indoor positioning enables us to track the position of any entity within the area covered by the system with sufficient accuracy, thus providing accurate information about the time spent in each area and, where appropriate, the route of movements.

The solution can be used in several areas, some of which are:

- Track raw materials, semi-finished, finished products, materials and other objects in industrial facilities and logistics areas
- Shorten the search time by knowing the exact position
- Track vehicles, forklifts, people, optimize routes by analyzing the collected data, analyze fleet operating times
- Protect high value assets and goods In the field of retail for customer analytics systems e.g. track shopping carts
- Measure distance requirements e.g. Covid 19

The technology has been developed for indoor and outdoor solutions with the integration of the Drone and IoT technologies for Warehouse Management and Agriculture and Environmental protection sector use.

Dronify

Dronify is an automated inventory solution that can create a perfect inventory record overnight without human intervention. The inventory activity is performed by an autonomously moving drone using machine vision and machine learning.

The data read by the smart camera is recorded in a database that can be integrated into the company's existing ERP system. In addition to inventory, the indoor autonomous drone solution is also suitable for other tasks that make the everyday life of industrial or facilities easier, for example, in a health-risk environment.



Assembly support - Using Mixed Reality technology (Hololens2)

We provide real-time assembly support for our business customers' operators.

To perform the piping tasks of heat exchanger workpieces, displaying additional information and visualizations.

The system uses Microsoft HoloLens2 Mixed Reality technology to project additional information onto the physical model of the workpiece in front of the operator, using holographic objects.

The use of mixed reality technology has accelerated the assembly process many times over, enhanced safety and significantly reduced the number of rejected products.

Telekom Digital Business Assistant - artificial intelligence business solutions

The Digital Business Assistant is an artificial intelligence-based solution that can interact with customers according to predefined processes and can autonomously manage business processes without human intervention. Depending on the business processes it is trained to handle, it can be used in a myriad of fields and situations.

Our sales support functions/prototypes completed in 2022

- **Internal corporate chatbot ("intranet chatbot"):** artificial intelligence servicing of large company processes that are often repeated, can be well defined and therefore automated, e.g. HR FAQ, customer/product/service and responsible person matching, parking reservation, appointment booking, meeting room booking.
- **Service Desk Assistant:** SD chatbot, accessible via Teams without logging into the IT ticketing system, categorises the problem based on a short description of the problem, without human interaction and passes it directly to the resolution team (solution integrated with ticketing system)
- **Password reset voicebot:** available 7/24 via telephone, authenticates the user based on natural identifiers and sends a new password via SMS
- **Appointment booking voicebot:** a voice-based appointment booking solution primarily for healthcare institutions, validates based on social security number and customer data, sends calendar entry for those concerned

RPA platform

Performing repetitive, rule-based processes with the help of software robots. This provides an opportunity for the human workforce to concentrate on processes and activities with greater added value, and for the growing labor shortage to become manageable. The work of the software robots is available 24/7, they perform their work without errors, they do not get tired, there is no fluctuation, training and similar HR challenges. The service of T-Systems' private cloud-based RPA platform is available to our customers in a monthly fee plan.

Real-time Predictive Analytics Framework (AI)

In most companies, a layer of data assets can be separated from which the value of the extractable information rapidly decreases over time (predictive maintenance, fraud events, events related to tax evasion, etc.). During real-time data management, we identify these data circles and direct their management in a real-time data processing and analytical direction in order to turn them into information suitable for decision support that can be processed as soon as possible after their appearance.

Our framework system (PAF) designed for this purpose provides a set of tools with which the above can be implemented even in an as-a-service construction.

Fraud management solution

With the further development of our unique solution, which has been present in the banking field for years, its productized, modern, containerized version has become available, even as a service. It is capable of examining transactions (account operations, card transactions) and processing other event-type data efficiently and quickly with the help of built-in artificial intelligence capabilities.

It has the outstanding ability to perform real-time fraud check during instant payment operations, and to present its results with a response time of less than a second. In addition, it is capable of simultaneously processing hundreds of millions of transactions and events per day.

Mac as a Service - hybrid work environment

With our unique service Mac as a Service, the customer can easily create a hybrid work environment so that everyone can work on the device they want.

We provide an affordable service for the smooth integration of selected Apple devices, while the satisfaction and efficiency of employees can already be significantly increased.

Basic services:

- Provision of a Macbook in a monthly plan
- 3 years AppleCare
- ServiceDesk support – service administration
- In the event of a device failure, a one-stop notification interface that includes the entire service-related administration
- Provision of replacement device
- For the duration of the service, an identical device provided from TSM's stock
- DEP (Device Enrolment Program) registration capability
- Zero touch installation (in case of existing DEP and MDM)

By providing Apple computers, we create a service for a monthly fee, which includes the organization of configuration and operation support tasks related to error handling, replacement and remote monitoring.

We started the market testing of the service with a pilot in November 2022. During the pilot, we want to validate both the content of the service, the type of devices included in the portfolio, and our processes. For each component, we want to fine-tune the product's features in an agile manner and, if necessary, initiate changes either in terms of the range of devices or the service elements.



AGV operation on Campus Network

The aim of the project was to test a CEIT AGV (automated guided vehicle) on the Campus Network established by Magyar Telekom. We have observed the following results from the pilot project:

- We have successfully tested the reliability of AGV communication under real industrial conditions on the Campus Network established at BorgWarner's site in Oroszlány.
- We have gained valuable experience in operating AGV systems and developed a use case for Campus Network.
- The tested AGV tool can be used in additional customer pilots in the future, thus further supporting the sales activity

According to our plans, in addition to the sale of the equipment, We also performs the support tasks of the service at level 1 and level 2, for which we charge a monthly support fee.

DIGITAL COMPETENCE

Developing communities, changing mindsets

As a responsible service provider, Magyar Telekom takes a role in creating digital equal opportunities for Hungarian society. We take a stand on social issues that prevent people from having equal access to the opportunities offered by the digital world

We do that in a way that we not only include them in that world, but also provide guidance to them to ensure they clearly see the opportunities and threats that lie therein. Our initiatives put great emphasis on the online and physical safety of our children.

“Be a Member of Generation NOW!” Program

In the framework of the **“Be a Member of Generation NOW” Program** Magyar Telekom seeks to make the opportunities offered by digitalization accessible to all age groups by not only providing technical access, but also helping people develop the necessary skills.

At Magyar Telekom, we consider it important that the elderly also have access to the possibilities offered by digitalization, but we know that most of them need support and guidance for this.

Along this logic, we have developed a program in which, in cooperation with secondary schools, students provide information on the use of digital devices to members of retired communities as part of the school's community service.

At the sessions, the elderly learn about the digital solutions that can help them during their everyday lives. By bringing the two generations together, we help senior citizens become able to exploit the unlimited opportunities, the knowledge, the information and community experience offered by the digital world. These skills will make their lives easier, as the digital knowledge they acquire enables them to achieve their goals and translate their wishes into actions.

The “Be a Member of Generation NOW!” Program initiative is an addition to the range of volunteer work opportunities available to students that they can easily take part in, yet it allows them to do work that is very valuable to society and creates a feeling of achievement.

At the events the students can also learn a lot from the elderly and this cooperation can be to the benefit of both sides. Also, this collaboration greatly supports the young people's personal growth and equips them with skills like critical thinking and complex problem solving, creativity and communication.

The events are organized by the NGO partners that take part in the “Be a Member of Generation NOW!” Program with the involvement of schools, typically in their buildings or some other community facilities. The NGOs also conduct the events, liaise with the stakeholders and issue the certificates to the students about their community service.

We provide students with a detailed description they can use to get prepared and an online registration site with the events scheduled.

The elderly are provided a competence-level test to determine what learning materials fit their needs best.

In 2021, as the program could not be implemented in its original face-to-face form due to the pandemic, most of the courses were still conducted online as best for social distancing and the participants' safety. Some innovative solutions, like live video chats, Viber and Zoom calls were used to enable the senior students to ask questions and the young students to share their knowledge. The students compiled some easy-to-learn online instructions for those not so familiar with chat applications, which were distributed among the participants online. We shared 75 short videos and written materials with illustrations in 8 topics on the program's website, which helped the elderly feel less isolated at home during the pandemic.

Our “Become a Member of Generation NOW!” Program announced on 6 November 2019 is currently running in schools of 16 cities, but as online education was introduced, now anyone can join in without any geographical limitations. In 2022, we continued the program in a hybrid way; we gradually restored face-to-face meetings, but at the same time kept the possibility of creating online teaching materials. Last year our program reached 926 000 people. A total of 530 secondary school students took part in the face-to-face events and the preparation of the online materials, and 24 700 senior citizens completed the course at the onsite sessions and through the online channels.

Throughout the program, we put extra emphasis on compliance with child protection guidelines.

Magyar Telekom's objectives to be achieved by enforcing the guidelines:

- In the implementation of the program we provide all our partners with the necessary information about the content of the guidelines and the relevant processes.
- We demonstrate to children, parents, teachers and pensioners, as well as all other partners the program's commitment to safety.
- As part of the "Be a Member of Generation NOW!" Program, we share the information regarding the protection of children and vulnerable adults, as well as proper conduct with the children, parents, teachers, pensioners, our partners in implementing the program, our employees and volunteers.
- We consider it important that the children and vulnerable adults who take part in the "Be a Member of Generation NOW!" Program be especially protected. We firmly believe that no one should fall victim to abuse in any shape or form. We feel responsible for the welfare and protection of children, the young and vulnerable adults. We strive to ensure their safety throughout our work processes, too.
- In order for us to be able to really appreciate children, we listen to them and give them the respect they deserve.
- We create a safe environment for the children, young, teachers, pensioners, partners and employees who take part in the "Be a Member of Generation NOW!" Program.

We are committed to the regular review of the current guidelines and our proper conduct.

INDUSTRY-SPECIFIC SUCCESSION POOL

In addition to developing our customers' digital competences, the Education Pillar of Magyar Telekom Group's Sustainability Strategy also defines the goal of providing a succession pool for the industry, as any difficulties in finding the right professionals to fill vacancies may pose risks in terms of continuously maintaining, improving and reinforcing the quality of our services. In order for us to be able to always provide top-quality services to our customers, we need the best professionals. This requires, above all, a competitive vocational training background.

At the initiative and with the funding of **T-Labs** (Telekom Innovation Laboratories, Berlin), the Department of Data Science and Data Technology has been operating at ELTE since September 2016, as the first pillar of the EU Labs research network under construction. Magyar Telekom's role is in supporting the training and research activities.



The professionals of the future are trained with the support of Magyar Telekom.

In 2021, we concluded **strategic partnerships agreements** with Puskás Tivadar Telecommunications and IT High School of Budapest, Kandó Kálmán Secondary School for Information Technology of Miskolc and the Széchenyi István Technical Secondary School of Székesfehérvár.

The goal of the partnerships is that we help, as far as we can, keep the learning materials up-to-date and support the institutions in their effort of popularizing the telecom profession.

We also offer student work opportunities. In the autumn of 2022, we held several career orientation presentations, where students were offered insight into the telecom world.

We also concluded a **cooperation agreement** with Széchenyi István University, the purpose of which is to provide on-the-job training opportunity to students pursuing electrical-engineering studies.

In December 2021, the **„Deutsche Telekom Group IT Faculty”** was also established at Óbuda University, which is a joint training platform of Deutsche Telekom IT Solutions, T-Systems Hungary and Magyar Telekom.

In autumn 2022, we signed a cooperation agreement with the Faculty of Electrical Engineering and Informatics of the Budapest University of Technology and Economics to participate in the cooperative training programme for Operating Engineer-Informatics, which aims to familiarize students with the practical aspects of their future profession under the guidance of experienced professionals.

A total of 90% of the graduates in the first year of the **Kickstart career program**, that is 18 people got fulltime jobs at Magyar Telekom. Twenty-two students enrolled in the second year of the program in September 2021. The number of students in the third year continued to increase, T-Systems also joined the initiative, so the program started with 27 people in September 2022. The one-year program offers interns professional and soft-skill trainings relevant for career starters.

The Kickstart interns, working in diverse areas encompassing the full range of the company's units, work on joint half-year project tasks in the spirit of the agile methodology, thus reinforcing their skills of working in cross-functional teams, which is becoming increasingly important nowadays. The joint project task is based on real business demand, thus promoting the program's significance and Magyar Telekom's development alike.

Launched in March 2020, **Telekom Kraft** helps young visionaries with trainings and events on their journey to develop their inventions and projects. The **KraftRoad** program supports young talents with workshops and events in the development, elaboration and improvement of their innovation projects. In 2021 Telekom Kraft was home to 9 innovation projects.

Apart from individual projects the participants can also join Telekom in contributing to selected projects and thus gaining professional training. As an example of such collaboration, one of the Krafters designed the wall-art in one of our stores and later became one of the graphic designers of Telekom.

Other examples include representation of talented young video artists and directors in the Kraft video series.

In September 2021 we opened the **KraftLab** in Debrecen, where Krafters can take advantage of all the technology and labspace from video-studios, to podcast studios and robotic limbs.

In 2022, Magyar Telekom again launched a 24-hour trainee recruitment drive. In a unique selection process, the company recruited 27 talented young people in one day from a pool of 200 applicants, who in September could start their career in the most attractive workplace in the telecom sector according to a recent Randstad survey.

In the autumn of 2022, we held our 'Own your magenta career' internal career day, which gave trainees the opportunity to learn more about career opportunities within the company, and gave them inspiring presentations to encourage them to take the first step towards the next stage of their career.

Digital school trips

We think it important to show the possibilities offered by the digital world in education as well, and believe that teaching and learning can be made more enjoyable by using digital tools. Accordingly, in 2022 we organized digital class trips for schools in disadvantaged settlements, assuming the full cost of the program.

In addition to the exciting robotics programs of the Edu&Fun Digital Experience Center, at the Magyar Telekom Headquarters the children were able to learn through playful, digital education how to install smart devices, set a WiFi password, try out VR glasses, visit Telekom's network operation center, and we also introduced them to Vanda, Telekom's virtual assistant. The program was enriched by an all-day digital game involving Szezám, Telekom's treasure hunting application.

A total of 169 children took part in the 5 class trips organized last autumn, who gained a lot of experience and new knowledge, and rated the program an average of 4.7 on a scale of 1 to 5.

EDUTAINMENT, INSPITAINMENT

Hello Business

The goal of the Hello Business program is to help domestic small businesses navigate the maze of business administration, workforce management, marketing, sales or finance. We help you process the issues with practical news and information, all in written and video format on the program's **website**. A **Facebook page** was created within the framework of the Hello Biznisz program, which already has 32,000 followers, thanks to the continuous content production.

In addition, 9 experts help SMBs with their stuck issues in taxation, legal, marketing and other topics within the framework of a **Facebook group**.

Plan D – Hello Business

In the summer of 2021, a program to support the digital development of domestic SMBs was launched on Hello Business' educational platform, called Plan D. In 2020, the epidemic situation has shown that digitalization can not only be an easier way to prosper, but often the only way: entrepreneurs now know how important digital tools and solutions are, but not all small businesses are still confident in using them, and there are some downright averse to them. With the help of the **Telekom Hello Business D plans**, businesses receive easy-to-use, copyable, practical guides and already proven, ready-made digital case studies, which are also available for free to anyone on the program's website. The success of the program is shown by the fact that from its start until December 2022, 14,130 D plan templates were downloaded by those interested.

IT Meetup

Magyar Telekom and T-Systems Hungary have launched a series of programmes for IT professionals to exchange ideas on current challenges, professional trends and good solutions in an informal format. The events of the programme series were a great success, with nearly 500 offline and online participants.

(According to research, there is a shortage of nearly 40,000 professionals in the IT labour market in Hungary, which means that there are not enough professionals with the right skills on the market. Although the number of people enrolling in IT courses is increasing year on year, it is worthwhile to see the beauty and diversity of the IT profession to attract new professionals.)

The series of events launched by the Magyar Telekom Group aims to initiate a dialogue on the current challenges and trends of the profession along specific focus areas and to provide a platform for the exchange of ideas among professionals. The aim of our events is twofold: on the one hand, we want to highlight and show the many layers and branches of what is often referred to as IT, and on the other, to bring those who are interested closer to what these professions are all about in practice. On the other hand, we also want to reach out to active professionals, providing a platform for community building and networking. The first session of the event, which offered informal, relaxed and inspiring presentations and discussions, was dedicated to Kubernetes open source platform solutions, while the second session focused on Cyber Security and Incident Management. The last meetup of the year focused on Micro-service Architectures.

Mobile Experts

Our Mobile Experts (Mobiltudósok) in the Telekom shops offer help and support to visiting customers in the use of our devices and services. They provide information on how the internet can make easier your everyday life (administration, banking, online shopping). Our mobile experts share their knowledge online too: the Mobile Expert blog about the latest technical achievements, devices, useful information and interesting facts can be read on Telekom's **Facebook page**.

Edutainment/inspitainment content

With our Edutainment and Inspitainment content, we empower everyone to use the achievements of the digital world according to their level of technological adaptation, and to make their lives more sustainable, simpler and digital. Throughout the program, our content has been viewed by millions on our Youtube and Facebook channels and have become members of the **NOW generation**.

Telekom Forum

Telekom Forum is an online Edutainment social platform where our existing and potential customers can chat, find information about our services, and about the use of internet and smart devices, and also information about access to various online content. The page is public and worth visiting for all who wish to gain first-hand information about Telekom products from the most reliable experts: the users themselves. The page is moderated and supported by Magyar Telekom experts.

Teachtoday – Telekom for the educated use of the internet

As a responsible large enterprise, it is our task to promote the safe use of the internet. We use our best efforts to ensure that all age groups leverage the opportunities offered by the digital world in a smart and conscious way and we also work on the elimination of the digital divide between certain areas of Hungary. In November 2017, similarly to other members of the company group, Magyar Telekom also joined Deutsche Telekom's "Teachtoday" initiative to disseminate online education content with the objective of reaching a broad audience.

On the **Teachtoday website** the relevant content is linked to everyday situations explaining how younger generations use the internet while taking into account potential differences in needs and living conditions. The platform offers practical tips and solutions to parents and children alike on topics like data protection, big data, social networks, use of mobile phones or popular applications. The topics are colorfully varied and the website offers case studies, interviews, tips, infographics, magazines and games, too. The site even offers media competence tests for two different age groups.

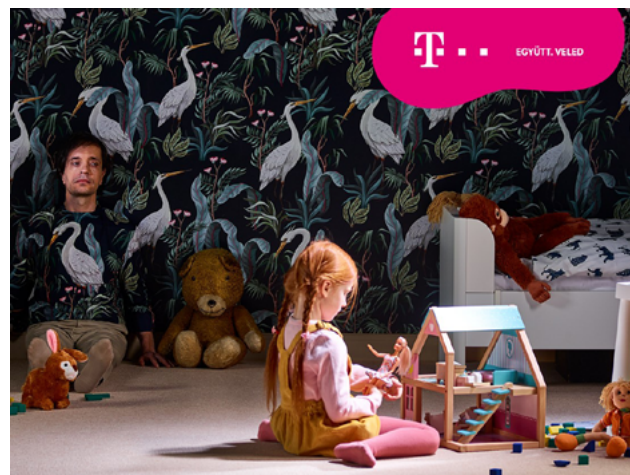
In 2022, Magyar Telekom's digital responsibility programs reached more than 4 million people nationwide.



CHILD PROTECTION IN THE DIGITAL WORLD

Magyar Telekom is committed to supporting the safe content consumption of children and their parents. We want all children and young people to have access to the information they need in an enjoyable and safe environment.

Our child protection site helps children and their parents in preparing themselves for any threats that may emerge when they use digital channels by providing them verified content and advice.



"Become a SafeNet User!"

At Telekom, we believe that all children have the right to make use of technological achievements and exploit the benefits of digitalization to live a better life, develop skills and prosper in life. It is our goal to provide access to information, the opportunity to express views, the right to privacy and equal treatment to the widest possible range of children, at the same time, we are responsible for ensuring that they exercise these rights in safety, demonstrate the proper conduct when online and never, under any circumstances, become a victim.

What do we do?

We provide every child access to technology in a safe environment specific to their age group to minimize potential threats

- Our Mobile Experts in our shops provide help in managing the devices' safety settings and in the installation of the necessary screening software.
- We sell all devices with high data protection settings by default.
- Throughout the design, development and introduction of our products, we put emphasis on ensuring children's rights.
- We have created an easy-to-follow, illustrated guide for parents on how to set up the security of their children's devices (phone, tablet, PC/laptop) on the website of tudatosdigitalis.hu.

In order to ensure safe internet browsing and quality content consumption, we share educational materials on our online platforms.

- We take part in centrally organized programs aimed at establishing a safe environment and spreading digital literacy, e.g. the [Digital Theme Week](#).
- We support parents to keep their children safe online with our **"I am a Digital Parent" campaign**.
- We provide [educational materials](#) for use at home or in school, e.g. the AwareNessi leaflets, Child Protection e-learning.

"I am a Digital Parent" – an educational program for parents provided in cooperation by Telekom and Hintalovon Foundation

Magyar Telekom has launched an educational program called "I am a digital parent" in cooperation with the Hintalovon Children's Rights Foundation. Raising children in the 21st century also means becoming digital parents. There are few good practices and experiences in digital parenting, but just like parenting, online parenting can be learned. Telekom and the Hintalovon Foundation want to help parents to use digital tools, platforms and solutions more consciously and effectively and to support their children better in this area.

Our children are often exposed to unexpected dangers in online spaces and communities, and as parents we have a responsibility to create a safe environment, just as we do in the offline environment of everyday life. Keeping children safe online is first and foremost the responsibility of parents.

Keeping children safe is a challenge in real life too and there is much to learn online. The "I am a digital parent" campaign aims to create an aware, confident digital presence by answering questions such as: whose responsibility is it to keep children safe digitally; what can parents do; what settings should be made on children's devices to keep them safe online; what should we think about before posting on social media?

In 2022, Telekom raised awareness of the importance of having the right protection online. Together with the Hintalovon Foundation, it has launched a step-by-step guide for parents on how to create a safe environment for their children's devices on the website tudatosdigitalis.hu. A video and online campaign introducing the initiative was launched on social media in the autumn.

The campaign reached 6 600 000 people and the campaign video has been viewed by 500 000 people on the social media channels since October.

The previous 'I'm a Digital Parent' campaign aimed to raise parents' awareness of the potential dangers of their children's online presence and how to share content on social media in an informed and safe way. By completing our online survey on a dedicated microsite, parents can assess their own posting habits and get help from experts on the subject. Our aim was to highlight the problem, identify causes and effects, raise important questions and generate social dialogue. The cause was supported by several popular Hungarian opinion leaders who feel responsible for good online behavior. Their posts and the issues they raised were very effective in increasing our reach and engaging people. The program reached over four million people and over 30,000 people completed the questionnaire. The program generated a lot of discussion during the campaign and this interest has continued.

Magyar Telekom, in partnership with the [Hintalovon Foundation](#), has launched an educational programme called I am a Digital Parent. The campaign raised parents' awareness of the potential dangers of children's online presence and provided guidance on how to share content on social media platforms in a conscious and safe way.

Statistics show that around the world, nearly 1,000 photos are uploaded to Instagram every minute and more than 95 million posts and videos are shared every day. Research shows that photos with a face on them get 38% more likes than those without a human face. Staying connected online and sharing important moments in our lives has become perhaps more important in the past year than ever before. But it is just as important to continue to look out for each other online. As adults, we have the power to decide what and how we want to share on social media, but are we thinking about the dangers we put our children at risk when we post pictures of them?



“I am a Digital Parent” Conference and Workshop

Another milestone in our long-standing collaboration with the Hintalovon Foundation was the Digital Parenting Conference and Workshop in October 2022, a two-day series of free events on digital awareness. At Telekom, we are consciously engaged in raising awareness on the topic and helping and educating parents to meet the challenges of the digital age by presenting good examples, so that they can use digital tools, platforms and solutions more consciously and use them more effectively and be more supportive of their children in this area as well.

At the event, we spoke to renowned experts, parents and children to prepare all practicing and prospective parents for the challenges of digital parenting, giving them a real toolkit and a supportive parenting community.

The second day of the event series focused on digital opportunities and skills in education, as well as experiential digital learning and teaching.

For Parents

Sometimes it is hard for parents to understand the online world of children. On the **Teachtoday platform** parents may find useful information on the advantages and disadvantages of applications, for example they may learn why young people love TikTok. The website offers tips for meaningful conversations with children on data security or cyberbullying. The page also gives advice and support when we do not know at what age we should give a mobile phone to our children and with the help of a draft mobile usage agreement we can help encourage our children to observe certain basic rules.

For Teachers

Teachtoday helps the work of teachers with ready-made modules that can be immediately incorporated into the digital curriculum as well as best practices and examples. For example, teachers can set up a Media Adventure Park together with the students or may acquire new skills and knowledge with the use of the Be a meteorologist! project.

Smart watch for kids

Many people are reluctant to buy smart phones for their 6–12-yearold kids, as they might not be able to take care of the device, and parents cannot properly monitor what their children do online. At the same time, a sense of security is an important consideration when we put smartphones in the hands of our children, often perhaps too early. Seeing this demand, we have made the MyKi Children's smart watch available in our offer from 1 December, 2018.

For Children

While browsing the **Teachtoday website** children can playfully acquire the skill of conscious use of devices. They can read about useful applications in the App Tips or may find ideas on how to make great videos.

The downloadable English language Scroller magazine is written for small children.





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POLICIES AND AGREEMENTS

Code of Conduct

The **Code of Conduct** provides the framework of orientation for all employees of Deutsche Telekom Group and Magyar Telekom Group. Additionally, it also applies to people who are viewed as equivalent to employees in functional terms, e. g. to temporary loaned employees. It sets out the requirement of compliance with legal obligations and acting with integrity and thus ensures that Deutsche Telekom and Magyar Telekom remain transparent and traceable enterprises for everybody.

Deutsche Telekom and Magyar Telekom expect their suppliers and consultants to comply with the rules of behavior manifested in this Code of Conduct and endeavor to ensure that they abide by these regulations by agreement.

Code of Human Rights and Social Principles

The **Code of Human Rights and Social Principles** of the Magyar Telekom Group, as well as its Equal Opportunities plan in force define the group's general human rights principles and the provisions for the implementation of these principles. The decision makers of Magyar Telekom Group are aware that employee diversity is the prerequisite of sustainable and equitable operations enhancing business efficiency and contributing to competitive advantage.

The Code of Human Rights and Social Principles has been developed in accordance with internationally recognized norms, directives, and standards, particularly those of:

- fundamental international human rights treaties,
- basic conventions of the International Labor Organization,
- the OECD Guidelines,
- the UN Global Compact,
- the International Labor Organization's Tripartite Declaration on Multinational Enterprises and Social Policy (Declaration on multinational enterprises),
- and the UN Business and Human Rights Guidelines

Group Policy on Diversity, Equal Opportunity and Inclusion

As part of the Deutsche Telekom Group, Magyar Telekom Group renewed its Diversity, Equal Opportunity and Inclusion (DE&I) Policy in December 2021, which remains unchanged throughout 2022. The **renewed policy** defines our global approach to diversity, equality and inclusion in our interactions with our employees.

It aims to provide a consistent working, learning and development experience for all employees across the Group and to foster a sense of inclusion and inclusion.

The key elements of the renewed policy detail and clarify our views on diversity, equality and inclusion and cover all relevant aspects of the whole employee lifecycle related to company culture. The policy also covers the Group's social and business responsibility by setting out a global framework for an equal opportunities and inclusive workplace, respecting the ability to adapt to local regulations, legal environments and cultural imperatives that vary according to cultural and local specificities.

Suppliers' Compliance

Magyar Telekom Group is committed to respect and protect human rights and it expects its suppliers to comply with these rules of behavior. Prior to becoming suppliers of Magyar Telekom and T-Systems – before getting any orders - our suppliers must register their enterprises on the **Procurement site** of the group.

As an obligatory part of the registration process vendors are obliged to understand and accept as guiding for their operations our Suppliers Code of Conduct that among other policies, entails our Code of Conduct, Code of Human Rights and Social Principles and Diversity Policy.

Deutsche Telekom Group and Magyar Telekom Group Policy on Employee Relations

Digitalization, globalization and the more open markets have led to an increasingly knowledge-based world of work. New forms of cooperation and networking are changing communication, public impact, reputation and compliance challenges and other key elements of company management.

We have realized that we need to redefine the common values that characterize our employee relationships in order to provide a unified work experience for all of our employees.

As part of the Deutsche Telekom Group, Magyar Telekom Group renewed its **Group Policy on Employee Relations** in December 2021. The renewed policy specifies the key elements of our people policy and describes what we stand for in our relationships with employees. These values stem from our shared value set and other company regulations and policies. A key driver of this group policy is sustainability and its details cover industry-relevant aspects of employee life.

Equal Opportunities Plan

Non-discrimination and the safeguarding of equal opportunities are key priority to Magyar Telekom Group. According to Act CXXXV of 2003 on Equal Treatment and the Promotion of Equal Opportunities, and the corporate protocol in place since 2010 Magyar Telekom Group has accepted its 5th Equal Opportunities plan in order to secure the practices of equal treatment, the advancement of equal opportunities and the monitoring an improvement of the labor positions of certain disadvantaged employee groups.

The **Equal Opportunities plan** currently in force is valid for a five-year period (2021–2025).

The plan addresses actions and procedures to improve the labor conditions and career perspectives of vulnerable employee groups such as women, employees with families, employees on child-care leave, employees with disabilities or changed work abilities, career starters and 50+ employees. The progress of the actions and results of the action plan is discussed annually by the company's equal opportunities area and employee representative bodies. Each year several employee opinion surveys help ensure that individual developments are tailored to current employee needs and requirements. The action points of the Equal Opportunities Plan have been identified in consistency with and complementary to the objectives of the diversity pillar of the Sustainability Strategy.

The Diversity Charter of the European Union

Hungary joined the **Diversity Charter of the European Union** in 2016 and, among 50 signatory companies Magyar Telekom has also underscored its dedication to safeguard diversity as a fundamental value. Magyar Telekom has been among the signatory companies in the subsequent years, as well as in 2021.

UN Guiding Principles on Business and Human Rights

According to the dedication of Magyar Telekom Group to safeguard and protect human rights along its operations as stated in the UN Guiding Principles of Business and Human Rights, the company considers the rights and guidelines stated in the Universal Declaration of Human Rights and in the ILO's Declaration on Fundamental Principles and Rights at Work to be mandatory in its own practices.

UN Human Rights Treaties ratified by Hungary

Magyar Telekom Group as a corporation legally registered in Hungary is carrying out its entire operations and business practices in full accordance with the nationally ratified **UN Human Rights Treaties**.

On 6 May 2009 the company joined the UN Global Compact initiative and its 10 principles in the areas of human rights, labor, environment and anti-corruption. Our measures to maintain gender equity among employees are consistently taken in the spirit of the following Global Agreement Principles:

- (1) Support and respect the protection of internationally proclaimed human rights
- (2) Ensure that human rights are not violated in our activities
- (4) Eliminate all forms of forced and compulsory labor
- (6) Eliminate any discrimination in respect of employment and occupation

Monitoring and auditing practices

In 2022 the group-level coordination of corporate sustainability operations that also incorporate labor standards, social issues and the protection of human rights were coordinated under the auspices of the Sustainability Squad. In the operation of the Sustainability Squad, strategy development and strategy management are included separately, so in its mode of operation, sustainability activities are carried out at the level of strategy development and management, as well as operational implementation.

According to the directive, the Sustainability Squad meets regularly, at least quarterly, to coordinate company and group sustainability tasks effectively, with decisions taken by Sustainability Squad members through voting. The Sustainability Squad provides regular reports and presentations to the Chief Executive Officer (CEO) and the Chief People Officer, on the basis of which they set the main direction of the Magyar Telekom Group's sustainability activities and make decisions in related topics, with the input of the members of the Leadership Squad. The operations of the Sustainability Squad are being detailed in the **Corporate Governance section** of the annual Sustainability Report.

Magyar Telekom Group's Code of Conduct covers the requirements of corporate compliance and states our collective set of values, and thus stands as an affirmation of Magyar Telekom's strong reputation, solid position and future success. The Code of Conduct applies to all board members of Magyar Telekom Group from employees to managing directors, executives and board members. Furthermore, Magyar Telekom Group expects its suppliers and consultants to comply with the rules of behavior manifested in this Code of Conduct and to endeavor them to ensure that they are also obliged to abide to its regulation by contract.

Magyar Telekom Group's Corporate Compliance Program has been elaborated with the aim to ensure that Magyar Telekom Group conducts its business with maximum consciousness and commitment, in accordance with relevant laws and regulations, in harmony with the strictest possible business ethics standards.

The Compliance Program has been designed to ensure that the Group conducts its business to the highest standards of awareness, transparency, accountability, commitment, and adherence to applicable laws and regulations.

The compliance area staff, under the leadership of the compliance manager, perform preventive and audit type tasks, thus helping to meet the core values of the Code of Conduct in a proactive as well as reactive way. Alleged or actual incidents of fraud can be reported anonymously not only by internal staff but also by external partners and customers. In addition to the existing phone and email options, reporting via a cloud-based application has become possible from July 2022. The Group Compliance Management System is subject to regular external certification audits as that of a Deutsche Telekom subsidiary.

As Deutsche Telekom's subsidiary, Magyar Telekom Group takes part in the annual internal survey, to ensure the compliance of the subsidiaries of the Deutsche Telekom Group with the social principles of DT. As of November 2017, the basic principles of Deutsche Telekom are no longer included in the Social Charter, but in the Code of Human Rights & Social Principles. The Social Charter has thus been replaced by the Code of Human Rights & Social Principles. The senior executive responsible for the confirmation of the observance of these principles is Magyar Telekom's Chief People Officer, by way of providing the annual Human Rights and Social Performance Report.

In compliance with the Code of Human Rights and Social Principles, all employees of Magyar Telekom Plc. and T-Systems together with their external workforce involved in brand representation participated in a compulsory human rights e-Learning training in 2018 and it remains a mandatory course in 2022.

As part of the orientation process of new employees at Magyar Telekom Group, they receive in their first two months compulsory education about the company principles, guidelines and practices concerning social issues, labor standards and human rights. All employees must understand and accept these guidelines as the fundamentals of their own professional behavior and operations.

The companies own **Unconscious bias e-learning**, developed in 2019 is also part of the mandatory onboarding curriculum.

Nevertheless, the company is aware of the fact that there could be situations in which it is harder to tell appropriate from inappropriate. In order to assist employees in making the right choices in these situations, the company offers secure internal whistle-blower channels - "Kérdezz!" advice portal and "Tell me!" whistle-blower portal -, operated by the Corporate Compliance Department while from the summer of 2022, the Group also uses a platform managed by an external service provider in order to fully comply with the new EU Whistleblowing Directive. The platforms are accessible not only to employees but also to external partners and customers.. "Kérdezz!" ("Ask me!") advice portal has been set up to help resolve uncertainties as far as compliance-relevant behavior is concerned. Serious misconduct must be announced for prevention purposes and for appropriate sanctions.

For this reason, the "Tell me!" whistle-blower portal has been established. Questions concerning human rights and equal opportunities are being handled by the appointed equal opportunities officer. The main principles and the detailed description of the internal inspection process are detailed in employee directives available to all employees on the shared intranet platform. Throughout the inspection process the whistle-blowers' anonymity, personal and data privacy are guaranteed and handled with the utmost discretion

Diversity and Equal Opportunities

As one of the largest employers in the Hungarian ICT sector we believe that diversity contributes to the success of businesses and all kinds of organizations to a large extent. This value is also at the core when it comes to the increase of creativity and innovation, to the involvement of new partners, experts and clients, to the quick adaptation to changes and most of all, to the compliance with the legal and ethical obligations of non-discrimination in all corporate operations.

In addition to climate protection and digitalization, one of the focus areas of the corporate sustainability strategy 2010–2030 is the advancement and protection of diversity and equal opportunities as an employer and service provider. According to our objective Magyar Telekom is dedicated to maintain its leading role as a sustainable company and ICT provider, thus we do more to achieve this and aim to enable more people in society to digitally upgrade their lives. Therefore, by 2030 we want to achieve a 100% inclusive employee experience, and a 100% accessible customer experience as a service provider.

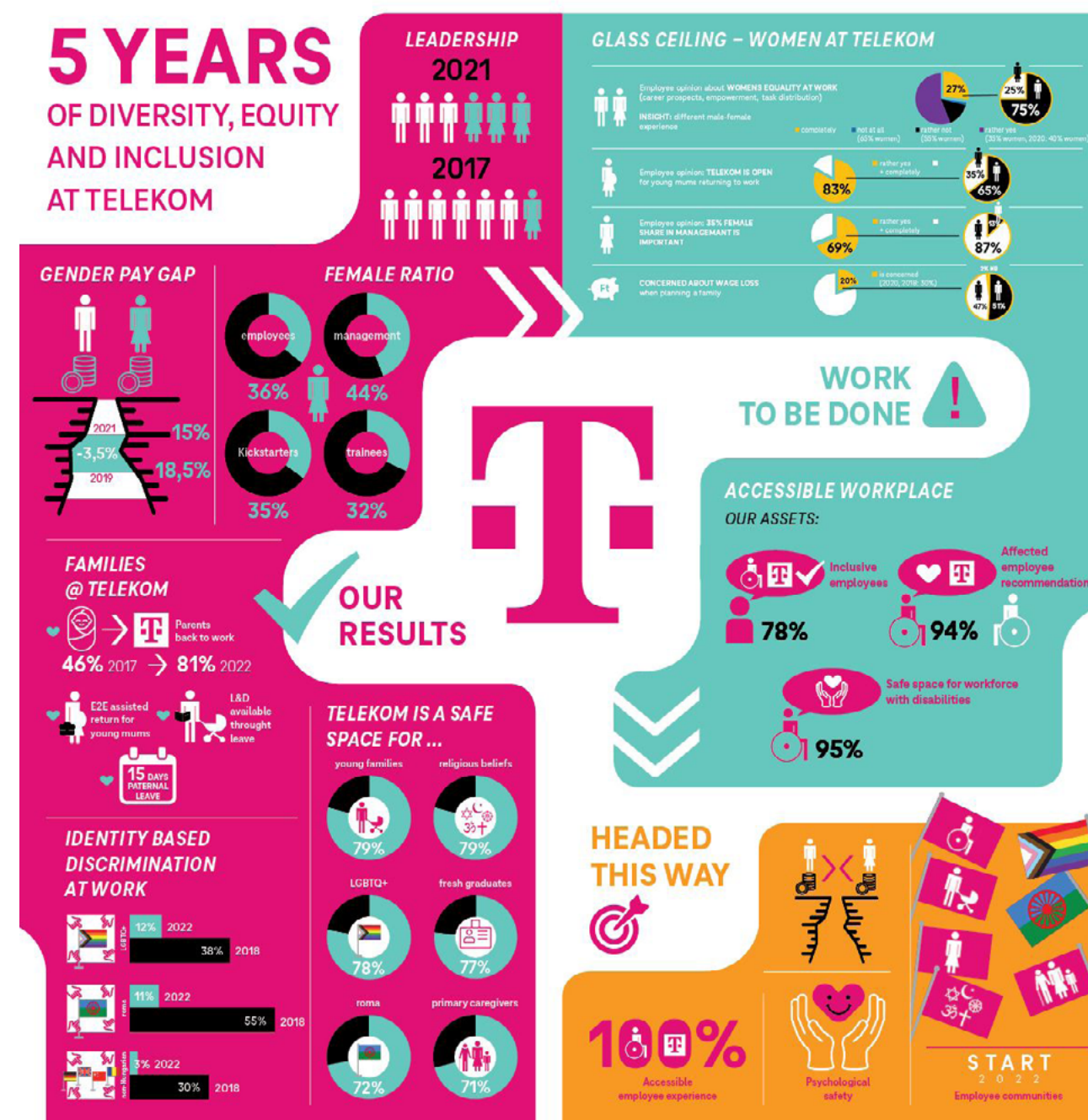
STRATEGY TARGETS (2021–2030) AND 2022 YEAR RESULTS

INCLUSIVE WORKPLACE

- Accessible employee experience
- Increase of female management
- Decrease of gender pay gap
- Parenting equality
- LGBTQ+ inclusive workplace
- Roma integration

ACCESSIBLE SERVICES

- Accessible customer interface
- Accessibility services



* Ratio of women in senior management reduced from 50% to 33.33% from 15 September 2022. The Deputy Chief Commercial Officer appointed internationally..

INCLUSIVE WORKPLACE

Workplace Accessibility

We strive to achieve an open and inclusive employee experience for all, which allows our employees with all backgrounds and abilities to bring their best performing and entire selves to an entirely accessible working environment. In order to achieve this, we aim to reach a 100% accessible employee experience from recruitment and throughout the entire employee lifecycle both in the physical and digital spaces of work.

In order to secure the equal opportunities of our current and future colleagues living with disabilities, we have been using a special module on our online job-application site (<http://www.telekom.hu/rolunk/karrier>) since 2010, where our applicants are encouraged to state any accessibility requests they might have in order to attend the selection process.

Apart from workplace accessibility we support the workplace integration and enablement of our entrants and their welcoming teams by education materials with modules for basic attitudes and inclusive behavior with colleagues with visual or hearing impairments, colleagues facing physical or mental difficulties to work independently within the team. We also provide workshops on demand.

For Magyar Telekom, it is of particular importance to increase the number of colleagues with disabilities and to support this group within the company.



For this reason, from 2022 onwards, a rehabilitation mentor will also support those affected within the company. In 2022, a handbook containing important information on disability will be developed and made available to all employees on the intranet. In addition, a support package for colleagues with disability, including an extra day of paid leave and a one-off cash benefit, has been put together to financially ease the rehabilitation process, thus helping the recovery and health of the staff concerned.

Introducing our **Unconscious Bias e-learning** to all our employees in 2019 and supplementing it with inclusive leadership training contributed to the awareness and openness of our managers concerning working with employees with disabilities. As a result of a more-informed people management staff we were able to increase the number of colleagues with disabilities.

According to our 2022 employee survey on diversity culture, the accessibility of our physical and digital work infrastructure has further increased compared to 2020. 84% of the affected respondents consider Magyar Telekom to be an open and inclusive workplace in terms of integration of employees with disabilities.

The Budapest based offices of Magyar Telekom group moved in together in our new HQ building in the fall of 2018. The building is completely wheelchair-accessible and in late 2018 we conducted an internal accessibility audit with the help of our employees with disabilities. The Telekom HQ building obtained its final BREEAM Excellent certification in July 2019 in the category of newly built property.

Thus, the largest business center of Hungary also became the property with the highest BREEAM certification in the country. In 2020, because of the COVID-19 pandemic crisis, the call center department of Magyar Telekom was also forced to transform its day-to-day operations to 100% remote work and then further adjusting its operations to a hybrid way of work once the state of emergency was over. Our colleagues with mobility impairment could maintain their 100% remote work in 2022 regardless of the emergency situation, while we have continued to carry out infrastructure developments on our Budapest campus to further improve its accessibility.

Women in leadership

As a company dedicated to diversity as a core value, Magyar Telekom finds it important to raise the number of women in leadership positions. According to the diversity pillar of our Sustainability Strategy we are committed to extend the balanced 50–50% female-male ratio of our highest leadership body and achieve at least 40% female representation in our total leadership. We wish to achieve this target in alliance with the EU decision of March 2022 concerning publicly listed companies on reaching a 40% female management quota by 2027. The proportion of female leadership in the company in 2022 was 27.27%.

In 2022, all three¹ of our female Chief Officers continued to work with the **Equalizer Foundation** and, in cooperation with the **Management Association**, they also mentored future female leaders.

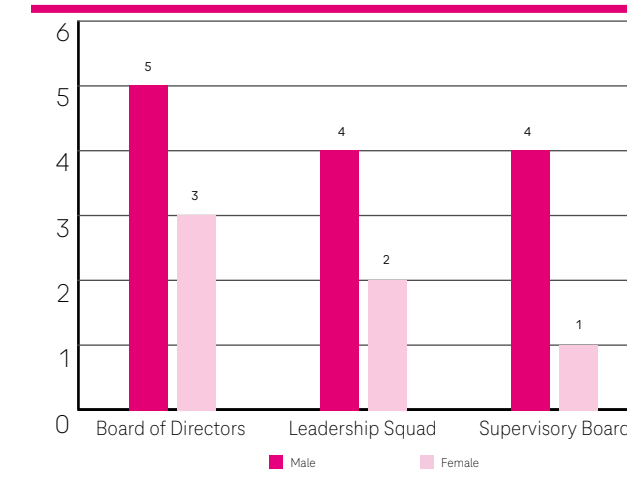
Magyar Telekom's headquarters in Budapest hosted the Equalizer Foundation Women's Day Conference. The event focused on women's leadership and women leaders. In June 2022, we held a roundtable discussion entitled 'Women in Telekom', which aimed to create a 'Women in Telekom' community of employees.

Ratio of women in member companies in 2022 (%)

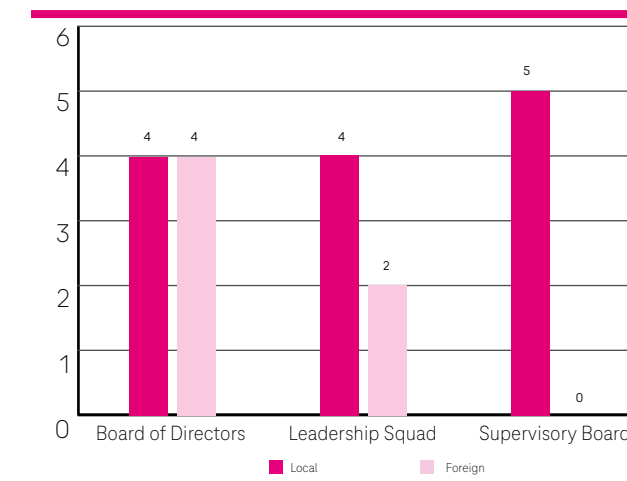


¹Until 15 September 2022, after which 2 persons; the Deputy Chief Commercial Officer has been appointed internationally.

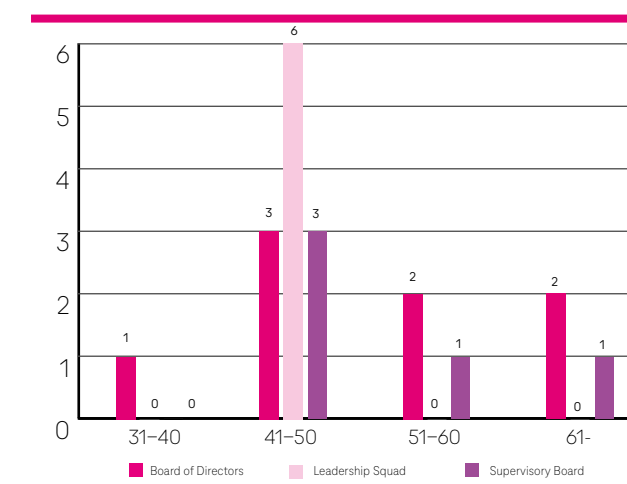
Gender mix of Magyar Telekom Group Management Bodies in 2022 (person)



Breakdown of the members of Magyar Telekom Group management bodies in 2022 (person)



Age breakdown of Magyar Telekom Group management bodies in 2022 (person)



Reducing the Gender Pay Gap

Our employees require security, stability, opportunities for advancement and competitive compensations. Magyar Telekom, as a company committed to provide equal opportunities to its employees, finds it especially important to harmonize wages and to terminate unjust wage gaps. Our remuneration system is transparent, so our pay bands and the relevant regulations are available to all our employees in the Collective Agreement. The dimensions of the job descriptions are based on the competence levels of the Agile organizations and there are some organizations where the job is defined based on Hay levels, as these organizations do not operate according to an Agile methodology. We pay particular attention to ensuring that there is no unjustified difference in earnings between colleagues performing similar tasks, and that the wage differences between those performing different types of work reflect real differences in actual work.

As a responsible company, we are aware of the social phenomenon of the gender pay gap and are committed to eliminating its root causes within our own business environment. We monitor the possible reasons behind the wage gap and pinpoint the process development possibilities for narrowing it down through our gender gap dashboard which allows us to locate painpoints along 9 indicator layers. From July 2020, we carry out a complex gender pay gap analysis twice a year, defining an equal opportunities action plan to reduce the maternity deficit and the female career gap.

In 2020, we joined Amnesty International Hungary's One Step Closer campaign and made a commitment to publish the proportion of gender pay gap – the difference between the average wage of women and men – measured in our company, thus contributing to the public awareness of the gender wage gap phenomenon and committing to its reduction.



We have achieved this reduction along the following measures:

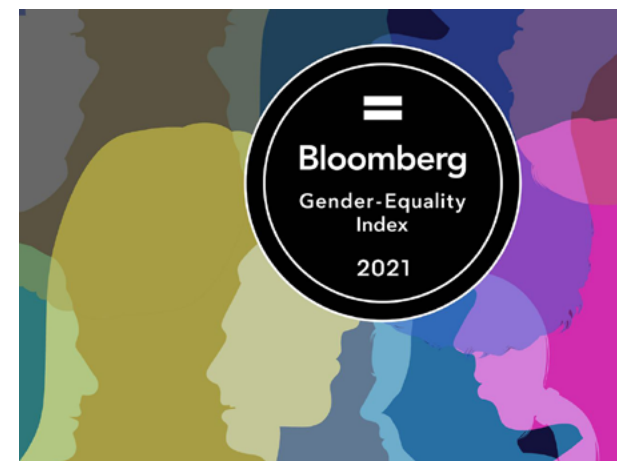
- **Wage gap dashboard is part of the compensation processes** – it provides continuous monitoring through 9 indicator groups, which is an integral part of our compensation and benefit planning processes. With HR business partner support, managers also get a transparent picture of the gender comparison for their area, which, according to our experience, contributes significantly to the enforcement of wage equality.
- **Shortlist quota** – for each priority position, we strive to bring at least 2 suitable female candidates to the short list of candidates. We are aware that this can sometimes increase the recruitment time and require more flexibility in the search, but we insist on this in all cases where we have the opportunity to do so from a professional point of view.
- **Focus on equal opportunities in the nomination system** – in-house recruitment in our planning and nomination processes, as well as during individual organizational transformations, we strive to establish a balanced ratio of female to male managers. Currently, we have the fewest opportunities for this in our technology area, but in 2021 we managed to achieve a breakthrough here as well by appointing the first female Tribe Tech Lead. We are actively involved in the promotion of women's STEM careers and we hope that there will be even more of us soon.
- **Absence due to childbearing and return process reform** – we made the coordination of childbearing and work a more predictable and calculable process through conscious career planning, maintaining contact during the absence, making training and development solutions available and ensuring up to 100% remote work after the return, thereby significantly reducing the so-called 'maternity deficit' and the difference between the average wage of women and men linked to age groups, the so-called also 'generation scissors'

In the figures presented in this chapter, the ratio of basic salaries by gender is represented in accordance with the GRI standard.

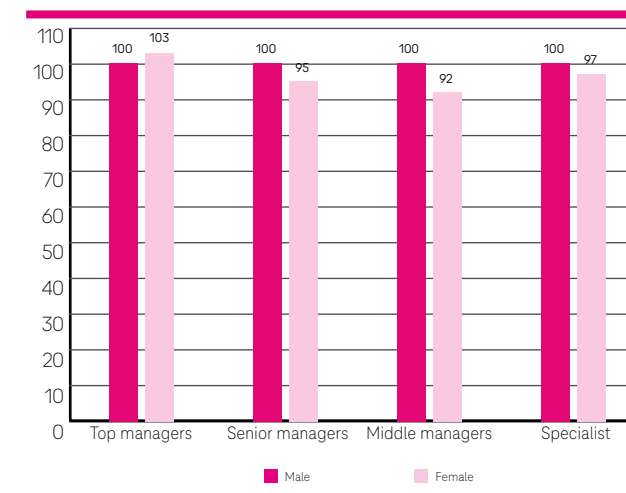
Proportion of base wages of female employees compared to the base wages of male employees (100%) broken down to job categories^{1,2}, Magyar Telekom Group, 2022 (%)



As member of Deutsche Telekom Group, Magyar Telekom also contributed to the company group results that allowed Deutsche Telekom Group to be listed again in Bloomberg's Gender Equality Index (GEI) again in 2022.



Base wage comparison by job grades and gender, Magyar Telekom Plc, 2022 (%)



Equal opportunities in care

Video recordings of our B@ck to Work Café online events for our colleagues on long-term leave due to childbirth, launched in the first half of 2021, are now available for colleagues on long-term leave. In the five episode series participants could meet and engage in discussions with company recruitment, learning and development or career planning professionals. They could also ask about first hand experiences of the recently returned young parents and experiences of becoming entrepreneurs with toddlers.

On the first day of the holiday, as part of the 'Mommy, where do you work?' event, nearly 500 children visited our headquarters to learn about our digital products and what their parents do for a living. The distribution of our storybook "My Mum and Dad work at Telekom", which was completed last year and is aimed at children aged 3–10, continued in 2022. On the 'Mommy, where do you work?' day, we handed out the storybook to all Telekom and T-Systems colleagues who have a child over the age of 3. As a new element, colleagues without children - grandfathers, grandmothers, uncles, aunts - could also receive the book. The booklet introduces the target group of pre-school/school children to the magical world of telecommunications in a playful way and helps them to set rules for the family's conscious use of screens and the internet.

Our Employee Open Day won first prize in the large company category of the #mutiholdolgozol implementation competition.

¹ Definition for employee category at Magyar Telekom HU: Top Managers: CEO and CxO; Senior managers: Leadership team members; Middle managers: CoEL, Chapter Lead, head of department (all other leader); Specialist: all employees who don't belong to the above categories.

² Definition for employee category at Makedonski Telekom: Senior Managers (First Line Management/Supervisor): Unit heads / Team leaders / Supervisors; Middle Managers: Directors and Senior Heads; Employees: all other grade employees (L1, L2, L3 lower grade); Specialists: Expert / Senior professionals (Level L3 upper grade).

³ In 2021 the 'employee' category was merged with the 'specialists' category at Magyar Telekom Plc. and T-Systems Hungary Ltd., therefore no data is available in this category.

Long-term leave and return to work from maternity leave, Magyar Telekom Group, 2022

LONG-TERM LEAVE DUE TO CHILD BIRTH AND RETURN	MALE	FEMALE	TOTAL
Magyar Telekom Plc.			
Starting long-term leave	0	249	249
Returning from long-term leave	0	84	84
Still employed 12 months after return from long-term leave	0	61	61
Ratio of further employment of those returning from long-term leave	0	73%	73%
T-Systems Hungary			
Starting long-term leave	0	26	26
Returning from long-term leave	0	12	12
Still employed 12 months after return from long-term leave	0	10	10
Ratio of further employment of those returning from long-term leave	0	83%	83%
Makedonski Telekom			
Starting long-term leave	0	19	19
Returning from long-term leave	0	21	21
Still employed 12 months after return from long-term leave	0	21	21
Ratio of further employment of those returning from long-term leave	0	100%	100%

According to the agreement of the employee representative bodies and the company, all Magyar Telekom and T-Systems caregiving partner parents are being granted additional 10 days of parental leave to extend the legal 5 days of parenting leave. Thus a total of 15 days (17 days with twins) from January 2022 are available in support of the intimate, undisturbed period of becoming a family. The use of the 5 days of additional leave for fathers is treated more flexibly than set out by the provisions of the Labor Code. The 5+5 days of 'paternity leave' can be taken within 6 months from the 6th day after the birth, with 100% pay for the whole period and hybrid or temporary 100% teleworking is still available.

The division of tasks within the family, which is also necessary for creating harmony between work and private life, the importance of shared responsibility and the father's role are emphasized in the "Dad, it begins!" program, which also seeks to raise awareness. Since 2010, the company has been publishing the "Father's Information" publication on its internal communication portal, which sums up the most useful information for fathers.

LGBTQ+ inclusive workplace

Our aim is to create a diverse and inclusive workplace, that is why it is our strategic target to reduce the experiences of identity-based discrimination within the organization. This is being biannually measured by our anonymous employee survey on corporate diversity culture. The survey allows our employees to anonymously and voluntarily report about the extent of any identity-based discrimination they may have experienced.

In 2022, we continued to work on ensuring an LGBTQ inclusive employee experience, the most important element of which was the official establishment of the Magenta Pride group as the first employee support community, with the participation of Magyar Telekom and T-Systems employees. The newly formed employee support community organized a number of activities, the most popular of which was participation in the Budapest Pride Festival.

We have continued to apply our trans inclusion measures, with the aim of ensuring that our colleagues concerned are able to use their own name in all internal company identification interfaces where possible.

Our aim is to allow all our affected colleagues to use the name reflecting their gender identity in all corporate spaces of employee identification where it is possible. Along this initiative we support our gender non-conforming employees with a buddy system, and provide personalized inclusion trainings for line managers and teams offering tailored help throughout the coming-out and transition periods for all members of the community.

We continuously cooperate with local and international advocacy organizations to offer the best possible support to our employees within the safe space of our company community. We also share our best practices and offer guidance to other companies along professional cooperation exchanges in support of an inclusive and safe working culture in the wider Hungarian working culture. Our professional partners are: **Háttér Társaság Advocacy Group for LGBTQ+ rights, Open for Business, East meets West.**



Roma integration

According to our strategic target we are working on the reduction of the level of identity based discrimination within the company sensed by our employees claiming to share an identity of Roma community. We are measuring this proportion by the same anonymous bi-annual diversity culture employee survey.

2022 marks the second year of our cooperation with the HBLF Romaster program, which provides scholarships and mentoring support for two talented young people for 4 years. Their mentoring is offered by volunteer employees, who further support the entire HBLF Romaster student community with career coaching, language skill sessions, education orientation and many other areas. The 2 students participating in the program are replaced by two university students from 2022, compared to the previous split of one high school student and one university student. Further steps have been taken to launch the Roma Worker Community, with Romaster mentors at its core.

Within the framework of the **Open Minded Companies Award**, which honors the initiatives and achievements of companies for diversity, openness and acceptance in the workplace, Magyar Telekom Plc. came first in the Most Inclusive Company category.

ACCESSIBLE SERVICES

Accessible customer interface and Accessible services

In 2022 Magyar Telekom joined the Recommendation on the Accessibility of Electronic Communications Services for Disabled End-Users, established by the Telecommunications Interest Reconciliation Council, and started the gradual implementation of the recommendations contained therein, with the ultimate goal of ensuring that disabled persons have equal access to all electronic communications services, whether digital customer access points or personal services, before the EU accessibility deadline of 2025.

We have launched a comprehensive survey with major stakeholders to assess the accessibility of our entire service portfolio for disabled customers.

With the participation and support of SINOSZ (National Association of the Deaf and Hard of Hearing), AOSZ (National Association of Autistic People), MVGYOSZ (National Association of the Blind and Visually Impaired) and MEOSZ (National Association of Disabled People), we gathered customer experiences and insights from our disabled customers that most influence their daily access to our services.

As a result of the survey and knowledge sharing, the Accessible UX virtual squad, composed of our customer facing experts, started work; their primary task is to process the collected experiences and to develop and implement solutions that will enable our customers with disabilities to have a seamless, complaint-free and complex accessible service experience in all Magyar Telekom service segments.

In 2022, in addition to the strategic priorities, Magyar Telekom continued the execution of its practices supporting the Equal Opportunities Plan 2021–2025:

Our Unconscious bias e-learning training is an integral part of our onboarding curriculum. In 2022 we continued to develop the background to be able to support other local companies with sharing our e-learning free of charge and ready to be integrated to their own learning curriculum as a boxed learning product. This is part of our social responsibility contributing to a discrimination free working culture in the wider society.

In our day-to-day operations that the pandemic changed heavily, 80% of our employees switched to working entirely from home, which we later transformed to a hybrid regime once the emergency situation was over. We have kept our new best practices adjusted to particular positions and tasks in order to secure a more inclusive and flexible way of work (i.e. in the context of employees working remotely, from home with babies and in the context of employees with difficulties in mobility). We contribute to the predictability of returning to work after parental leave. By fostering conscious career planning and offering a wide range of learning and development opportunities throughout the leave period, we support our colleagues on long-term parental leave to keep their labor market knowledge up to date. Our corporate culture values parental equality together with finding an equal balance in the division of care work among the caregivers in a family. There is strong emphasis on the role of the fathers and caregiving partners in our employee community, which is supported by meetings with professionals, and thought exchange events among colleagues.

Our Women's Day 2022 event, titled #insteadofflowers, was again inclusive, open to all colleagues interested in equal opportunities, regardless of gender. Mental health, work-life balance, body-mind recharging and body positivity were also featured in our expert events, the recordings of which were made available to all our colleagues afterwards. Our staff also attended the Equalizer Foundation International Women's Day Conference, hosted at our headquarters in Budapest. The event focused on women's leadership and women leaders. On June 30, 2022, we held a roundtable discussion on the occasion of the Kapcsolat Nap (Connection Day) titled Women in Telekom, which was also our first event towards the creation of a 'Women in Telekom' employee community.



In October 2022 Magyar Telekom and T-Systems had the privilege of hosting a live Girls' Day event. Meeting female role models and gaining inspiration from exciting new era digital solutions our young guests received first hand experiences about the beauties of technology related careers. They attended a roundtable discussion showing female role models and inspirational female leaders from a variety of tech and digitalization related areas within the company, after which the girls attended a number of professional presentations, familiarizing themselves with the latest technologies and also visited Telekom's innovative Kraft Lab.

In October, together with the Hintalovon Foundation for Children's Rights, we organized a conference called 'I am a Digital Parent', where we explored how to be a responsible parent and create a safe online environment for children.

WORK-LIFE BALANCE

Magyar Telekom considers stress, overload and burnout related risk-reduction as its priority duty in relation to its employees. In order to take charge of these risks by securing an empowering environment to develop and maintain a healthy lifestyle, employees are also provided with coaching and training opportunities and the availability of the Employee Assistance Program all of which help in maintaining a sustainable life balance. In 2022, continuing the practice of previous years, we provided physically, mentally and emotionally recharging solutions, from expert presentations, coaching and thematic team sessions to personal training sessions in the TGym facility at Telekom's Budapest headquarters, and Magenta hiking activities promoting a fitter lifestyle and building community.

Our family-friendly office space and childcare facility in our headquarters the Kid's Den, and the tax-free cafeteria element of nursery-kindergarten support contribute to the maintenance of work-life balance of our employees with children and help them reduce childcare-related costs.

Through the implementation of non-typical forms of employment the company aims to provide support to maintaining a healthy work-life balance and it also offers the opportunity to reduce possible overtime. While offering flexible working hours through part-time (4 or 6 hour) workdays, our internal regulations and methodologies help employees find the most suitable way of work. The schedule options (e.g. flexi-time, banking of hours, compressed workweek) are defined in the collective agreement. The number of working hours (4, 6 or 8 hour workday options) is being recorded in the collective agreement, and employees can manage their working schedule on the appropriate time management interface.

Besides, it is strategically important for the company to build teleworking into the company's culture. Following the state of emergency, we switched to hybrid working, which we maintained through 2022.

In our general operations we continue to work on the principle of a shared desk in our HQ. The workspace design of the new HQ building of Magyar Telekom is based on the shared desk principle, its social and creative lounge spaces and well-equipped digital conference rooms also support the highest level of telepresence flexibility. Teleworking is also supported by the continuous maintenance and development of a solid digital office network access, which received an even higher level maintenance to sufficiently support our remote collaboration and teamwork during the pandemic.

Employees receive mandatory courses to manage potential accessibility and/or data privacy risks related to teleworking. In frontend roles, where employees are working in shifts, teleworking is limited for shift-working colleagues, but they can arrange their schedules in light of their personal commitments.

In 2022, 557,591 teleworking days were recorded - a decrease of 8.6% compared to previous years due to the hybrid operation after the epidemic.

With regards on our employees' private and family circumstances (e.g. necessity of homecare of a permanently ill or elderly close relative) our colleagues may go on a permanent leave without pay as regulated by the Labor Code. The facts justifying the leave need to be verified to the employer and the period of leave must not exceed 2 years. In accordance with Hungarian labor legislations we provide our employees with extra days off after their children, and after blood donation. In cases of more than 40% health damage employees have the right for additional annual 5 days off for rehabilitation. Additionally, we credit the voluntary social contribution of our employees by providing days off, the proportion of which is precisely regulated in internal corporate directives.

In order to prevent cases of burnout and support the restoration of work-life balance, since 2016 the company has been offering the partly financed opportunity of a "sabbatical" leave for a period of 1-6 months.

4-day working week

In Hungary, the Magyar Telekom Group is the first company in the corporate sector to announce a pilot programme to test the 4-day working week. In a pilot scheme, four teams worked four days a week for four months at the same basic salary.

Surveys carried out during the pilot phase of the 4-day working week show encouraging results: the relative performance of staff working fixed hours on customer-facing tasks increased by ten percent compared to their pre-pilot performance after the introduction of the 4-day working week test period.

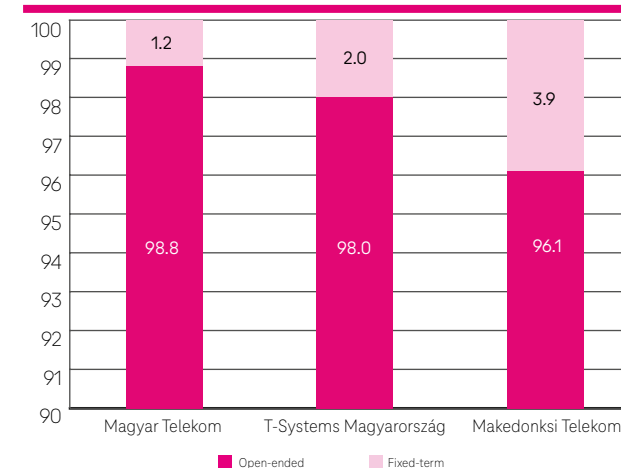
An internal survey of the colleagues involved showed that 92% of staff who took part in the 4-day pilot felt that they had enough time for personal life in addition to work, and at the end of the pilot period 90% said they would like to continue working 4 days.

Seeing the results, Magyar Telekom will continue to test the 4-day working week, from 1 February 2023, by involving additional teams, doubling the number of participating colleagues and extending the testing period to 6 months.

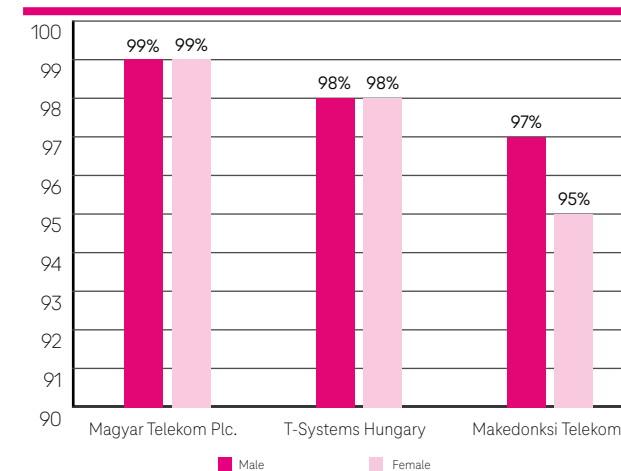
In the second phase, the company will continue the project with a 36-hour working week, with no change in pay and maintaining the current level of efficiency, and will examine the impact of the 4-day working week on recruitment selection, employer brand, and will also analyse the evolution of turnover within the test teams and possible changes in sick days.



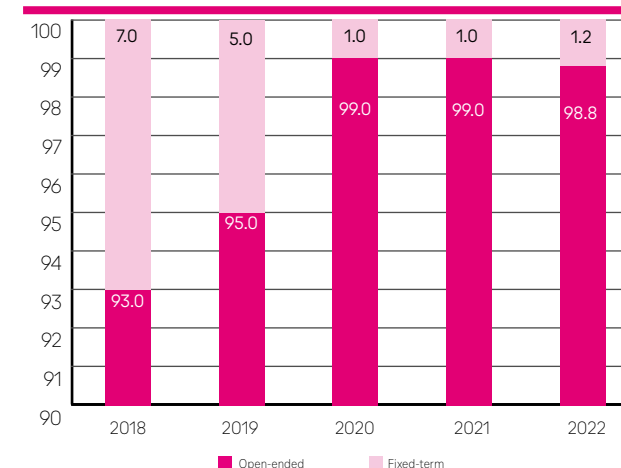
Ratio of fixed term to open-ended employment at Magyar Telekom Group in 2022 (%)



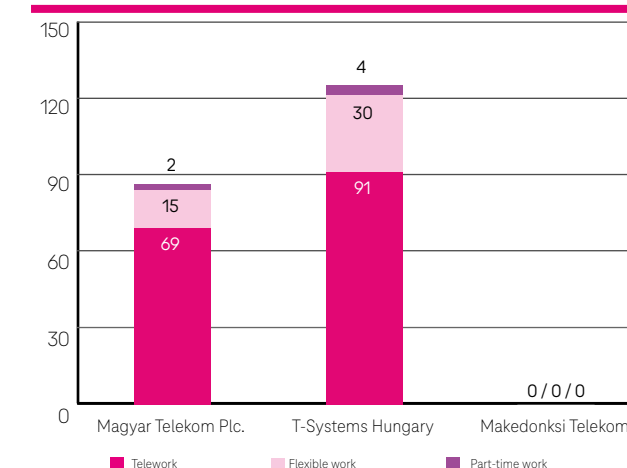
Ratio of open-ended employment contracts by gender at Magyar Telekom Group in 2022 (%)



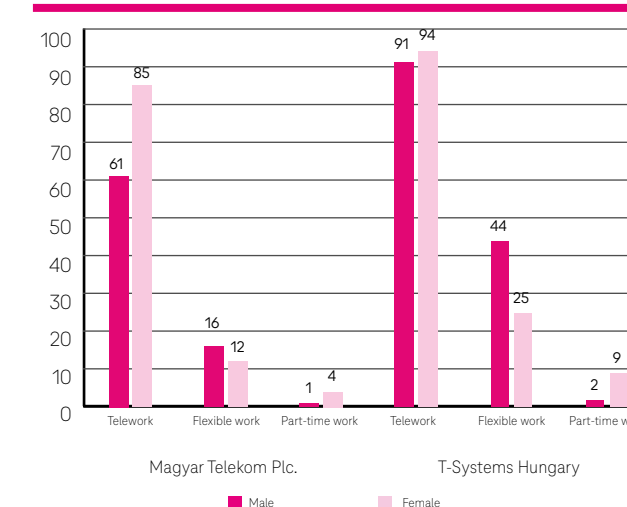
Ratio of fixed term to open-ended employment at Magyar Telekom Plc. (%)



Non-typical forms of employment at Magyar Telekom Group in 2022 (%)



Gender mix of non-typical forms of employment at Magyar Telekom HU. in 2022 (%)



Non-typical forms of employment at Magyar Telekom Plc. in percentage of the total headcount (%)



FAMILY FRIENDLY MAGYAR TELEKOM

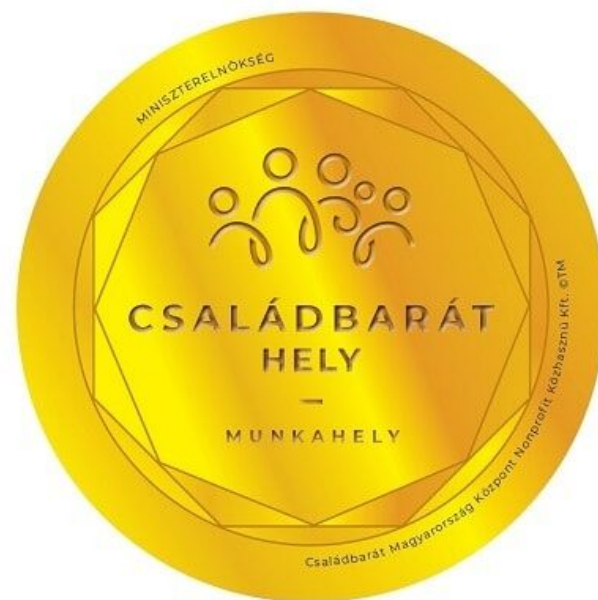
In 2022 one of the most important elements of Telekom's Diversity & Inclusion approach remained the improvement of our entire parental leave process from planning to stay in touch during leave all the way to reintegration support. In 2022 we informed our affected employees about the parental leave and return support scheme and received and processed their contact requests. Preparation for the long-term parental leave is being supported by and internal process, that is designed to assist both the employee and the people manager in the smooth planning of pre-absence tasks. To maintain the connection of the employee on parental leave and the company, the company intranet remains accessible throughout the leave period, thus the employee can stay in touch with the corporate news, follow the changes and access all HR information relevant to their situation. The internal employee direct HR chat is also available for quick administration.

As another new element of the parental leave system of Telekom, the employees can keep their access to the entire free education and development portfolio, allowing them to learn and develop during their parental leave. Easy access support is being granted both through desktop services and mobile application.

Magyar Telekom was named Family Friendly Mentor Company in 2016 by the Three Princes and Three Princesses Movement in acknowledgement of its family-friendly initiatives and efforts. Raising our partnership with the movement onto a strategic level with the conclusion of an indefinite-term agreement, Magyar Telekom supports companies in the movement by sharing its best practices and offering corporate level mentoring in support of spreading Family-Friendly working culture. A large number of our colleagues participate in the public lecture series of the movement entitled Compass – Family and Career. The public lectures are being delivered by leading Hungarian relationship, self-care, and mental health experts in spring and autumn semester blocks.

Magyar Telekom's family-friendly corporate processes, values and solutions for its employees were recognized by Family-friendly Hungary Nonprofit Public Benefit Ltd. with a Gold-level Family Friendly Place certification during the audit process.

In 2022 Dimenzió Mutual Insurance and Self-help Association's Family Support initiative assisted families in the Telekom community by offering discounted summer camp opportunities for their children during the long summer holiday season. In addition, the tax-free nursery-kindergarten support is an optional element of the cafeteria system which also contributes to the reduction of the financial burden of parents with young children.



Our child-friendly offices are designed to promote the balance of work and family life for our employees with a family. Since July 2019 we have been operating a Kids' Den where we offer professional childminding service for a couple of hours during problematic school holidays, focusing on times when our employees must interrupt their work from home and come to the office.

The opening of the playroom has been preceded by thorough needs assessment, and our children and grandchildren were also invited to show in a drawing contest what furniture, toys they desired in their space. Once the epidemic was over, the Kids' Den opened again in full capacity during school holidays in 2022.

A high proportion of employees in the company group take advantage of teleworking thus actively working parents and still actively working grandparents can successfully harmonize their family life and professional duties. Regulated by the Labor Act employees are entitled to unpaid leave to take care of ill close relatives, the timeframe and methodology is subject to the labor Act. Beyond our legal obligation we also support affected employees with a thorough database and detailed information about the available social care, health care, elderly care and/or permanently ill relative care institutional system and private facilities throughout the country to help planning and re-organizing life and care in their demanding situations.

Adjusted to the severity of the pandemic period the operations of the company group introduced quick and efficient changes to its processes with a focus on the utmost protection of the health and safety of our customers and employees.

By developing hybrid working in the aftermath of the epidemic, we are building a culture that supports both flexibility and community cohesion. Where the nature of the work allows and supports focused working, our colleagues work in full telecommuting (such as in the customer service call centre). And across the company as a whole, the telecommuting rate continues to be over 70%.

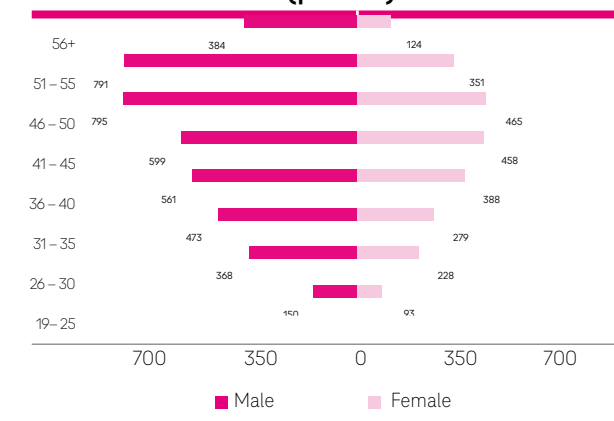
The Magenta Alliance Foundation started by CEO Tibor Rékasi in April 2020 at the initiative, personal responsibility and financial contributions of the Leadership Squad, continued its operations in 2022 in support of employees facing financial insecurities due to the pandemic crisis. In 2022, the Foundation broadened the scope of its support to include employees with serious illness requiring long-term rehabilitation, or those caring for such relative. In 2022, the Foundation provided support to more than 100 colleagues.

GENERATIONS AT MAGYAR TELEKOM

The company employs different generations simultaneously, thus personal fulfillment and the realization of the full potential of our colleagues regardless of one's age or background is an important goal for Telekom. As a next step of the well-designed internship program, the Group offers jobs to many young people starting their career.

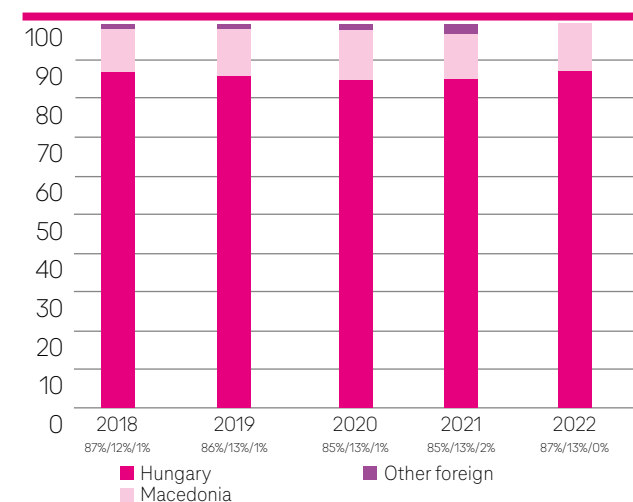
The family-friendly atmosphere of the company offers various ways of support to young employees with families and it also tries to help them in the challenging times of becoming a parent. Teleworking is not just attractive to colleagues looking after a baby, but it also offers a flexible way to manage work and life to our single colleagues who can thus more successfully manage their time according to their needs.

Age tree of Magyar Telekom Group, December 31. 2022 (person)



The majority of our employees fall into the middle aged category of experienced professionals. They experience a slightly narrowing career path, while also having opportunity to obtain marketable experience along various horizontal career tracks. This is supported by the company's significant resources for external- and internal trainings and in-house job advertisements. Telekom expresses its appreciation towards the experienced workforce with numerous acknowledgments, like the Role Model Award, Telekom Success-story or Loyalty Award, Hős7-es ('Heroes of our 7 Principles').

Distribution of employees by region, Magyar Telekom Group, 2022 (%)



PwC Hungary conducts comprehensive research every year to explore key job selection factors. As a result of this survey Magyar Telekom won the Most Attractive Workplace Award in the telecommunication sector for the 5th consecutive year. The survey targeted young people over the age of 16, career starters and experienced workers too. As a result of our online preference survey 15 focus areas were identified. According to the results the top 3 criteria of selecting a workplace in the 16–28 age group are basic wage, flexible work schedule, working hours and an inspiring leader.

In 2022, in a national survey conducted by the Zyntern.com job portal, which focused on the labor market preferences of young people (16–28 year olds), Magyar Telekom came first as the most attractive employer among young people starting their careers. The survey was conducted for the fifth time in May 2022 and nearly 3000 young people filled in a detailed questionnaire. The survey questions covered, among other things, young people's job choice factors, their starting salary demand and the most attractive employers.

At the ninth Randstad Award 2022 event, which recognizes the performance of the most attractive employers in Hungary, Magyar Telekom received the Prize of Excellence, as it has been awarded the special prize for the most attractive workplace in the telecommunications sector for the fourth year in a row.



STAKEHOLDERS



Együtt.
Veled



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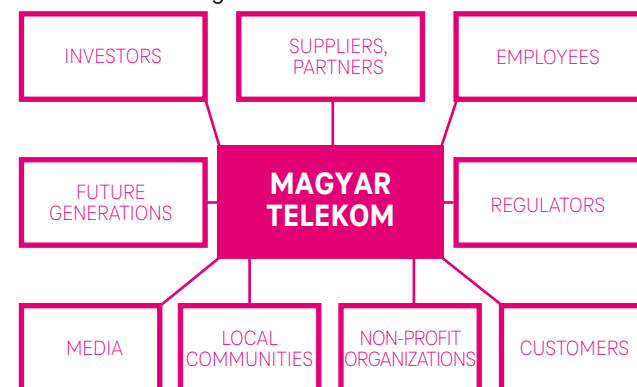


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The stakeholders of the Magyar Telekom Group include those groups that have an impact on or hold an interest in achieving the company's goals. The Company earlier identified its stakeholders through a review of its management systems and benchmark studies and maintains continuous contact with them to ensure that their interests are taken into consideration in the course of its operations. Their opinion and critical comments are important for us with respect to our sustainability activities. We have had the opportunity to meet with our stakeholders on several occasions at forums and surveys as well as in personal, where we had the opportunity to discuss our sustainability activities and challenges.

Our most important stakeholders are considered to be the investors, the customers, the employees, the regulators, the communities, the NGOs, the suppliers and partners, the media and the future generations.



STAKEHOLDER SURVEY

When preparing the Sustainability Report of Magyar Telekom we rely on our preliminary research findings and regularly monitor the opinions of our stakeholders concerning the importance of our sustainability topics.

In our annual questionnaire survey we seek to find out how different stakeholder groups evaluate the corporate sustainability practices of our company. Our questionnaire offers the rating of 37 issues on a 1–5 scale where 1 stands for the least important and 5 for the most important topic.

The analysis and evaluation of the answers play crucial role in rating the importance of our sustainability activities. All issues are important contributing elements to the successful delivery of our strategic goals; nevertheless, we pay particular attention to those that our stakeholders rated as medium or high importance.

In addition to rating the subject issues our stakeholder survey also addresses the following:

- suggestion of other relevant sustainability topics that are not listed
- examples of important scientific findings that would be important and worthy of consideration for ICT companies.
- threats and opportunities for companies in relation to their sustainability approach
- the most widely used communication platforms of Magyar Telekom from where its sustainability activities and approach are accessible,
- which global Sustainable Development Goals (SDGs) Magyar Telekom should consider as priorities, based on its activities.

The latest survey, conducted in December 2022, shows that **Climate protection and energy efficiency**, **Waste management** and **Environmental targets**, costs and compliance are the most important areas for our stakeholders.

Our stakeholders reiterated that Telekom can contribute most to the achievement of **SDG4: Quality Education**, **SDG11: Sustainable cities and communities** and **SDG12: Responsible consumption and production** objectives.

We wish to continue on joint thinking and cooperation with our stakeholders therefore, we encourage everyone to share their comments, ideas and opinion with us by sending them via the **stakeholder survey** or to the **sustainability@telekom.hu** email address

Topics evaluated by the stakeholder groups and their importance

Topic	Customer	Employee	Supplier/ Partner	NGO	Future generation	Media	Investor	Regulator	Local community	Average
Climate protection and energy efficiency	3.72	4.61	3.21	4.04	3.69	4.00	2.88	4.25	3.35	3.75
Waste management	3.60	4.54	3.43	4.00	3.60	4.00	2.93	4.25	3.29	3.74
Environmental targets, costs and compliance	3.54	4.43	3.33	3.94	3.52	4.00	2.72	4.25	3.21	3.66
Emissions	3.58	4.40	3.40	4.10	3.50	3.20	2.86	4.25	3.18	3.61
Human rights, equal opportunities	3.42	4.25	3.23	3.78	3.53	4.00	2.87	4.25	3.03	3.59
Protection of minors in the Digital Age	3.61	4.56	3.17	3.84	3.50	3.20	2.88	4.25	3.26	3.59
Cooperation in environmental and social issues	3.44	4.34	3.15	3.74	3.40	4.00	2.71	4.25	3.00	3.56
Informing of customers	3.53	4.30	3.28	3.58	3.36	4.00	2.65	4.00	3.12	3.54
Sustainability in the supply chain	3.47	4.29	3.12	3.58	3.44	4.00	2.63	4.25	2.97	3.53
Corporate compliance	3.29	4.13	3.05	3.60	3.23	4.00	2.84	4.25	3.01	3.49
Involvement of our customers	3.34	4.30	3.27	3.28	3.24	4.00	2.60	4.25	3.06	3.48
Sustainability coordination	3.32	4.24	2.97	3.72	3.44	4.00	2.28	4.25	3.09	3.48
Resource consumption	3.50	4.42	2.97	3.64	3.41	3.20	2.53	4.25	3.14	3.45
Innovation for sustainability	3.44	4.31	3.20	3.52	3.45	3.20	2.83	4.00	3.05	3.44
Occupational health and safety	3.41	4.30	3.11	3.50	3.42	3.20	2.55	4.25	3.04	3.42
Customer satisfaction	3.50	4.32	2.76	3.70	3.22	3.20	2.48	4.25	3.12	3.39
Our employees as corporate citizens	3.18	4.01	3.05	3.66	3.09	4.00	2.41	4.25	2.81	3.38
Data protection	3.45	4.25	3.04	3.68	3.23	2.40	2.67	4.25	3.05	3.34
Local procurement	3.32	4.20	2.71	3.52	3.34	3.20	2.39	4.00	3.04	3.30
Regulatory compliance	3.30	4.15	2.87	3.22	3.27	3.20	2.46	4.25	2.98	3.30
Risk management	3.27	4.10	2.88	3.24	3.22	3.20	2.47	4.25	2.89	3.28
Involvement of employees	3.04	3.88	2.97	3.08	2.87	4.00	2.35	4.25	2.71	3.24
ICT for sustainability	3.19	3.95	2.95	3.36	3.16	3.20	2.56	4.00	2.76	3.24
Managing changes	3.13	3.98	3.05	3.36	3.02	3.20	2.53	4.00	2.79	3.23
Addressing legal and ethical aspects of content service providing	3.12	3.89	2.91	3.72	3.01	3.20	2.32	4.00	2.82	3.22
Digital competency	3.13	3.95	2.64	3.22	3.07	3.20	2.47	4.00	2.87	3.17
Professional cooperation	3.00	3.83	2.83	3.46	2.89	3.20	2.30	4.25	2.68	3.16
Supplier relations	3.24	3.97	2.68	3.08	3.02	3.20	2.46	4.00	2.75	3.16
Service availability	3.33	4.11	2.91	3.38	3.09	2.40	2.72	3.50	2.90	3.15
Safe use of mobile phones, electromagnetic fields	3.11	3.93	2.87	3.36	2.97	2.40	2.54	4.25	2.89	3.15
Donations	2.80	3.58	2.63	3.48	2.73	4.00	2.35	4.00	2.57	3.13
Suppliers' Award	3.04	3.80	2.59	3.32	2.92	3.20	2.08	4.25	2.57	3.09
Talent management	3.11	3.81	2.47	3.12	3.00	3.20	2.51	3.75	2.63	3.07
Investor relations	2.93	3.56	2.67	3.10	2.73	3.20	2.45	4.00	2.50	3.01
Sponsorship	2.46	3.19	2.60	3.16	2.41	2.40	2.09	4.00	2.31	2.74
Average	3.28	4.11	2.97	3.52	3.20	3.41	2.55	4.14	2.93	

MATERIALITY

Magyar Telekom Sustainability Methodology:

When preparing this report – in compliance with the Global Reporting Initiative Standard (GRI Standard 2021) – we put emphasis on materiality, stakeholder inclusiveness, completeness, accuracy, comparability, timeliness, reliability, balance and sustainability.

The Sustainability Squad's tasks include approving the reporting process and methodology, and appointing the expert staff responsible for reporting for each data area.

In addition to the GRI requirements, the data elements reported will be managed in line with Deutsche Telekom's sustainability objectives, Magyar Telekom's sustainability strategy and the responsible stakeholder expectations detailed below.

During the reporting process, the responsible experts sometimes use external professional methodologies (e.g. Greenhouse Gas Protocol) to determine the data, which are always described at the relevant point in the report.

The scope and the content of the report were defined on the basis of Magyar Telekom's materiality analysis and as an external source, we also used the questions of responsible investor analysts (ISS ESG Rating, FTSE Russell, MSCI, S&P, TCFD) as well as the materiality analysis and manual of the

Global e-Sustainability Initiative (GeSI) prepared for the ICT sector.

Magyar Telekom's materiality analysis helps to define all sustainability topics that are important and currently emphasized for the company and its stakeholders and support the implementation of the stakeholders' interests into business processes and strategic objectives.

The topics were defined, prioritized and grouped primarily during the preparation of Magyar Telekom Group's Sustainability Strategy, and during its annual reporting to the management (Leadership Squad). Continuous harmonization with the strategies of the company's other areas also helps to shape the materiality process.

In order to determine the scope, content and structure of the report for the year 2022, we also took into account the survey conducted among our stakeholders.

The individual topics were scored based on the strategy, business, and stakeholder priorities, and the materiality list was formed along order of importance of the topics.

When defining the scope, content and structure of the year 2022 report we took into account the results of the stakeholder survey. Based on the comparison of the sustainability strategy priorities for the period between 2021 and 2030 and the priorities of the stakeholders the ranking and groups of the materiality of sustainability topics are as follows:

Materiality of sustainability topics of Magyar Telekom in 2022

HIGH PRIORITY TOPICS		MEDIUM PRIORITY TOPICS		LOW PRIORITY TOPICS	
▲	Emissions (GRI 305)	▼	Innovation for sustainability	▼	Protection of Minors in the Digital Age
▲	Risk management (GRI 201)	▼	ICT for sustainability	▼	Cooperation in environmental and social issues
▲	Climate protection and energy efficiency (GRI 302)	=	Managing changes	▲	Occupational health and safety
▼	Waste management (GRI 306)	▼	Service availability	▼	Our employees as corporate citizens
▲	Corporate compliance (GRI 419)	▲	Talent management	▼	Local procurement
▲	Sustainability in the supplier chain (GRI 308, GRI 414)	▲	Informing our customers	▼	Supplier relations
▲	Corporate governance	▲	Involvement of our employees	▼	Investor relations
▲	Data protection (GRI 418)	▼	Resource consumption	▲	Safe use of mobile phones, electromagnetic fields
▼	Environmental targets, costs and compliance (GRI 307)	▼	Customer satisfaction	=	Regulatory compliance
▲	Human rights, equal opportunities (GRI 405, GRI 412)	▼	Involvement of our customers	▼	Addressing legal and ethical aspects of content service provision
		▼	Initiatives to eliminate the digital divide	▲	Donation
		▼	Professional cooperation	▼	Supplier's Award
				=	Sponsorship

* The labels (▲, ▼, =) in the table above show how the classification of each topic has changed compared to the 2021 classification.

Based on the analysis and the materiality ranking we believe that all topics have significance both inside and outside the company.

The structure of the report follows the priorities of the sustainability strategy and the materiality analysis: high priority topics are presented in detail, information on medium priority topics is provided partly in the chapters, partly in the GRI table of contents whereas low priority topics are primarily provided in the GRI table of contents to provide as transparent information as possible to all stakeholders on the company's corporate governance, environmental and social impact as well as the underlying risks and opportunities.

PROCESS FOR DETERMINING THE CONTENT OF THE REPORT

OBJECTIVE AND USE OF THE REPORT

The objectives is to give a full-scope picture, as the report is an information source for all stakeholders; however the entirety of the report is primarily prepared for our shareholders and investors, and among them chiefly our responsible investors and sustainability analysis.

SPECIFICATION OF THE TOPICS

The topics of the report were determined on the basis of the information required by responsible investor analysts, investors and regulators.

INVOLVEMENT, TESTING VALIDATION

Continuous collection information analysis of trends, harmonization with the company's organizational units, involvement of stakeholders, incorporation of feedback into the material.

PRIORITIZATION OF THE TOPICS

Prioritization is provided in the strategy however, the Sustainability report is a reporting tool, therefore it covers all specific topics.

SUPPLIERS

Anti-corruption measures and ethical conduct are important cornerstones of the operation for Magyar Telekom. Consequently, the company requires its suppliers to adopt Telekom's Anti-corruption statement, the Suppliers Code of Conduct and the Coltan Policy of Magyar Telekom. As part of the contractual terms each and every supplier must know, approve and comply with these requirements as stated.

The Suppliers Code of Conduct includes the following principles:

- Code of Conduct
- Social Charter
- Diversity Policy
- Magyar Telekom Group's Environmental Policy
- Financial Code of Ethics
- Corporate Governance Report
- Magyar Telekom Group's Quality Policy

Because of its size, Magyar Telekom Group has significant impact on other stakeholders of the economy, thus the scope of its responsibilities cannot be limited to the company itself. As part of our risk management strategy, we maintain our ambition to do business with suppliers who appropriate a high level of social, economic and environmental performance and standards. In order to ensure this, the group manages its supplier contacts with a strong commitment to fostering a sustainable supply chain. The group-level coordination of vendor relations is ensured by the Procurement, Logistics and Real Estate Management HUB, partly through the provision of centralized procurement services, and partly through the coordination of the member companies' functional organizations.

Suppliers are selected in compliance with the laws, in procurement procedures that ensure fair competition, transparency, and documented processes, which are under continuous control by the Internal Control System (ICS) used jointly with Deutsche Telekom Group. Besides providing proper controls the system encourages us to improve and accelerate our processes, with respect to contracting, the company seeks to develop mutually advantageous, value-creating partner relations. To ensure cost-efficient operation, the company continuously rationalizes its processes by tapping the synergies of the parent company and group-level procurement.

One of the main interfaces for supplier relations is the interactive **website of the Procurement, and Logistics HUB**, where suppliers – upon registration – can directly reach the newsletter service, the supplier qualification system, the OneSource system where quotations and auctions are managed, privacy policy, electronic invoicing description and may find useful information on our procurement processes and sustainability requirements.

The references, financial standing, quality assurance and sustainability capabilities of the suppliers are audited in a prequalification system which is also operated on the internet site of the Procurement, Logistics and Real Estate Management HUB. The company's enhanced vendor prequalification system enables registered suppliers to complete the sustainability-focused questionnaire and also its evaluation. The results ensure the identification of risks and the possibility of joint improvement with the suppliers. The qualification results are important factors in the supplier selection process.

The company buys services and products from qualified suppliers. After filling out the questionnaire, we inform registered suppliers about their results in the vendor qualification system. In 2021 we procured more than 79% of the value of the orders from prequalified external suppliers, through 796 partners.

Magyar Telekom is continuing its Sustainability web audit, a questionnaire on environmental, social and business ethics topics.

There is a special focus in the assessment process on whether the suppliers have any sustainability expectations declared towards their partners or not. The final score is calculated with an industry weighing of the supplier. In 2022, 14 companies participated directly in this survey which translates to 3% of the purchase value (this value was 21.07% in 2017, 26.42% in 2018, 4.11% in 2019, 16.77% in 2020 and 13.39 in 2021). In 2022, our 54 suppliers had a valid evaluation, representing 22.02% of the purchase value. Respondents were informed about their results, and they also received topic-specific feedback on their performance.

Upon request, we have also provided further information via email or phone to partners who requested it. There was no incident risk or non-compliance identified in 2022.

Throughout its operations, Magyar Telekom is keen on maintaining sustainability throughout its operations in a transparent manner and encourages its partners to do their share of sustainable development. Therefore, we highly appreciate all partnerships through which we can gain a better understanding of our partners' sustainability-related strategies and operations.

In 2022, the „Magyar Telekom's TOP3 sustainable supplier” title was given to: DXC Technology, McKinsey & Company Inc. and Technicolor Delivery.

For the purpose of the sustainability evaluation of our active suppliers we use the internationally recognized and operated EcoVadis system, which is also supported by Deutsche Telekom. We invited strategically important and high-risk suppliers to declare their operational practices based on the detailed EcoVadis criteria. As a result, 4 suppliers have received direct and 11 suppliers indirect evaluation of social, environmental, economic and sustainable procurement aspects in 2022. These suppliers accounted for 34.28% of the overall procurement value, which value was 40.59% in 2017, 45.06% in 2018, 44.40% in 2019, 38.30% in 2020 and 36.56% in 2021. The validity of the EcoVadis ratings is two years, thus the results of 2021 and 2022 were taken into consideration.

Our 2021–2030 sustainability strategy's objective is to ensure that Magyar Telekom's commitment to sustainability becomes part of the suppliers' business and that our suppliers' CO₂ emission decrease

An e-learning course is available for all Magyar Telekom employees about sustainable supply chain processes and in 2022 we informed our colleagues about these topics through several channels. The e-learning material is available on the intranet and contains all processes, their detailed description and the list of contacts of topic owners.

As part of the sustainable supplier chain management process, and in order to support effective operations, we created a working group, the members of which are responsible for and take action in the event of negative environmental, work practices, human rights or social impacts arising in connection with suppliers. The permanent members of the working group include employees of the procurement and legal areas supplemented by the staff of the ordering organization affected by the incident and experts of the incident-provoking issue. In order to support these efforts, we established an incident management process that defines the relevant actions in such cases.

The incident management process analyses the event that triggers the incident, the strategic importance of the supplier, the severity of the given case, the supplier's reaction and provides guidance on potential remedies. In 2022 no such process was called for as the audits did not identify any negative environmental, labor practice, human rights or social cases of non-compliance.

As part of the sustainability process, our procurement and compliance organization has an ongoing monitoring process responsible for the identification of legal or economic non-compliance cases. There were no such cases identified in 2022.

Deutsche Telekom provides significant support for the sustainable improvement of supplier relations through sectoral initiatives such as JAC – Joint Audit Cooperation. As a result, audits are being conducted worldwide for the selected suppliers. The integrated audit criteria assure compliance with the basic social and environmental benchmarks when it comes to shared suppliers of different subsidiaries.

Proving compliance with the common group standards, in 2022 a total of 8 indirect Magyar Telekom suppliers were involved in Deutsche Telekom's JAC audits which accounted for 28.29% of the overall procurement value. (This value was 36.91% in 2017, 40.14% in 2018, 38.87% in 2019, 12.34% in 2020 and 34.68% in 2021.) Depending on the results of the audits, corrective action plans are given to poorly performing suppliers, followed by a repeated audit if necessary.

Combining the above assessments, 66 suppliers had valid assessments in 2022, accounting for 53.36% of the annual order value.

The risk criteria of the evaluations applied to our company's suppliers have been identified based on the following:

	ECOVADIS	MT WEBAUDIT	AUDIT	PRE- QUALIFICATION	SUPPLIER SCORE CARD	GESI
ECONOMICS	Anti-corruption and Bribery	✓	✓	✓	✓	✓
	Conflict of interest	✓	✓	✓	✓	✓
	Fraud	✓	✓	✓	✓	✓
	Money laundering	✓	✓	✓	✓	✓
	Anti-competitive practises	✓	✓	-	✓	✓
	Respect of intellectual property rights	✓	✓	✓	-	✓
	Truthfulness of marketing and advertising messages	✓	✓	✓	-	✓
	Consumer/client data protection and privacy	✓	✓	✓	✓	✓
	Access to essential services to products	✓	✓	-	-	-
	Partner/supplier data protection and privacy	-	✓	-	✓	✓
	Associate/employee data protection and privacy	-	✓	✓	✓	✓
	Business Continuity Management	-	✓	-	-	-
ENVIRONMENT	Reduction of production-related environmental risks	✓	✓	✓	✓	✓
	Energy Consumption and GHGs	✓	✓	✓	✓	✓
	Water management	✓	✓	✓	-	✓
	Biodiversity	✓	✓	✓	✓	✓
	Local Pollutions	✓	✓	✓	-	✓
	Materials, Chemicals management	✓	✓	✓	-	✓
	Waste management	✓	✓	✓	-	✓
	Product lifecycle management	✓	✓	✓	✓	✓
	Property lifecycle management	✓	✓	✓	-	✓
	Promotion of sustainable consumption	✓	✓	-	✓	✓
	Sustainable forest / paper policy	-	✓	-	-	-
	Customer health and safety	✓	-	✓	-	-
SOCIETY	Employees health and safety	✓	✓	✓	✓	✓
	Working Conditions	✓	✓	✓	✓	✓
	Labor Relations	✓	✓	✓	✓	✓
	Career Management	✓	✓	-	✓	-
	Child and Forced Labor	✓	✓	✓	✓	✓
	Discrimination	✓	✓	✓	✓	✓
	Fundamental human rights	✓	✓	✓	✓	✓
	Customer health and safety	-	✓	-	-	-

	ECOVADIS	MT WEBAUDIT	AUDIT	PRE- QUALIFICATION	SUPPLIER SCORE CARD	GESI
PROCUREMENT	Sustainable procurement charter	✓	✓	-	-	-
	Training of buyers on issues within the supply chain	✓	✓	-	-	-
	Integration of social or environmental contract clauses	✓	✓	✓	-	✓
	Regular supplier assessment	✓	✓	-	-	-
	Audit of suppliers	✓	✓	-	-	-
	Corrective action to facilitate supplier capacity building	✓	✓	-	-	-
	Sustainable buyers performance appraisal	✓	✓	✓	-	-
	Pre-qualification of suppliers before evaluation	-	✓	-	-	-
	Identified risks and impacts	✓	✓	✓	-	✓
	Conflicts minerals	✓	✓	✓	-	-

The procurement processes constitute a significant part of vendor relations and are implemented with the support of IT systems. Internal procurement processes are initiated mostly through electronic systems. The suppliers' selection process is supported by an internet-based RPF and tool (OneSource), orders are also placed/confirmed through an electronic commerce solution (CPEx) or e-mail, managing transactions growing from year to year.

These electronic solutions substantially reduce the processing time of the procurement processes and the e-mail-based placement of orders further reduces the quantity of paper-based documents. In past years, direct electronic procurement transactions (CPEx) hit a steady high level and in 2022 reached 95,58% of all items ordered (2018: 92.35%, 2019: 93.78%, 2020: 94.73%, 2021: 95,58%).

In 2022, the proportion of requests submitted electronically in the order support system for network-relevant real estate assets and technological area asset movements (PSL) running in the corporate governance system (DT Group One. ERP) upgraded in 2016–2017 was 98,1% (2018: 99.65%, 2019: 97.41%, 2020: 97.2%, 2021: 98,3%). The total number of orders sent electronically without intervention in the procurement area was 89.8% in 2021.

In 2017, we explored areas where robotization could be applied to improve our procurement business processes. In 2020, the screening process for the entire supplier base was robotized.

We ensure compliance with the statutory and corporate expectations by including sustainability, environmental clauses in the supplier contracts. We expect our suppliers to use environmentally-friendly materials, technology and energy-saving solutions.

In the office stationery catalogue, the supplier already marks “green” products, and we encourage our colleagues to order such items.

As to products, there is a blacklist and a grey list of ingredients, i.e. products that contain any of the listed materials are banned from procurement (blacklist) or are not recommended to be procured (grey list) by Magyar Telekom.

In an effort to prevent any damage and minimize transportation time, hazardous materials purchased are transported directly to the internal customer, with the exception of storing a minimum inventory. In an effort to raise cost efficiency and reduce transportation, we increase the percentage of stocks managed by the suppliers. We study the possibility of this jointly with the supplier when entering into the contract.

Despite the globalization of procurement, we continue to purchase a considerable amount of products and services from local¹ suppliers. In 2022, 63,91% of our suppliers belonged to this category. By ordering products and services from local suppliers we significantly contribute to the retention of jobs.

¹ Suppliers with headquarters in a given country.

Value ratio of products and services from local suppliers², Magyar Telekom Group

SUBSIDIARIES ³	2018	2019	2020	2021	2022
Magyar Telekom Plc.	85.56%	81.09%	78.14%	80.53%	63.91%
T-Systems Hungary	82.87%	80.92%	86.62%	89.48%	83.67%
Makedoski Telekom	61%	75%	73%	52,11% ⁴	51.69%

² To determine the value of suppliers' purchases in a given year, and thus the local purchase rate, the value of orders placed in that year was used.

³ Magyar Telekom Group member companies with significant procurement value.

⁴ Corrected data. It was listed incorrectly in the 2021 Sustainability Report.

CUSTOMERS

CUSTOMER SATISFACTION

Magyar Telekom performs customer satisfaction surveys with ongoing data collection, among residential customers, by applying the internationally used TRI*M customer satisfaction research method. With the help of this method, the company can continuously monitor the general expectation levels of subscribers as well as their level of satisfaction with Telekom services.

These surveys produce a composite index reflecting customer satisfaction for all Magyar Telekom customers and for individual customer groups, respectively, which helps in tracing and easily interpreting the changes over time. Moreover, the detailed analysis of service elements enables detection of the current perception of factors impacting customer satisfaction, identifying the fields where Magyar Telekom delivers outstanding performance according to customer feedback, and the fields where actions are necessary for quality improvement in comparison to earlier performance or results from competitors.

TRI*M - Residential customers

The TRI*M index of Telekom customers has risen above that of the rivals by a margin we have not seen before, thereby in 2022 Telekom safely had the highest customer satisfaction and loyalty rating for telecommunication services. Although, the unfavorable economic and political atmosphere during the last quarter year had its toll on Telekom's results, Telekom managed to maintain the high satisfaction level achieved following the first Covid wave in 2020. The results show that Telekom represents stability and reliability on the market.

Within the customer base, the satisfaction of customers in the Magenta1 segment continues to be extraordinary. The even performance of individual customer groups should be also emphasized reflecting the stabilization of our customer loyalty.

One of the principal strengths of Magyar Telekom is the renewing choice of fixed and mobile services, new tariffs and range of equipment, handsets. In comparison to other market players, Magyar Telekom customers have evaluated the reliability and stability of TV service with above market marks as well as showed high satisfaction levels with regard to the available TV channels. The stability and speed of fixed internet connection reflects the successful network development.

Furthermore, Magyar Telekom's evaluations were exceptional at questions related to mobile network coverage and experience with network when making calls.

In 2022, Magyar Telekom managed to make information of services and products available in the most appreciated way.

The customer satisfaction regarding Flip, the second brand of Magyar Telekom offering a service package including three fixed-line elements (telephone, Internet and television), has been measured on a six-monthly basis since 2018. The Flip customer base is the most satisfied among customers of telecommunication providers present on the market. Telekom also did well comparing market players' results in online channels (OneApp).

Since 2018, we have also been measuring the satisfaction of customers of Magyar Telekom's second brand, the Flip brand, which offers a package consisting of three fixed service elements (telephone, internet, television), on a semi-annual basis. Flip customers are the most satisfied telecoms operators on the market.

Medallia

In addition to the strategic focused TRI*M satisfaction measurement system covering also competitor opinions, this year Medallia VOC (Voice of Our Customers) platform was introduced in all member countries of Deutsche Telekom, which replaces the NG ICCA survey in Hungary.

The Medallia research system targets residential and small business (SOHO) customers and/or non-customers contacting Telekom (Flip).

The surveys are carried out on four levels:

- 1. Provider:** We are collecting general feedback about our customer impressions in regards to their provider
- 2. Service:** We are expecting answers concerning one specific used service type
- 3. Transaction:** We are interested in the customer service experience. Our scope covers the following channels: call center, shops, door-to-door agents, telesales, technical service, application, web and chat transactions
- 4. Journey:** We are doing deep-dives in six complex journeys: pay, buy, get help, fault repair, change and terminate. At these cases, the customers got into contact at least twice with their provider while solving one issue.

The cornerstone of the Medallia measurement is the Net Promoter Score (NPS) methodology, where we research the client's willingness to recommend. For a "How likely are you to recommend Telekom to your friends and family?" question, our respondents can provide their answer on a scale from 0 ("Not at all likely") to 10 ("Extremely likely").

The calculated value of the NPS can fall between 0–100, which is obtained by subtracting the ratio of 0–6 marks from the ratio of customers giving 9–10 ratings.

In relation to the service provider or services, we contact all our customers at least once a year to provide an opportunity to understand their opinions. At transactional measurements, we ask for our customer's opinion the day after the interaction. At the call center, as in the past, we also allow an immediate evaluation after the call, in order to get a clear understanding of their impressions as close to the experience as possible. In addition, this method significantly increases the number of questionnaires that can be evaluated, allowing us to examine the feedback in an even more detailed manner.

As a new element, we also introduced the in-app measurement of app interactions, thus making feedback easier for our customers. This is all the more important because, similar to the web channel, this digital contact point is becoming more and more important in the lives of our customers.

Furthermore, it has made a big difference that the research results appear immediately on the Medallia platform. Telekom colleagues can monitor the development of the evaluations without delay.

In case of receiving a low rating during the transaction, the group leaders initiate callbacks within two days after the event, so that the problems that have arisen can be resolved as soon as possible. In case of dissatisfaction with the frontline agent, the head of the team provides individual coaching to his subordinate and, depending on the topic, shares the lessons learned on a group level, as well. Our special call center team contacts customers with complaints related to our services and makes efforts to eliminate all errors. Should process problems arise, they will be resolved under the guidance of the CEX team. They have a significant role in identifying the detected problem hotspots and coordinating their solutions.

We closed the year 2022 successfully. Our customers' willingness to recommend Telekom in the last quarter showed significant increase compared to the previous quarter. Similar to the TRI*M trends, our mobile service users strongly support their provider. Overall, we were able to continuously increase the proportion of our promoters, that is, highly recommending clients, based on their transaction experience. In addition, significant development can be observed in terms of evaluations related to change journeys.

Changes in measuring customer satisfaction – Micro-, small- and medium-sized enterprises

In January 2020, Magyar Telekom Plc. took over from T-Systems Hungary the management of micro-, small- and medium-size business (SOHO and SMB) customers. As a result, the SOHO and SMB segments returned to Magyar Telekom Plc. management after 2018–2019, while large companies and institutions remained under the management of T-Systems Hungary. During 2022, there were no significant changes in this operation.

Despite these changes in customer management the methodology of the measurement remained unchanged, customer satisfaction is still measured by TRI*M in the SOHO and by strategic satisfaction research in the SMB end large enterprise segments.

By 2019, a stabilized customer satisfaction survey system had been put in place where TRI*M remained the measurement tool for customer satisfaction and loyalty of SOHO customers with six-monthly frequency.

Due to the 2017 change in methodology, conclusions from SOHO TRI*M survey findings can only be made from this date similar to the residential market. However, in the case of the SMB segment, after the successful measurement of 2018 as a base, customer satisfaction was measured by strategic satisfaction research both in 2019 and 2020.

The aforementioned Medallia VOC system also covers the SOHO clients.

TRI*M – Microenterprises (SOHO)

The TRI*M index measured among Magyar Telekom microenterprises was higher in 2022 than that of its main competitors, that is, among microenterprises using telecommunications services, the overall satisfaction and loyalty of Magyar Telekom customers were the highest in 2022. Since Q3 2021, a continuously rising trend can be seen in the evaluation of the index. The satisfaction and loyalty of SOHO customers subscribing to mobile services are somewhat higher compared to subscribers of fixed services; the highest index was measured among Magenta 1 Business customers. The favorable result is attributable, among other causes, to the high quality of fixed and mobile services, to attractive offers, to the CEX activities, furthermore, the impact of quality improvement steps aimed at service provided to small businesses can also be detected in the evaluation of various channels and administration.

Annual strategic satisfaction research – small-, medium and large enterprises

Within the frame of the annual satisfaction research, we ask our customers' IT and telco decision-makers about their satisfaction with the services and customer service of Magyar Telekom.

The research is carried out with a questionnaire survey in the SME segment managed by Magyar Telekom Plc., while it is conducted with a hybrid, online + telephone, methodology among T-Systems Hungary's large corporate and institutional customers.

In 2018, the sample targeted by the survey was extended to include the SMB segment in line with T-Systems Hungary's new segmentation structure. With these 2018 results as a base - in 2019 year-on-year analysis was utilized in the SMB segment as well. Although in 2020 the SMB segment was back under Magyar Telekom Plc. control, the measurement of customer satisfaction remained unchanged. In 2020 both in the SMB and large enterprise segments customer satisfaction is still measured by one common market research, with the same methodology.

However, in 2021, the measurement of SMB and corporate customer satisfaction was separated. In the case of SMB, the previous methodology remained with a minor modification.

The change here was also about strengthening the competitor sample in the research in order to have a more stable basis for measuring satisfaction among competitors' customers for better comparability. During 2022, there were no changes in this methodology.

In contrast, in 2021 a new satisfaction measurement framework has been developed in the large enterprise sector, with more targeted measurements (to be discussed later), which also meant that in-depth interviews were removed temporarily from the annual overall satisfaction survey. However, in the case of the largest corporate customers (TOP segment), based on customer feedback, it was decided that deeper, qualitative satisfaction insights were needed, so in-depth corporate interviews were conducted again in 2022.

The 2022 questionnaire survey was conducted on 400 SMB and 577 large enterprise companies, a random sample of the entire customer base. The questionnaires were completed anonymously, but the respondents also had the opportunity to identify themselves with their names during the interview.

The annual satisfaction survey includes industrial benchmark questions too. In order to make a truly independent customer satisfaction survey, the measurement and the evaluation is performed by our market research partner.

The results are processed and presented to the representatives of the relevant fields, broken down into the total performance, service areas and - in the case of large companies - sub-segments of Magyar Telekom. Based on the results, the business segments and their professional areas develop an action plan to increase customer satisfaction.

Based on the results to date, of the Magyar Telekom Plc. and T-Systems Hungary strategic satisfaction survey we can state that the overall performance of the company is reliably high and balanced.

Customer satisfaction in the SMB segment remained very high in 2022, although the results showed a slight decrease compared to the breakout year of 2021. The survey was carried out at a time when the economic environment was a serious challenge for most customers, and thus a general negative market sentiment developed. In accordance with this, we experienced a small decrease in almost all business process areas, but in the case of sales activities, we still managed to maintain the extremely high satisfaction level of 2021. On the product side, in addition to the appropriate price-value ratio, the wired portfolio should continue to be highlighted, especially data communication and Internet services, where optical network developments are the key to maintaining and increasing customer satisfaction at a high level.

It has already been mentioned that a new satisfaction measurement framework has been developed for the large corporate and institutional customers managed by T-Systems Hungary. As part of the system, we will continuously measure the satisfaction of our customers after the closure of the largest IT / SI projects from 2022, but we will also regularly ask the opinion of our customers with the largest monthly service contract about our services.

As part of this framework, we also put the annual strategic satisfaction survey on a new footing in 2021. Online / telephone hybrid research works with a simpler set of questions than before, but provides satisfaction results for each portfolio and business process area based on the following indicators: Net Promoter Score (NPS) and Satisfaction Score (Overall Satisfaction). Due to the new methodology, 2021 became the base year to which we can now compare the results of 2022. Based on the results, we can see that we managed to preserve and maintain our customers' satisfaction at a high level in the enterprise segment, and we were even able to increase it in the case of the largest companies.

Contact person satisfaction research

Contact satisfaction research is carried out every year at regular intervals for customers who have used Magyar Telekom's or T-Systems' customer care processes by telephone or e-mail. Within the frame of the survey, we contacted our customers' contact persons who turned to the Business Customer Service of Magyar Telekom. or the T-Systems Service Desk with fault reports or complaints.

In case of T-Systems Service Desk the survey is performed with the involvement of a partner monthly whereby we contact approximately 40–50 contact persons by telephone; then, based on the answers received, the evaluation is completed after a six-month period. After the end of the second half-year measurement we prepare an annual contact person satisfaction report which is presented to the professional areas of the company.

Magyar Telekom's customer service area is being subjected to its own (ICCA) satisfaction survey. This is complemented by a quarterly, so-called "Detractor" research, also involving an external partner. The essence of this is that at the end of each quarter, based on a representative sample, we search for customers who have made a transaction by phone and identify those who are dissatisfied with the administration. Qualitative interviews are conducted with these dissatisfied clients to gain a deeper understanding of their concerns. Each quarter, after the end of the research, based on the evaluation of the interviews, together with the affected business areas, we identify the process areas where changes are necessary, and then formulate business activities for this. We plan to introduce the same methodology in the segment of large corporate customers as of 2023.

In 2022, both channels (Magyar Telekom Plc. Customer Service and T-Systems Service Desk) performed at a high level and had a distinctly positive impact on the perception of Magyar Telekom. Both the administration process and the professional preparation, competence and treatment of clients are highly rated. Over the course of the year, the majority of clients considered the administration to be smooth and successful. The duration of the administration typically met the SLA undertaken by Magyar Telekom and the expectations of the customers.

In addition to the above, starting in 2021 in Magyar Telekom's SMB area, we also introduced a sales contact satisfaction survey. The research takes place every quarter, and with its help, the sales colleagues of the SMB segment receive regular and direct feedback from their customers regarding their work. In addition to the work of the sales colleagues, customers evaluate the SMB sales channels (satisfaction on a scale of 1–5) and Magyar Telekom as a whole (using the NPS recommendation indicator).

The results consistently showed a high level of satisfaction throughout the entire year 2022.

CUSTOMER FEEDBACK MANAGEMENT

The voice of the customer is of outstanding importance to us in order to maintain the high quality of our services in accordance with customer expectations. Feedback from Magyar Telekom's customers is constantly helping us to shape, regularly review and transform our services and processes.

When handling complaints, we also focus on our customers' satisfaction and the best customer experience. Our main task is to provide qualitative and reassuring solution for our customers during the investigation and handling of complaints as well. Along these lines, we increase Magyar Telekom's service experience for the customer with solutions tailored to individual needs.

Despite a challenging year in all respects in 2022, we have been striving for solutions that are unique and meet the life situation and needs of our customers, as Telekom can be expected by its customers in any life situation.

In 2022, as a result of improvements in our processes and service, the number of complaints decreased by another 7%.

We believe that complaint management is an integral part of the customer experience, just as we believe that we are the best partner for our customers in this regard.

CUSTOMER INVOLVEMENT

Telekom Vivicitá

Telekom is committed to supporting popular sports and has been the name-giving sponsor of the **Telekom Vivicitá** for more than 20 years, bringing together professional athletes, amateur runners and families to promote the importance of sport and exercise in everyday life. In 2022, the run took place in early spring as usual and the atmosphere was reminiscent of the pre-pandemic runs, even if the number of participants did not reach pre-pandemic levels. For those who preferred to run alone in their own familiar surroundings, a virtual race format was available in 2022. In total, the event attracted more than 17,000 participants from 730 Hungarian cities and 72 countries around the world.

Magyar Telekom and the SUHANJ! Foundation have been closely linked for several years through their joint activities at the event and through the donations offered by Magyar Telekom and the company's employees donating SUHANJ! and its initiatives.

In 2022, Magyar Telekom played an active role in supporting families fleeing the armed conflict in Ukraine by joining the humanitarian work of the Hungarian Interchurch Aid Organization. Telekom Vivicitá was an excellent opportunity to reach even more people together with the organization, and to do so more effectively in order to involve them in the relief effort, either as donors or as volunteers.

The situation has also prompted SUHANJ! Foundation to help the refugees from Ukraine as much as possible and in more ways than one. The Foundation has started a day care service in SUHANJ! Fitness for Children from Ukraine. Telekom supported this initiative with a donation of HUF 2.5 million, to which was added another HUF 1 million in employee donations.



Mobildonor Program

In 2020 Telekom launched the pilot of the program, which helps disadvantaged families by enabling them to enter the digital world by collecting and donating smartphones no longer used by other people. In 2021, the program was transformed from a demo into a continuous commitment and an inclusive endeavor through the involvement of the donors and partners.

Participants of the **Mobildonor Program** are invited to offer their no longer used but still usable mobile phones to disadvantaged people and thus become Mobile Donors. By revitalizing an old device and donating it to someone in need, they can really change someone's life. The phones are distributed by the initiative's partner, NIOK Foundation, which pass them on to their new owners, selected on the basis of predefined criteria. Telekom collects the devices by courier service, carries out minor repairs and deletes all data as needed, and even provides the necessary SIM cards.

The mobile phones can be dropped off at any of Magyar Telekom's stores across the country, or on request, Magyar Telekom will send a courier to pick up any suitable used phone and carry out the necessary minor repairs and data recovery on the phones collected.

Since the launch of the program, 888 individual Mobildonor donations have been received and by the end of December last year, the NIOK Foundation had distributed 1,276 devices donated by Magyar Telekom to people in need.

In addition, as part of the Mobildonor program Telekom donated 5,000 mobile devices and prepaid cards to refugees fleeing the armed conflict in Ukraine.

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Carbon neutrality

One of the biggest challenges of our age is climate change which is mainly attributable to human activity resulting in carbon dioxide emission. Telekom recognized the importance of climate protection back in the 90s and now it is an integral part of the company's day-to-day operation. In line with our corporate Sustainability Strategy and through the implementation of innovative solutions the company has gradually decreased its energy consumption and increased its energy efficiency

In 2022, Magyar Telekom Group completed its eighth consecutive carbon-neutral year.

In addition to reducing the carbon footprint of its own operations, **ExtraNet Green 1 GB extension option** continues to give its customers the opportunity to do their bit for the climate by choosing the first green service based on 100% renewable energy.



Telekom stores

Our stores in general:

- Paperless operation - We no longer use leaflets in our stores, we sign contracts on tablets and print them only when really necessary.
- Chemical-free cleaning agents – We use eco-/chemical-free cleaning agents in our store chain of shops.
- Mobile donor drop-off point – As part of the mobile donor program, we also collect unused but functional smartphones in our stores, which we refurbish and deliver to those who need them with the help of our foundation partners.
- Recycled paper bags - In our chain of shops, we only give our customers bags made of recycled paper for their purchased devices.

Since 2020, the design of our stores (the points mentioned below currently apply to 51 stores across the country, a third of our chain of shops already uses the new design, but unfortunately the following applies fully to only 12 of our stores):

- Green wall - In our newest stores, we welcome our customers with a living green wall, which is not only beautiful, but also improves air quality.
- Organic floor – In our newest stores, the floor is made of organic material.
- LED lighting – In our newest stores, lighting uses recyclable LEDs.
- Use of sustainable materials - We work with sustainable materials in the design of our newest stores, including PVC-free paint and decorative elements.

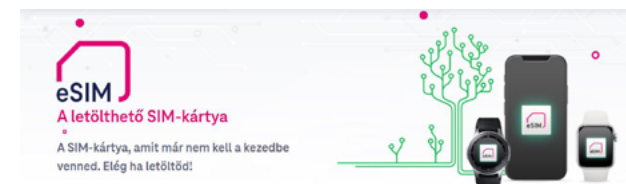
+1 step forward: We have halved the size of our SIM cards, in addition to being the first in Hungary to introduce an electronic SIM card, so with smartphones capable of using eSIM cards the physical SIM card can be completely dispensed with.

eSIM

Magyar Telekom aims to promote and spread **eSIM** in both the residential and business segments, thus we focus on offering and activating eSIM-enabled mobile devices in our stores.

Just think about it, we are protecting and preserving our environment from the production, packaging, transport and storage of millions of plastic cards, as modern mobile phones, smartwatches and tablets have an eSIM chip available, where we can download an eSIM profile with a few clicks, replacing the traditional physical SIM card. The eSIM has the same functionality as a traditional SIM, i.e. it provides perfect connectivity for both voice and data services, and makes the daily life of customers much safer, as it cannot be damaged or lost, and remains online until the profile is erased subject to entering its security code, making it easy to locate if stolen.

eSIM is the technology of the present that is with us and will ensure sustainable progress in connectivity.



Omnibus survey on consumers' habits

In 2022 Telekom and non-Telekom customers were questioned about their consumption habits in the framework of the Omnibus research. We surveyed core services, (such as TV, internet, telephone service) as well as insurance. As a rule 1000 persons are involved in the survey quarterly.

EMPLOYEES

EMPLOYEE INVOLVEMENT

Our colleagues were personally involved in supporting refugees from the armed conflict in Ukraine in 2022. Most of them were involved in the distribution of Telekom devices and SIM cards for refugees at train stations and in the BOK hall, but many also helped refurbish temporary accommodation and worked with humanitarian organizations on the border. Our leaders were also involved in volunteering.

Our colleagues took part in blood donation drives organized by the Hungarian Red Cross at Magyar Telekom premises on 303 occasions. With this and with all the other volunteer activities, 231 Magyar Telekom colleagues volunteered a total of 3,449 hours in 2022, worth 13 million forints theoretical donation to society.



Magenta Unity Foundation

The Magenta Unity Foundation was established in July 2020 on the initiative of Tibor Rékasi, CEO, and the members of the Leadership Squad, Telekom's senior management, through their personal responsibility and financial donations. The original aim of the Foundation was to support our employees affected by the coronavirus epidemic. In 2022, the Foundation expanded its targets to include support for employees in financial hardship due to serious illnesses requiring long-term rehabilitation.

This initiative, which is unique in the Hungarian market, is based on personal donations by the employees that are supplemented by Magyar Telekom's annual donation. From the total amount collected, the Foundation has granted HUF 21,907,500 to 101 colleagues in 2022.

Anyone can donate to the Foundation and, of course, any Magyar Telekom employee can apply for a grant if necessary.

Donation - Climate protection

Magyar Telekom has joined the Good Cause Initiative initiated by Deutsche Telekom to support an important climate protection program of WWF Hungary.

The Good Cause Initiative, launched in Deutsche Telekom's European segment, aims to protect and restore natural habitats in Europe to enable the survival of local - indigenous - flora and fauna.

WWF Hungary is working with residents in five small towns to implement a natural water conservation project to reduce water scarcity caused by climate change. Magyar Telekom is supporting the program by setting up a monitoring system so that the data collected can be used to successfully implement the environmentally friendly solution in as many places as possible. The accelerating pace of climate change is responsible for the extreme weather phenomena we are already experiencing: sudden storms with torrential rain and flash floods, weeks without rain, and severe droughts regardless of the season, exacerbated by heat waves in summer.

These extremes are also experienced by urban dwellers, but for those living and farming in small villages, this unpredictability and extremity cause huge problems in their daily lives. However, there are natural solutions that can help people adapt to the negative impacts of a changing climate. The most effective way to deal with water scarcity caused by climate change is to retain water naturally and in the right places, rather than draining it away in sudden rainstorms.

Telekom's commitment to supporting refugees in the Ukraine crisis

Magyar Telekom responded to the armed conflict in Ukraine by helping both refugees arriving in Hungary and family members remaining in Ukraine. In this context, the company provided unlimited credit for international calls and SMS messages to mobile and fixed lines in Ukraine, as well as for mobile roaming charges on partner networks in Ukraine, and supported the humanitarian activities of the Hungarian Interchurch Aid Organization with HUF 7,500,000 cash donation, device donations, accommodation for volunteers and volunteer work.

The company's volunteers played an active role in the distribution of devices and SIM cards donated through the Mobildonor program, to Ukrainian refugees at several locations, including border assistance stations operated in cooperation of aid organizations, at Ferihegy Airport, Keleti and Nyugati railway stations, and the temporary shelter of Migration Aid located on Madrid Street.

INVESTORS

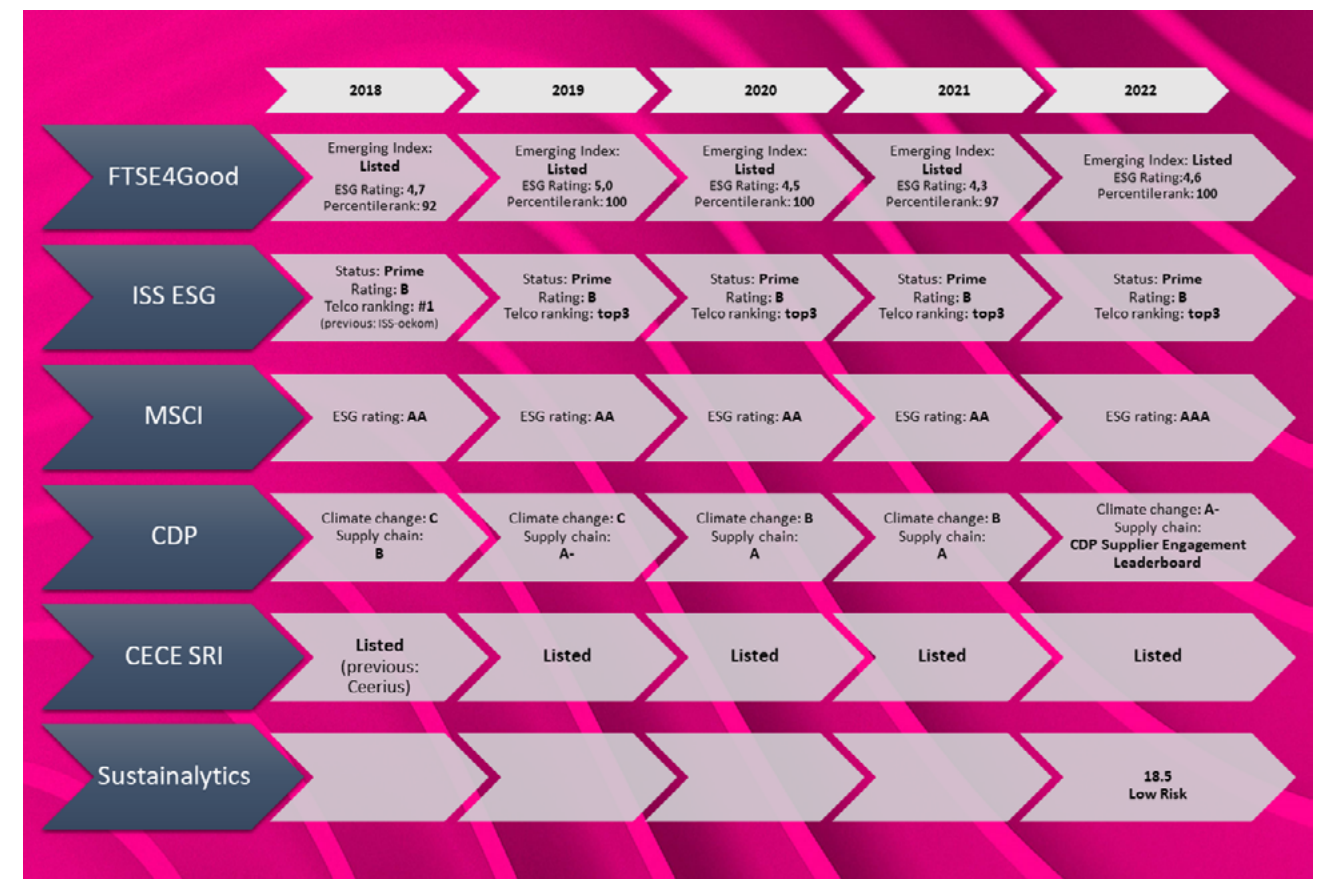
The Chief Executive Officer and the Chief Financial Officer presented quarterly results to the representatives of investors four times during 2022 (23 and 24 February 2022: Release of fourth quarter 2021 results; 11 and 12 May 2022: Release of first quarter 2022 results; 9 and 10 August 2022: Release of first half 2022 results; 8 and 9 November 2022: Release of third quarter 2022 results).

On 12 April 2022, Magyar Telekom held its Annual General Meeting, at which the shareholders approved the audited consolidated and separate financial reports of the Company, as well as the Corporate Governance and Management Report of the Company for the business year of 2021, and decided on the use of the profit after tax earned in 2020.

Magyar Telekom's top management and staff from the Investor Relations department meets investors and analysts in investor conferences, road-shows and one-on-one meetings (both in virtual and traditional format) roughly on 100 occasions throughout the year.

Magyar Telekom also provides space on its website to satisfy the information needs of interested parties. Up-to-date information can be found in the **'Investor Relations'** section about the company's financial situation (quarterly financial reports), general meetings, and dividend payments. The current listing of Magyar Telekom's shares and all the information necessary to get in touch with the company are also available. The e-mail address and telephone number of the Investor Relations department can be found on the website, and members of the department respond to questions sent via e-mail as quickly as possible.

In addition to the above, the company assesses investor needs annually and biannually with the help of a questionnaire. An independent specialist firm is commissioned to prepare a so-called perception study, which assesses investors' opinions, needs and expectations with the help of a series of detailed questions posed to a representative sample.



REGULATORY AUTHORITIES

Magyar Telekom - typically on request, e.g. in the case of the submission of an industry strategy or draft legislation to the public debate, holds professional consultations with the competent regulatory authorities and supervisory bodies, including the responsible organization of Prime Minister's Cabinet Office (MK), Ministry of Economic Development (GFM), Ministry of Culture and Innovation (KIM), Ministry of Justice (IM), the National Media and Infocommunications Authority (NMHH), the Hungarian Competition Authority (GVH), and The National Authority for Data Protection and Freedom of Information (NAIH) and the consumer protection authority.

NON-PROFIT ORGANIZATIONS (NGOs)

WWF Hungary has implemented a natural water conservation project in five small villages in partnership with local residents to reduce water scarcity due to climate change. Magyar Telekom is supporting the program by setting up a monitoring system to ensure that the data collected are used to successfully implement the environmentally friendly solution in as many places as possible.

Magyar Telekom regularly contributes to the work of industry groups (especially with the Telecommunication Reconciliation Council [HÉT]; in some specific cases: with the Scientific Association for Infocommunications (HTE); IVSZ Alliance for the Digital Economy) where the company's key objective is to establish a common legal and professional opinion on the legislative process.

In 2022 Magyar Telekom joined the Netre-Fel! mobile device replacement support program of the NMHH (National Media and Infocommunications Authority).

T-Systems Hungary, which has been a close partner of the International Children's Emergency Service for many years, is supporting the operation of the organization by providing non-stop IT systems following a major IT project. Since last year, the cooperation has included full IT support for the international dressage and equestrian therapy competition regularly held at the association's Fót site - practically in the middle of a park..



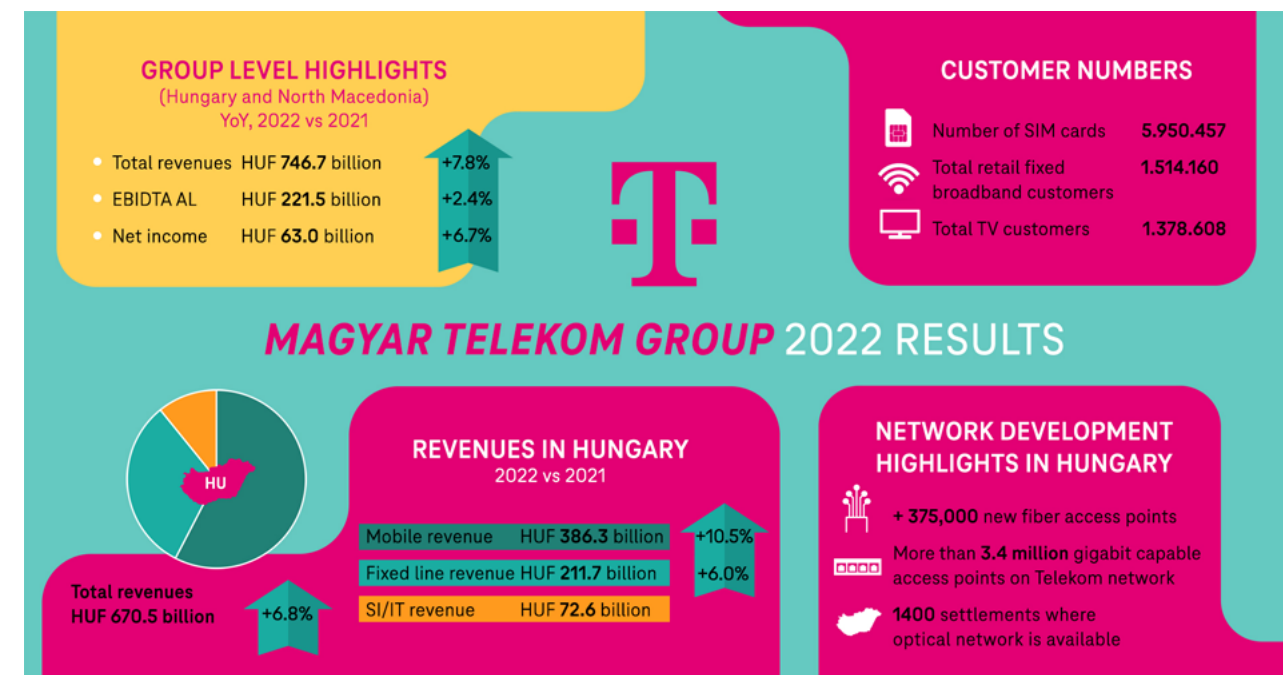
LOCAL COMMUNITIES

Magyar Telekom switched off its 3G network on 1 July 2022. Customers will not be left without service after that: the 4G network, with its near nationwide coverage and better customer experience than previous technologies, will continue to be available for both voice and data traffic. Customers with 3G-enabled handsets or less will have their voice traffic taken over by the existing 2G network. Magyar Telekom is also preparing for the future, continuing this year its multi-year network modernization program launched in 2020, in which Ericsson Hungary is a partner. The modernization aims to maintain and improve service quality and increase capacity. The network modernization and the 5G-enabled equipment used in it are important prerequisites for the geographic roll-out of the 5G network in the medium term.

The agreement fits into the Telekom general sponsorship objectives and aligns with the parent company's international support system: Hungary's leading telecommunication service provider supports the biggest and most successful clubs and their athletes, such as Telekom Veszprém and FTC.

Magyar Telekom and the Hungarian Contemporary Architecture Center continued to run community gardens in 2022, too. Gardening works are still ongoing at Csárdás Garden. Although, the Kerthatár Community Garden has been closed due to the sale of the real estate, a new community garden was created in Pomáz, in the courtyard of our telephone exchange.

Due to the COVID-19 pandemic, our lives changed suddenly, with greater focus on collaboration, assistance and new solutions constantly emerging, and digitalization playing a major role. In 2022 Magyar Telekom was acting as a responsible company to protect and help its employees and customers. Even in the most difficult times, digital phenomena open up new opportunities and enable us to make a difference in our everyday lives, to aid each other in new ways.



FUTURE GENERATION

In 2022, more than 2,500 young people came to KraftLab. We were also able to provide a venue for events that gave young, up-and-coming musicians the opportunity to show their talent. Local high school students also regularly organize programs at KraftLab, where foreign students are also actively present. In the fall, we started a lecture series called KriptoKraft, where visitors can get to know the world of crypto currencies from several perspectives.

In 2022 again Magyar Telekom launched a 24-hour trainee recruitment campaign. In a unique selection process, the company recruited 21 talented young people in one day from a pool of 200 applicants, who in September had the opportunity to start their career in the most attractive workplace in the telecom sector, according to a recent Randsstad survey.

Also in 2022, Deutsche Telekom set the aim of supporting Gen Z volunteerism. Globally, 82% of Gen Z say they are active in some way when it comes to advocacy and activism with the biggest motivation cited as impact on community, friends and family. The brand recognizes the importance to the next generation of taking action on environmental issues and social causes.

The **#WhatWeValue** is free to access to all volunteer project leaders aged 18 to 30 from across the brand's European footprint, including Hungary, to host their own volunteering projects. Projects that meet the required criteria can feature and amplify their work on the platform. Diverse categories include gender and racial & social equality, disability advocacy, climate change, urban regeneration, mental wellbeing, migration and more.

A private, dedicated mobile network that was even more closed and protected than public networks - Telekom and T-Systems' so-called Campus Network's solution - ensures smoother payment at Festipay terminals at the three major events of the summer, such as the EFOTT, Sziget and Strand Festivals. As participants of the events, all we perceived from this was that we did not have to stand in long lines just because the terminal where we wanted to pay was slow or unable to connect to the appropriate server. This is due to the fact that, in the background, the organizers can dedicate the private mobile network, established by Telekom on location, to the goal they consider a priority - to serve the festival-goers as quickly as possible, independent of any possible public network load.

MEDIA

Magyar Telekom put special emphasis on providing a greatest number of people in all age groups with digital means, in cooperation with the media.

The Magenta podcast channel has also continued, with the company sharing interesting topics and knowledge, exemplary stories of a digital theme and really useful suggestions with students, thus making it easier for them to navigate in our current world. The podcast is meant both for those who are only just getting familiar with the benefits of technology and for those who already know more about them: the end result is an entertaining and meaningful dialogue about our everyday lives and the digital world around us.

Home office, digital solutions and ways of communication during a pandemic have become the main topics on Pont.MOST blog, too.

DATA PROTECTION

Among the 2022 sustainability objectives, Magyar Telekom pays special attention to the protection of personal data, with special regard to the General Data Protection Regulation (GDPR) that became applicable as of 25 May 2018. Magyar Telekom ensures the highest standard of data security and technical and organizational measures regarding personal data management/processing.

In the course of its operation and prior to developing new products and during the provision of services, Magyar Telekom considers the protection of its customers', employees' and business partners' personal data a top priority. Magyar Telekom processes personal data in accordance with the General Data Protection Regulation and the applicable legislation, also taking into account the guidelines of the European Data Protection Board and the National Authority for Data Protection and Freedom of Information. Magyar Telekom has put particular emphasis on preparing for the application of the General Data Protection Regulation, guarantees the security of data security and technical and organizational measures regarding personal data management/processing, which are regularly reviewed and, where necessary, reinforced. Magyar Telekom adopted the data privacy principles of Deutsche Telekom Group (Binding Corporate Rules Privacy).

Magyar Telekom regularly holds training sessions for employees and subcontractors to introduce the up-to-date regulations and internal processes regarding the protection of personal data. In 2022, the renewed and mandatory Data Protection in Telecom training was successfully completed by a significant number of colleagues.

In the case of contracting with data processors, Magyar Telekom requests that its contractors and subcontractors in the data processing agreement process personal data according to the highest standard of data security - also meeting the requirements of Magyar Telekom - and technical and organizational measures. From 2021 onwards, our processes and agreements for data transfers outside the EU have been reviewed and aligned with existing data protection decisions and recommendations.

We continuously monitor changes in the legislative environment and prepare for the implementation of new data protection legislation expected in the near future (e.g. Data Sharing Regulation/Data Act, Data Governance Regulation/Data Governance Act, Artificial Intelligence Regulation/AI Act).

Magyar Telekom provides information to its customers via multiple channels on the processing of their personal data. Magyar Telekom also grants to its customers the right of access and other types of data subjects' rights regulated by the GDPR. We treat our customers' personal data-related complaints and inquiries as matters of key importance and provide factual responses within the relevant deadline.

For further information, please visit [this](#) website

Related research

Phishers target everything, but increasingly micro, small and medium-sized businesses, the majority of which are still unaware of the vulnerability of their IT solutions and the damage an incident can cause. Based on the latest research by Telekom and BellResearch the vast majority of businesses do not pay enough attention to protecting themselves against phishing, and in most cases even their managers are unaware of the relevant risks.

According to a recent representative survey* involving micro, small and medium-sized enterprises* by BellResearch upon Telekom's assignment, two third of companies think of IT tools and the security of corporate and customer data when it comes to safe operation. They also think that they are protected by using firewalls, antivirus software, backups while trying to protect their devices, correspondence and passwords. The same number of businesses believe that due to their size they will not be targeted, and 70% are convinced that they do not manage data that needs to be protected. In addition, the vast majority of companies (80%) calm themselves that they do not have data that cannot be replaced, believing that a data loss incident would not cause an impossible challenge to their business operation. This suggests that these companies do not only underestimate the level of risks, but also the impact of a data breach incident, as they do not take into account their responsibility of keeping their business partners' or even their customers' information safe.

This is well explained by the extremely low sense of threat measured in the survey, as only 20% of micro businesses and 30% of SMEs think that their systems are exposed, at least to some extent, to IT attacks and threats. In addition, 60% of the former and 40% of the latter try to manage IT and data security matters in-house. Even matters like the management of data loss incidents. Only around 10% of micro and small businesses reported such events, compared to 20% of medium and large enterprises. This is significantly behind the international experience.

Based on the above it is not surprising that three quarters of the micro and small businesses believe that their current protection is sufficient, but even those companies underestimate the relevant risks that are aware of such dangers. Too much confidence leads to insufficient focus on protecting themselves against phishing.

According to the survey, 90% of the companies think that if they protect their IT devices, they simultaneously protect their data too. Nevertheless, 42% of the respondents have a solution specifically focusing on protecting company and customer data. Half of micro-businesses are comfortable with protecting their PCs and laptops with SW coming together with their devices, however, this kind of awareness is higher among SMEs, as two thirds of these companies invest in other security solutions. Most companies do not think about the continuous maintenance and upgrade of their security solutions: less than 10% of micro businesses and a quarter of SMEs continuously review their existing systems and look for up-to-date solutions.

BLOCKING CERTAIN ELECTRONIC DATA ON THE INTERNET

The coercive measure of blocking certain electronic data on the internet was introduced by the new Penal Code (Act C of 2012 on the Penal Code). The most important rules of this measure are contained in Section 158/B-D of Act XIX of 1998 (Act on Criminal Procedures - "ACP") – amended by Act LXXVIII of 2013. The ACP distinguishes two types of measures: the removal of electronic data where the primary target group is hosting service providers, and the temporary or final blocking of access to electronic data which is mainly applicable to telecommunications service providers.

The blocking or filtering of websites with content that is subject to public prosecution is implemented in conformity with the ACP measures: the court may order to make electronic data temporarily inaccessible by way of temporarily blocking access thereto. When elaborating the new Penal Code the original objective of the above measure was to be able to take immediate action in serious cases (child pornography, crime against the state or act of terrorism) so that the authorities do not have to wait until a final court decision.

The amendment of **Act LXXVI of 2015** has significantly extended the scope of criminal offenses where court resolutions can rule on the temporary blocking of content.

Such crimes are as follows:

- drug trafficking,
- incitement to the use of narcotics,
- facilitating the production of drugs,
- drug abuse,
- abuse of new psychoactive substance,
- child pornography,
- criminal act against the state,
- act of terrorism
- or financing terrorism,

if electronic data are connected with such crimes.

The technical implementation of temporary blocking is the responsibility and obligation of the National Media and Infocommunications Authority (NMHH) and the internet service providers.

In 2013, upon the implementation of the above coercive measure, a similar legislative measure was introduced by the National Tax and Customs Administration of Hungary (NAV) by promulgating **Paragraph 36/G of Act XXXIV of 1991 on the organization of gambling games**, according to which the tax authority - without the involvement of a court - is entitled to render any data provided through an electronic communications operator temporarily inaccessible if the access thereto or the publication thereof is related to prohibited gambling.

The temporary blocking of content pursuant to the Tax Authority's resolution may last up to 365 days.

From 1 January 2015, in accordance with **Act XCV of 2005 on the use of pharmaceutical products applied to humans and the amendment of other regulations of the pharmaceutical market**, the National Institute of Pharmacy and Nutrition (OGYÉI) is also granted the right to temporarily block electronic data on non-authorized medicinal products, i.e. may request the hosting service provider of the website to remove the website in question.

The link between the potential sanctions of courts and the Tax Authority is so strong that the entity responsible for the enforcement of the measures is the National Media and Info-communications Authority in both cases.

Since 2014, in accordance with 159/B (3) of **Act C of 20043 on Electronic Communications**, the National Media and Infocommunications Authority has been managing a central database on rulings to block access to electronic information (hereinafter referred to as "**KEHTA**"), and processes the data entries to that end. This database contains all court and Tax Authority rulings that order the blocking of websites. All electronic communications operators must join the KEHTA thereby all operators are obliged to block prohibited websites. Thus, in line with the provisions of law, Magyar Telekom has also been blocking the given web pages.

Magyar Telekom, as a market leader telecommunications company listed in the stock exchange, complies with all requirements of the Hungarian law and actively participates in the industry's self-regulation and the respective efforts of the NGOs.

SPONSORSHIP

The purpose of the corporate group's sponsorship activities is to create experiences and value for customers and partners.

As one of the country's biggest sponsors, the group has spent a significant amount of money to support Hungarian sports and culture in recent decades.

Magyar Telekom has been a committed supporter of domestic sports for decades and regards sports as a defining part of its sponsorship strategy. The company is proud to have contributed to the outstanding success of many domestic sports and athletes as a sponsor.

As an important element of its sports sponsorship strategy, in 2018 Telekom signed a four-year agreement with **Ferencvárosi Torna Club**. The parties extended the agreement for another 4 years in 2022.

Since 2014, Telekom has been supporting the youth football training program of the Ferencvárosi Torna Club, the adult men's football team as a key sponsor of FTC since 2015, and as the main sponsor of FTC under the new agreement. The company is the title sponsor of the multiple Hungarian Cup, Champions League and LEN Cup winner FTC-Telekom Waterpolo division, the Erste Liga and Hungarian Cup winner FTC-Telekom Ice Hockey division, the cup winner FTC-Telekom Women's Football division and the FTC-Telekom Men's Gymnastics division, which has also achieved great results. The renewed agreement, announced in 2018, is still in line with Telekom's general sponsorship strategy and the parent company's international sponsorship system: as the country's leading telecommunications service provider, the

company supports the work of the most popular and successful actors in domestic sports.

Our company has been sponsoring the **Telekom Veszprém handball team** for more than 20 years. Taking our cooperation to a new level, we have been present as the team's title sponsor since 2016, contributing to the domestic and international successes of a team, belonging to the world elite, such as winning the SEHA League or consecutive participation in the Final Four of the Champions League. Magyar Telekom believes that such world-class performances and results will significantly contribute to more young people choosing active sports and promote a healthy lifestyle.

We are proud of the successes of our supported teams, including the 33rd championship title of the men's football players, their successful participation in the European League, the additional championship titles of the men's water polo team, and their successful participation in the Champions League.

In 2021, we tried to show fans interesting content through which they can get an insight into the lives of athletes, people around sports, and clubs. We try to bring content that they can't get anywhere else and thus bring them closer to their favorites, our supported teams, and sports. We will continue this work in 2023 and try to expand it..

In 2021, the Ferencvárosi Torna Club and the Telekom Veszprém teams also became dedicated supporters of the Telekom Mobile Donor program.



In 2020, Magyar Telekom launched the program as a pilot, which helps the needy enter the digital world by collecting smartphones left unused at home.

In 2021, the full expansion of the program took place, turning it from a demo program into continuous commitment, as well as creating inclusivity with the involvement of donors and partners. Applicants to the Mobile Donor Program can offer their unused but still functional smartphones to someone in need, thus becoming Mobile Donors. By giving new life to an old device and donating it to someone in need, you can actually make a difference in someone's life. The phones reach their new owners - who are selected on the basis of predetermined application criteria - through the initiative's professional partner, the NIOK Foundation. The devices can be dropped off at any Telekom store across the country, and Telekom will send a courier for all suitable used phones upon request, and carry out the necessary minor repairs and data deletion on the collected devices. Since the start of the program, 888 individual Mobile Donor offers have been received, and by the end of December last year, the NIOK Foundation distributed 1,276 devices to those in need from the devices donated Magyar Telekom at the end of 2021. As part of the Mobile Donor Program, Telekom offered 5,000 mobile devices and prepaid cards to those fleeing the armed conflict in Ukraine. At the beginning of 2023, the Ferencvárosi Torna Club and the Telekom Veszprém handball teams also became committed supporters of the program. They now also function as on-site collection points, and the tools they collect also contribute to the success of the program for digital assistance.

Telekom considers it important to support mass sports as well, so for more than 20 years it has been title sponsor of Telekom Vivicitta, in which, besides professional athletes, many amateur runners and families also participate, thereby promoting the importance of sports and exercise in everyday life. In 2022, the competition took place again at the usual early spring time, and the atmosphere recalled the pre-Covid competitions, even if the number of entrants did not reach the pre-epidemic level. For those who would rather run their race distance alone in their own familiar environment, the virtual race format was also available in 2022. In total, there were more than 17,000 entrants to the event, who came to the competition from 72 countries in addition to 730 Hungarian settlements.

In the summer of 2022, at variance with previous practice, we did not give extra data or voice, but rather experiences to our customers. We saw that in the past period they had to adapt to many unexpected circumstances, they were exhausted and looking forward to the summer, which they saw as a period of recharge. As a brand that pays attention to its customers, we decided to actively contribute to ensuring that these three months are really about relaxation and recharge for Telekom customers. We collected more than a hundred experiences, adventures for them in the Telekom application, and we were their partner throughout the summer in making an everyday event an experience of a lifetime.

On the first of June, our first event was a stream concert at the Svábhegy observatory, where we streamed Billie Eilish live from Bonn, with nearly 700 on-site participants. This was also the case at the revived Telekom VOLT Festival, which we filled with a host of surprising gigs, giving people a genuine festival sensation: we built a labyrinth full of surprises and used our Sesame app with which people could win sweepstakes.



And at the end of the summer, STRAND Festival opened its doors in Zámárdi for the tenth time, and also closed the Balaton summer season with a wider program offering than ever before. Telekom put in both sponsorship and on-site presence. Telekom Electronic Beats is the award-winning international music program of Deutsche Telekom. Launched in 2000, the Europe-wide initiative covers many areas, from music to lifestyle, from design to art and fashion, as well as technological innovations, with a focus on digital activities and live events. With world-famous artists such as the Gorillaz, Grace Jones, Róisín Murphy, London Grammar or New Order, as well as up-and-comers such as Perel, FJAAK and many others, the diverse program has found fans worldwide.

The program's international digital platform (www.electronicbeats.net) and country-specific editions (www.electronicbeats.hu in Hungary) cover the most current topics through up-to-date journalism and innovative storytelling. On 11 June 2022 the Telekom Electronic Beats Festival returned to an industrial facility on the edge of town in the Főzdepark in Kőbánya, and was attended by nearly two thousand people. At the beginning of 2022, we announced another competition, where the Hungarian Telekom Electronic Beats was looking for the best songs of 2022. The winning songs, in three categories, were released in an album. Nearly 1,000 entries were received in the song contest and the greatest hits album was uploaded onto all music platforms.

MAGYAR TELEKOM GROUP MEMBERSHIPS IN INDUSTRIAL AND OTHER ASSOCIATIONS, NATIONAL OR INTERNATIONAL ADVOCACY ORGANIZATIONS

NAME OF ASSOCIATION	STRATEGIC MEMBERSHIP	MAGYAR TELEKOM GROUP POSITION IN A GOVERNANCE BODY
MAGYAR TELEKOM PLC.		
Hungarian 5G Coalition		
European Telecommunications Network Operators Associations (ETNO)	x	
GSMA Association	x	
Joint Venture Association (JVSZ)	x	Board of Trustees membership
German-Hungarian Chamber of Industry and Commerce	x	Board of Trustees membership
Communications Reconciliation Council	x	Chair
ICT Association of Hungary	x	Chair, multinational department
Scientific Association on Telecommunications and Informatics		
Hungarian Competition Law Association		
Hungarian AI Coalition		
Employer's Equal Opportunities Forum	x	
Hungarian Logistics, Procurement and Inventory Management Association		
Association of Hungarian Content Providers		
Hungarian Marketing Association	x	Chair
Hungarian Advertising Association	x	Chair
American Chamber of Commerce in Hungary		
T-SYSTEMS HUNGARY		
Hungarian 5G Coalition		
Hungarian Drone Coalition		
ICT Association of Hungary	x	
Hungarian Hospital Association	x	
Hungarian Water Utility Association	x	Vice-presidency
Hungarian Project Management Association		
Hungarian AI Coalition		
Scientific Association for Infocommunications		
Hungarian Chamber of Engineers		
Hungarian Logistics, Procurement and Inventory Management Association		
it Service Management Forum (itSMF)		Board membership
Chamber of Bodyguards, Property Protection and Private Detectives		
Hungarian Innovation Association		
Connected and Automated Mobility Cluster of Zala		
Ipar 4.0		
MAKEDONSKI TELEKOM		
International Telecommunication Union (ITU)	x	
European Telecommunications Network Operators Associations (ETNO)	x	
RIPE Network Coordination Centre	x	
GS1 Macedonia (bar code association)		
Macedón Gazdasági Kamara	x	Board membership
Amerikai Kereskedelmi Kamara Macedónia (AmCham – USA)	x	Board membership
Macedón–Német Üzleti Szövetség	x	
Macedón Informatikai Kamara (MASIT)	x	Board membership
GSMA Association	x	Board membership DT
Macedón Építészeti és Mérnöki Kamara	x	
Északnyugat-Macedóniai Gazdasági Kamara		

ENVIRONMENTAL AND SOCIAL EXTERNAL INITIATIVES

Besides professional challenges, the Group also seeks cooperation opportunities for the solution of social and environmental problems

Magyar Telekom has been an active member of **ETNO's** (European Telecommunications Network Operators' Association) Sustainability Workgroup for years. The members work closely towards solving all kinds of sustainability-related programs.

Our company is in constant consultation with the national advocacy organizations of people with disabilities (AOSZ, ÉOFÉSZ, MEOSZ, MGVYOSZ) in order to review and adapt its barrier-free customer services and services to the changing needs.

The Company provided professional knowledge to the work of the Presidential Committee of the Hungarian Academy of Sciences. Our colleagues maintain contacts with a number of higher education institutions: they assist in university work by with consultancy for writing theses, expert education and giving lectures.

Magyar Telekom was the first among the Hungarian companies to accept **OECD Guidelines for Multinational Enterprises** and set them up as mandatory guidelines for its operations.

The **European Union's Diversity Charter** has been signed by the company and considered a mandatory guideline.

Magyar Telekom has signed the **UN Global Compact** for 10 guidelines, and also fulfils its commitment to submit annual progress reports.

Magyar Telekom has acknowledged the **UN Sustainable Development Goals (SDG)** and through incorporating those of key importance in its Sustainability strategy 2016–2020 the company includes the contribution to these goals as a mandatory element of its operations.

Magyar Telekom discloses data and information on its climate-related activities through the **CDP** (Carbon Disclosure Project) platform.

Magyar Telekom was the first Hungarian company to join the **Science Based Target Initiative (SBTi)** and has emission reduction targets approved by SBTi.

Magyar Telekom has joined the **UNFCCC Climate Neutral Now** initiative.

In 2020 Magyar Telekom joined the **Equalizer Foundation**, where it is also represented on the Board of Trustees. The foundation aims to initiate and support changes that will result in more women leaders in Hungarian economic, cultural, scientific and political life



KEY OPERATING STATISTICS OF MAGYAR TELEKOM GROUP 2022

SUMMARY OF KEY OPERATING STATISTICS	31 December 2021	31 December 2022	2022/2021	KEY OPERATING STATISTICAL FIGURES OF MACEDONIA SEGMENT	31 December 2021	31 December 2022	2022/2021
MT HUNGARY				MOBILE OPERATING			
Number of SIMs	5 633 817	5 950 457	5,6	Number of SIMs	1 215 086	1 268 098	4,4
Number of mobile broadband subscriptions	3 625 093	3 904 177	7,7	Postpaid share in the RPC base (%)	42,4	44,6	5,2
NORTH-MACEDONIA				MOU	260	237	(8,8)
Mobil penetration (%) (1)	109,4	126,5	15,6	ARPU (HUF)	1 912	2 085	9,0
Number of SIMs	1 215 086	1 268 098	4,4	FIXED-LINED OPERATING			
Market share of Makedonski Telekom (1) (2)	48,7	48,6	(0,2)	Voice services			
KEY OPERATING STATISTICAL FIGURES OF TELEKOM HUNGARY SEGMENT	31 December 2021	31 December 2022	2022/2021	Total voice customers	223 996	224 577	0,3
MOBILE OPERATIONS				Total outgoing traffic (thousand minutes)	23 530	18 347	(22,0)
Number of SIMs	5 633 817	5 950 457	5,6	Data and TV products			
Postpaid share in the RPC base (%)	74,2	76,3	2,8	Number of fixed retail broadband customers	197 340	203 337	3,0
MOU	259	239	(7,7)	Number of IPTV customers	145 894	147 702	1,2
ARPU (HUF) (3)	3 752	3 870	3,1				
Postpaid (3)	5 336	5 341	0,1				
Prepaid	1 193	1 234	3,4				
M2M	369	308	(16,5)				
Overall churn rate (%)	11,6	11,6	0,0				
Postpaid (%)	5,2	6	15,4				
Prepaid (%)	22,9	21,6	(5,7)				
Ratio of non-voice revenues in ARPU(%)	54,8	59,1	7,8				
Number of mobile broadband subscriptions	3 625 093	3 904 177	7,7				
FIXED-LINE OPERATIONS							
Voice services							
Total voice customers	1 326 219	1 308 071	(1,4)				
Total outgoing traffic (thousand minutes)	1 989 329	1 648 169	(17,1)				
Blended MOU (outgoing)	125	105	(16,0)				
Blended ARPUI (HUF)	1 952	1 844	(5,5)				
Data products							
Number of retail DSL customer	399 831	329 359	(17,6)				
Number of cable broadband customers	476 790	491 279	3,0				
Number of fiber optic connections	540 119	693 522	28,4				
Total retail broadband customers	1 416 740	1 514 160	6,9				
Blended broadband ARPU (HUF)	3 702	3 926	6,1				
Number of wholesale DSL access	25 737	25 779	0,2				
TV services							
Number of cable TV customers	102 489	98 337	(4,1)				
Number of satellite TV customers	184 384	127 934	(30,6)				
Number of IPTV customers	1 028 966	1 152 337	12,0				
Total TV customers	1 315 839	1 378 098	4,7				
Blended TV ARPU (HUF)	3 360	3 455	2,8				

(1) Data published by Macedonian Agency for Electronic Communications (AEC)

(2) Based on active RPC

(3) Data from 2021 restated due to change in the accounting policy

ASSURANCE STATEMENT



Independent Limited Assurance Report Regarding the Selected Information in the Sustainability Report

To the management of Magyar Telekom Group

Introduction

We have been engaged by the management of Magyar Telekom Group (hereinafter – the “Company”) to provide limited assurance on the selected information defined in the section “Selected Information” and included in the Sustainability Report of the Company for the year ended 31 December 2022 (hereinafter – the “Sustainability Report”).

Selected information

We assessed the qualitative and quantitative information as set out in the table below, that is disclosed in the Sustainability Report (hereinafter – the “Selected Information”), to obtain limited assurance that the Selected Information has been prepared, in all material respects, in accordance with the reporting criteria as defined below.

GRI Disclosure and related description	Referred to in the GRI content index of the Sustainability Report
2 General Disclosures 2021	Yes
204-1 Proportion of spending on local suppliers	Yes
305-1 Direct (Scope 1) GHG emissions	Yes
305-2 Energy indirect (Scope 2) GHG emissions	Yes
305-3 Other indirect (Scope 3) GHG emissions	Yes
405-1 Diversity of governance bodies and employees	Yes
405-2 Ratio of basic salary and remuneration of women to men	Yes

The scope of our limited assurance procedures was limited to the Selected Information for the year ended 31 December 2022 only. We have not performed any procedures with respect to earlier periods or any other items included in the Sustainability Report and, therefore, do not express any conclusion thereon.

Reporting criteria

We assessed the Selected Information using relevant criteria, including reporting requirements, in the respective GRI Sustainability Reporting Standards GRI 2, 204, 305 and 405 (hereinafter – the “GRI Standards”) published by the Global Reporting Initiative (GRI) (hereinafter – the “Reporting Criteria”). We believe that the Reporting Criteria are appropriate given the purpose of our limited assurance engagement.

Responsibilities of the management of the Company

The management of the Company is responsible for:

- designing, implementing and maintaining internal control relevant to the preparation of the Selected Information that is free from material misstatement, whether due to fraud or error;
- establishing internal methodology and guidelines for preparing and reporting the Selected Information in accordance with the Reporting Criteria;
- preparing, measuring and reporting of the Selected Information in accordance with the Reporting Criteria; and

PricewaterhouseCoopers Könyvvizsgáló Kft, Bajcsy-Zsilinszky út 78., Budapest, H-1055, Hungary
T: +36 (1) 461 9100, F: +36 (1) 461 9101, www.pwc.com/hu



- the accuracy, completeness and presentation of the Selected Information.

Our responsibilities

Our responsibility was to express a limited assurance conclusion whether the Selected Information has been prepared, in all material respects, in accordance with the Reporting Criteria. Our assurance does not extend to any other information included in the Sustainability Report.

We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the Selected Information is free from material misstatement, whether due to fraud or error;
- forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- reporting our conclusion to the management of the Company.

This report, including our conclusion, has been prepared solely for the management of the Company in accordance with the agreement between us, to assist the management in reporting on the Company’s sustainability performance and activities. We permit this report to be disclosed in the Sustainability Report, which will be published on the Company’s website, to assist Board of Directors in responding to their governance responsibilities by obtaining an independent limited assurance report in connection with the Selected Information.

The maintenance and integrity of the Company’s website is the responsibility of the management; the work carried out by us does not involve consideration of these matters and, accordingly, we accept no responsibility for any changes that may have occurred to the reported Selected Information when presented on the Company’s website.

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the management of the Company for our work or this report except where the respective terms are expressly agreed in writing and our prior consent in writing is obtained.

Professional standards applied and level of assurance

We performed a limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) “Assurance Engagements other than Audits or Reviews of Historical Financial Information”, and, in respect of GRI Sustainability Reporting Standard 305, International Standard on Assurance Engagements 3410, Assurance Engagements on Greenhouse Gas Statements, issued by the International Auditing and Assurance Standards Board. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our independence and quality control

We have complied with the applicable laws of Hungary, with the Hungarian Chamber of Auditors’ Rules on ethics and professional conduct of auditors and on disciplinary process and, for matters not regulated in the Rules, with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) independence and other ethical requirement of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care.

2



confidentiality and professional behaviour and we also comply with further ethical requirements set out in these.

Our firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our work was carried out by an independent and multi-disciplinary team with experience in sustainability reporting and assurance.

Work done

We are required to plan and perform our work in order to consider the risk of material misstatement of the Selected Information. In doing so, we:

- made enquiries of the Company’s management, including the Sustainability Reporting team and those with responsibility for Sustainability Reporting management;
- conducted interviews of personnel responsible for the preparation of the Sustainability Report and collection of underlying data;
- performed analysis of the relevant internal methodology and guidelines, gaining an understanding of the design of the key structures, systems, processes and controls for managing, recording, preparing and reporting the Selected Information; and
- performed limited substantive testing on a selective basis of the Selected Information to check that data had been appropriately measured, recorded, collated and reported.

Reporting and measurement methodologies

Under the GRI Standards there is a range of different, but acceptable measurement and reporting techniques. The techniques can result in materially different reporting outcomes that may affect comparability with other organisations. The Selected Information should therefore be read in conjunction with the methodology used by management as described in the Sustainability Report and for which the Company is solely responsible.

Limited assurance conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Selected Information for the year ended 31 December 2022 has not been prepared, in all material respects, in accordance with the Reporting Criteria.

Budapest, 14 April 2023

Anita Sávolly-Hatta
Partner
Statutory auditor
Licence number: 007380
PricewaterhouseCoopers Könyvvizsgáló Kft.
1055 Budapest, Bajcsy-Zsilinszky út 78.
Licence Number: 001464

This English version of our report is a translation from the original version prepared in Hungarian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this English translation.

GRI CONTENT INDEX

GRI Standards used:

GRI 1: Foundation 2021



GRI 2: General Disclosures 2021

GRI 3: Management Approach 2021

GRI 200: Economic 2016



GRI 300: Environmental 2016

GRI 400: Social 2016

DISCLOSURE NUMBER	DISCLOSURE TITLE	CHAPTER IN SUSTAINABILITY REPORT 2022 (PAGE NUMBER)	URL	DIRECT ANSWER	RELATED MATERI-ALITY TOPICS	SASB CODE	SDG TARGET													
GRI 2: GENERAL DISCLOSURES 2021																				
1. The organization and its reporting practices																				
2-1	Organizational details		https://www.telekom.hu/about_us/imprint https://www.telekom.hu/static-tr/sw/file/IFRS_Group_ENG_20211231.pdf https://www.telekom.hu/about_us/investor_relations/magyar_telekom_shares/ownership_structure	<p>The registered company name of Magyar Telekom is Magyar Telekom Telecommunications Public Limited Company, and its abbreviated name is Magyar Telekom Plc.</p> <p>The headquarters of the Group are located in Budapest (IX., Könyves Kálmán krt. 36.).</p> <p>The Group's area of operation: Hungary, Macedonia, Bulgaria and Romania.</p> <table><tr><th>SHAREHOLDERS</th><th>OWNERSHIP (%)</th></tr><tr><td>Deutsche Telekom Europe B.V.</td><td>61,39%</td></tr><tr><td>Other foreign institutions</td><td>13,92%</td></tr><tr><td>Domestic institutions</td><td>5,91%</td></tr><tr><td>Domestic inviduals</td><td>8,79%</td></tr><tr><td>Treasury shares</td><td>4,28%</td></tr><tr><td>Other</td><td>5,71%</td></tr></table> <p>Deutsche Telekom Europe B.V. (formerly called CMobil B.V.) is 100% owned by Deutsche Telekom Europe Holding B.V., whose 100% owner is Deutsche Telekom Europe Holding GmbH (formerly called T-Mobile Global Holding Nr. 2 GmbH) and Deutsche Telekom Europe Holding GmbH is 100% owned by Deutsche Telekom AG, as a result Deutsche Telekom AG has 61.39% indirect ownership in Magyar Telekom. (As of June 30, 2022)</p>	SHAREHOLDERS	OWNERSHIP (%)	Deutsche Telekom Europe B.V.	61,39%	Other foreign institutions	13,92%	Domestic institutions	5,91%	Domestic inviduals	8,79%	Treasury shares	4,28%	Other	5,71%	 	
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2-2	Entities included in the organization's sustainabi- lity reporting			<p>The Group's segments are reported in a manner consistent with the internal reporting provided to the CODMs, the key management of Magyar Telekom Plc. From 2020 the Chief Executive Officer (CEO) and the other Chief Officers together (Chief Officers) fulfill the chief operating decision maker (CODM) function in the Group. The Chief Officers assess the performance of the Group and make their decisions. Magyar Telekom's operating segments are: MT-Hungary and North Macedonia.</p> <p>The MT-Hungary segment operates in Hungary, providing mobile and fixed line telecommunications, TV distribution, information communication and system integration services to millions of residential and business customers under the Telekom brand (as the earlier used T-Systems brand was ceased to be used in November 2022). Residential, Small and Medium sized business as well as business customers (corporate and public sector customers) are now served by the unified Telekom brand. The MT-Hungary segment is also responsible for the wholesale of mobile and fixed line services within Hungary, and performs strategic and crossdivisio- nal management, as well as support functions on behalf of the Group, including Procurement, Treasury, Real Estate, Accounting, Tax, Legal and Internal Audit. This segment is also responsible for the Group's points of presence in Bulgaria and Romania, where it primarily provides wholesale services to local companies and operators. The latter two entities are part of the audited consolidated financial statements, but the Magyar Telekom Group's sustainability reporting does not cover these two areas. In an effort to ensure completeness, all member companies with a significant impact on sustainability are included in the reporting.</p> <p>In Magyar Telekom's Group-wide reporting, we strive to include all entities in all topics, as long as the data or process is relevant for the entity in question. The data presented in the report can be compared over time by tracking changes in the composition of the Group, aided by the table in the direct response to indicators 2-6.</p> <p>In identifying the material issues, the Group has not differentiated between entities</p>	TC-TL-520a. 2															
2-3	Reporting period, frequ- ency and contact point		https://www.telekom.hu/static-tr/sw/file/magyar-telekom-sustainability-report-2020.pdf https://www.telekom.hu/about_us/society_and_environment/sustainability_reports/	<p>Magyar Telekom releases its sustainability report on an annual basis, as the financial report and consolidated annual report. The period reported for the Sustainability Report is also 1 January 2022 to 31 December 2022. The figures in the report correspond to the situation on 31 December 2022.</p> <p>Should you have any questions or queries on the report, please do not hesitate to write to the following e-mail address: sustainability@telekom.hu</p>																

2. Activities and workers






DISCLOSURE NUMBER	DISCLOSURE TITLE	CHAPTER IN SUSTAINABILITY REPORT 2022 (PAGE NUMBER)	URL	DIRECT ANSWER	RELATED MATERI-ALITY TOPICS	SASB CODE	SDG TARGET																																																																																																																																																
2-6(2)	Activities, value chain and other business relationships	Our Approach (5) Stakeholders - Suppliers (43)	https://www.telekom.hu/about_us/about_magyar_telekom/magyar_telekom_group https://www.telekom.hu/static-tr/sw/file/financial_report_21q4_en.pdf	<div><div>Number of suppliers at different procurement areas</div><table><tr><th>AREA</th><th>DESCRIPTION</th><th>NUMBER OF SUPPLIERS IN 2018</th><th>NUMBER OF SUPPLIERS IN 2019</th><th>NUMBER OF SUPPLIERS IN 2020</th><th>NUMBER OF SUPPLIERS IN 2021</th><th>NUMBER OF SUPPLIERS IN 2022</th></tr><tr><td>Network</td><td>wire and wireless network, transmission technology, backbone network</td><td>342</td><td>319</td><td>320</td><td>337</td><td>319</td></tr><tr><td>IT</td><td>hardware, software procurement, IT Consulting & Contracting, IT-operations and desktop-services, OSS, BSS</td><td>331</td><td>287</td><td>280</td><td>271</td><td>236</td></tr><tr><td>CPE & Noncore</td><td>special projects and terminals, functional area</td><td>86</td><td>130</td><td>119</td><td>69</td><td>84</td></tr><tr><td>Indirekt</td><td>marketing, low cost suppliers, fleet management, real estate management, related services, consultancy, labor force and HR services</td><td>783</td><td>770</td><td>638</td><td>644</td><td>584</td></tr></table></div>	AREA	DESCRIPTION	NUMBER OF SUPPLIERS IN 2018	NUMBER OF SUPPLIERS IN 2019	NUMBER OF SUPPLIERS IN 2020	NUMBER OF SUPPLIERS IN 2021	NUMBER OF SUPPLIERS IN 2022	Network	wire and wireless network, transmission technology, backbone network	342	319	320	337	319	IT	hardware, software procurement, IT Consulting & Contracting, IT-operations and desktop-services, OSS, BSS	331	287	280	271	236	CPE & Noncore	special projects and terminals, functional area	86	130	119	69	84	Indirekt	marketing, low cost suppliers, fleet management, real estate management, related services, consultancy, labor force and HR services	783	770	638	644	584	Sustainability in the psupplier chain Supplier relations Managing changes																																																																																																															
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2-7	Employees	Diversity and Equal Opportunities (34)		<div><p>The company uses external workforce in all major areas of its operations. The decisions are made by the relevant directorates. Generally we rely on external workforce in special areas, rare skillsets and qualities contracting them to fill in temporary vacancies in different areas of our operations. The positions as well as the levels of expertise may vary and thus they are hard to specify.</p><p>Number of employees of Magyar Telekom Group: 6507 persons (as of 31 December 2022. Magyar Telekom Plc.: 4908 persons, T-Systems Hungary: 728 persons, Makedonski Telekom: 871 persons</p><p>The breakdown requested in points 2-7-b is discussed in the Diversity and Equal Opportunities chapter of the report.</p><p>Data of fluctuation is under GRI 401: Employment 2016 401-1.</p><div><table><tr><th colspan="5">MAGYAR TELEKOM GROUP, 31. DECEMBER 2022</th><th colspan="4">MAGYAR TELEKOM GROUP, 31. DECEMBER 2022</th></tr><tr><th>Female</th><th>Male</th><th>Other*</th><th>Not Disclosed</th><th>Total</th><th>Magyar Telekom</th><th>T-Systems Hungary</th><th>Makedonski Telekom</th><th>Total</th></tr><tr><td colspan="5">Number of employees</td><td colspan="4">Number of employees</td></tr><tr><td>2 386</td><td>4 121</td><td>0</td><td>(210)</td><td>6 507</td><td>4 908</td><td>728</td><td>871</td><td>6 507</td></tr><tr><td colspan="5">Number of permanent employees</td><td colspan="4">Number of permanent employees</td></tr><tr><td>2 342</td><td>4 061</td><td>0</td><td>0</td><td>6 403</td><td>4 851</td><td>715</td><td>837</td><td>6 403</td></tr><tr><td colspan="5">Number of temporary employees</td><td colspan="4">Number of temporary employees</td></tr><tr><td>44</td><td>60</td><td>0</td><td>(210)</td><td>104</td><td>57</td><td>13</td><td>34</td><td>104</td></tr><tr><td colspan="5">Number of non-guaranteed hours employees</td><td colspan="4">Number of non-guaranteed hours employees</td></tr><tr><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td></tr><tr><td colspan="5">Number of full-time employees</td><td colspan="4">Number of full-time employees</td></tr><tr><td>2 288</td><td>4 081</td><td>0</td><td>0</td><td>6 369</td><td>4798</td><td>700</td><td>871</td><td>6 369</td></tr><tr><td colspan="5">Number of part-time employees</td><td colspan="4">Number of part-time employees</td></tr><tr><td>98</td><td>40</td><td>0</td><td>(210)</td><td>138</td><td>110</td><td>28</td><td>0</td><td>138</td></tr><tr><td colspan="5">Number of telework employees</td><td colspan="4">Number of telework employees</td></tr><tr><td>1 698</td><td>2 368</td><td>0</td><td>0</td><td>4 066</td><td>3 400</td><td>666</td><td>0</td><td>4 066</td></tr></table></div><p>* Gender as specified by the employees themselves.</p></div>	MAGYAR TELEKOM GROUP, 31. DECEMBER 2022					MAGYAR TELEKOM GROUP, 31. DECEMBER 2022				Female	Male	Other*	Not Disclosed	Total	Magyar Telekom	T-Systems Hungary	Makedonski Telekom	Total	Number of employees					Number of employees				2 386	4 121	0	(210)	6 507	4 908	728	871	6 507	Number of permanent employees					Number of permanent employees				2 342	4 061	0	0	6 403	4 851	715	837	6 403	Number of temporary employees					Number of temporary employees				44	60	0	(210)	104	57	13	34	104	Number of non-guaranteed hours employees					Number of non-guaranteed hours employees				0	0	0	0	0	0	0	0	0	Number of full-time employees					Number of full-time employees				2 288	4 081	0	0	6 369	4798	700	871	6 369	Number of part-time employees					Number of part-time employees				98	40	0	(210)	138	110	28	0	138	Number of telework employees					Number of telework employees				1 698	2 368	0	0	4 066	3 400	666	0	4 066	Talent management Initiatives to eliminate the digital divide	8 DECENT WORK AND ECONOMIC GROWTH	10 REDUCED INEQUALITIES
MAGYAR TELEKOM GROUP, 31. DECEMBER 2022					MAGYAR TELEKOM GROUP, 31. DECEMBER 2022																																																																																																																																																		
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2-8	Workers who are not employees	Digitalization (24) Diversity and Equal Opportunities (36) Stakeholders - Future generation (49)	https://www.telekom.hu/lakossagi/ugyintezes/elerheto-segek/uzleteink/mobiltudos (only in Hungarian) https://www.telekom.hu/rolunk/karrier/kickstart (only in Hungarian)	<div><p>On December 31, 2021 Magyar Telekom had 156 interns (including 33 Mobiltudós trainees) and T-Systems had 54 interns. Throughout our internship program these 210 interns were provided with opportunities to gain real workforce experience in various areas of our operations. The diverse team of our Y2022 interns included students from the fields of IT, business, economy, architecture, horticultural sciences and many other areas. Admission to the internship program of the company is not limited to any scholarly areas, we are eager to find out more about the applicants main drives and personality as well. We believe that thinking together with a diverse set of great people can lead to great solutions.</p><p>Nearly 80% of the second cohort of the Kickstart career programme, 17 people, continued in full-time entry-level positions at Magyar Telekom. The third cohort of the programme continued to grow, with T-Systems joining the initiative, and 27 people started the programme in September 2022. During the one-year programme, the trainees were offered professional and soft-skills training and design thinking training. Kickstart trainees, working in areas across the company, work on a joint six-month project assignment in an agile approach, reinforcing the ability to work in cross-functional teams, which is increasingly important today. The joint project assignment is based on a real business need, reinforcing the relevance of the programme as MT evolves.</p></div>	Talent management Initiatives to eliminate the digital divide	8 DECENT WORK AND ECONOMIC GROWTH	10 REDUCED INEQUALITIES																																																																																																																																																



DISCLOSURE NUMBER	DISCLOSURE TITLE	CHAPTER IN SUSTAINABILITY REPORT 2022 (PAGE NUMBER)	URL	DIRECT ANSWER	RELATED MATERI-ALITY TOPICS	SASB CODE	SDG TARGET
3. Governance							
2–9 (1)	Governance structure and composition	Corporate Governance (6)	http://www.telekom.hu/about_us/investor_relations/corporate_governance http://www.telekom.hu/about_us/investor_relations/corporate_governance/board_of_directors http://www.telekom.hu/about_us/investor_relations/corporate_governance/compensation https://www.telekom.hu/about_us/investor_relations/corporate_governance/supervisory_board https://www.telekom.hu/about_us/investor_relations/corporate_governance/audit_committee https://www.telekom.hu/static-tr/sw/file/IFRS_Group_ENG_20211231.pdf https://www.telekom.hu/static-tr/sw/file/20220412-corporate-governance-report-2021.pdf https://www.telekom.hu/static-tr/sw/file/BoD_self-assessment_eng.pdf	<p>Magyar Telekom's Board of Directors is the management body of the Company and represents the Company with regard to third parties, in court and before other authorities. The Board of Directors exercises its rights and performs its obligations as an independent body. The Board of Directors is not an operative management body, in other words, the Board of Directors is not involved in the Company's daily business. The Board of Directors is responsible for all matters relating to the Company's management and course of business not otherwise reserved to the General Meeting or to other corporate bodies by the Articles of Association of the Company or by the law.</p> <p>The Board of Directors established the Remuneration and Nomination Committee to support the Board of Directors of the Company regarding the remuneration and certain nomination related issues of the members of the corporate bodies and the top executives of the Company in accordance with its Rules of Procedure. The reason for combining certain tasks regarding the remuneration and nomination is to make the decision-making procedure of the Board of Directors more efficient in personnel matters, and to ensure the complex handling thereof.</p> <p>The Supervisory Board (SB) oversees the management of the Company in order to protect its interests. Within the framework of this activity the Supervisory Board supervises the control, management and business activities of the Company as well as compliance of the Company's operation with the laws and the Articles of Association</p> <p>The Audit Committee is a permanent committee composed – by selection of the Company's General Meeting – of independent members of the Company's Supervisory Board. The purpose of the Audit Committee is to support the Supervisory Board (1) in supervising the financial reporting system, (2) in selecting the statutory Auditor and (3) in cooperating with the statutory Auditor. The Audit Committee operates based on its Rules of Procedure. The Audit Committee establishes its own Rules of Procedure which is approved by the Supervisory Board.</p> <p>On December 31, 2022 the Board of Directors had eight members, with two internal (executive) and six external (non-executive) members. 3 members are considered independent and 5 members are not considered independent.</p> <p>Members of the Board of Directors on December 31, 2022:</p> <ul style="list-style-type: none">• Dr. Robert Hauber, Chairperson of the Board of Directors, Senior Vice President Group Controlling, Deutsche Telekom AG; Chairperson of the Board of Directors since April 2017. Other principal directorships: Member of the Board of Directors and Finance Committee (BuyIn SA/NV).• Daria Dodonova, Chief Financial Officer, Magyar Telekom Plc.; member of the Board of Directors since April 2020.• Gábor Fekete, consultant (independent); member of the Board of Directors since April 2020.• Elvira Gonzalez, Senior Vice President B2B Europe, Deutsche Telekom AG; member of the Board of Directors since April 2022. Other principal directorships: Member of the Supervisory Board (T-Mobile Polska), Member of the Audit Committee (T-Mobile Polska), Member of the Supervisory Board (Hrvatski Telekom).• Frank Odzuck, Chief Executive Officer, Zwack Unicum Plc. (independent); member of the Board of Directors since November, 2006. Other principal directorships: Member of the Board of Directors (Zwack Unicum Plc.).• Péter Ratatics, Consumer Services Executive Vice President of MOL Group (independent); member of the Board of Directors since April 2019. Other principal directorships: Member of the Management Committee (MOL Nyrt.), President (Management Board of INA d.d.), Chairman of the Supervisory Board (TIFON d.o.o.), Chairman (Hungarian Petroleum Association).• Tibor Rékasi, Chief Executive Officer, Magyar Telekom Plc.; member of the Board of Directors since June 2018. Other principal directorships: Chairperson of the Board of Directors (T-Systems Magyarország Zrt.).• Melinda Szabó, Senior Vice President B2C Europe, Deutsche Telekom AG, member of the Board of Directors since April 2022. Other principal directorships: Member of the Advisory Board (UNICEF), Member of the Board of Directors (Hellenic Telecommunications Organization S.A. (OTE)). <p>The following aspects were considered in assessing the Board of Directors members:</p> <ul style="list-style-type: none">- Dr. Robert Hauber: Master and doctoral degree in business administration. Over 20 years of experience as a senior finance executive. Chairperson of the Board of Directors.- Daria Dodonova: Master degree in International Finance. Over 15 years of experience in various management positions. Chief Financial Officer of the Company.- Gábor Fekete: Holds a Mechanical Engineer degree. Thorough his career, he has gained experience in several managerial positions. Independent member of the Board of the Directors.- Elvira Gonzalez: University degree in Telecommunication Engineering and Business Administration. Over 15 years of experience in telecommunications in various management positions.- Frank Odzuck: Degree in economics. Many years of professional experience in the position of managing director of the Hungarian subsidiaries of international corporations. Independent member of the Board of Directors.- Péter Ratatics: Graduated in economics. Over 10 years of management experience in various positions. Independent member of the Board of Directors.- Tibor Rékasi: Graduated from the Budapest Foreign Trade College. Over 20 years of experience in various managerial positions. Directed Magyar Telekom's Enterprise (T-Systems Magyarország Zrt.) and Residential businesses as a Chief Officer. Chief Executive Officer of the Company.- Melinda Szabó: Holds a degree in Marketing Economics and Business Administration. Over 15 years of experience in the telecommunications industry in various management positions.	Regulatory compliance Risk management Environmental targets, costs and compliance		 


¹ Due to the situation caused by the coronavirus epidemic (Covid-19) the Annual General Meeting was not held on its scheduled date. Based on Section 9 (2) of Government Decree no. 102/2020. (IV. 10.) the Board of Directors of the Company decided in the matters set on the published agenda of the Annual General Meeting.





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

³ Due to the situation caused by the coronavirus epidemic (Covid-19) the Annual General Meeting was not held on its scheduled date. Based on Section 9 (2) of Government Decree no. 102/2020. (IV. 10.) the Board of Directors of the Company decided in the matters set on the published agenda of the Annual General Meeting.

DISCLOSURE NUMBER	DISCLOSURE TITLE	CHAPTER IN SUSTAINABILITY REPORT 2022 (PAGE NUMBER)	URL	DIRECT ANSWER	RELATED MATERI-ALITY TOPICS	SASB CODE	SDG TARGET
2–9 (2)	Governance structure and composition	Corporate Governance (6)	http://www.telekom.hu/about_us/investor_relations/corporate_governance http://www.telekom.hu/about_us/investor_relations/corporate_governance/board_of_directors http://www.telekom.hu/about_us/investor_relations/corporate_governance/compensation https://www.telekom.hu/about_us/investor_relations/corporate_governance/supervisory_board https://www.telekom.hu/about_us/investor_relations/corporate_governance/audit_committee https://www.telekom.hu/static-tr/sw/file/IFRS_Group_ENG_20211231.pdf https://www.telekom.hu/static-tr/sw/file/20220412-corporate-governance-report-2021.pdf https://www.telekom.hu/static-tr/sw/file/BoD_self-assessment_eng.pdf	<p>The Civil Code does not include requirements with regard to the independence of the members of the Board if besides the Board there is also a Supervisory Board operating at the company.</p> <p>According to the Articles of Association the Supervisory Board shall be comprised of 5 members.The gender ratio in the Supervisory Board on December 31, 2022: 4 males and 1 female. Members of the Supervisory Board on December 31, 2022:</p> <ul style="list-style-type: none">• Prof. dr. Attila Borbély, Chairperson of the Supervisory Board, Professor Emeritus of University of Debrecen, Faculty of Economics and Business (independent); chairperson of the Supervisory Board since April 2020.• Krisztina Dorogházi, Senior Vice President Chief Accounting Officer and Controller, TechnipFMC, (independent); member of the Supervisory Board since April 2020.• Gyula Bereznai, Chairman of the Central Workers' Council, Magyar Telekom Plc.; member of the Supervisory Board since April 2022.• András Szakonyi, Senior Vice President - Global Data Centers, Iron Mountain, (independent); member of the Supervisory Board since April 2020.• Endre Szepesi, Member of the Workers Council, Magyar Telekom Plc.; member of the Supervisory Board since April 2022. <p>The General Meeting elects a 3-member Audit Committee from the independent members of the Supervisory Board for the same period as the membership of the relevant members in the Supervisory Board. The gender ratio in the Audit Committee on December 31, 2022: 2 males and 1 female. Members of the Audit Committee on December 31, 2022:</p> <ul style="list-style-type: none">• Prof. dr. Attila Borbély, Chairperson of the Audit Committee, Professor Emeritus of University of Debrecen, Faculty of Economics and Business; Chairperson of the Audit Committee since April 2020• Krisztina Dorogházi, Senior Vice President Chief Accounting Officer and Controller, TechnipFMC; member of the Audit Committee since April 2020• András Szakonyi, Senior Vice President - Global Data Centers, Iron Mountain; member of the Audit Committee since April 2020. <p>On December 31, 2022 the Remuneration and Nomination Committee had three members (three external (non-executive) members). 1 member is considered independent and 2 members are not considered independent. The gender ratio in the Remuneration and Nomination Committee on December 31, 2022: 2 males and 1 female. Members of the Remuneration and Nomination Committee on December 31, 2022:</p> <ul style="list-style-type: none">• Dr. Robert Hauber, Chairperson of the Remuneration and Nomination Committee, Senior Vice President Group Controlling, Deutsche Telekom AG; Chairperson of the Remuneration and Nomination Committee since April 2017. Other principal directorships: Member of the Board of Directors and Finance Committee (BuyIn SA/NV)• Elvira Gonzalez, Senior Vice President B2B Europe, Deutsche Telekom AG; member of the Remuneration and Nomination Committee since May 2022. Other principal directorships: Member of the Supervisory Board (T-Mobile Polska), Member of the Audit Committee (T-Mobile Polska), Member of the Supervisory Board (Hrvatski Telekom).• Frank Odzuck, Chief Executive Officer, Zwack Unicum Plc.; member of the Remuneration and Nomination Committee since April 2010. Other principal directorships: Member of the Board of Directors (Zwack Unicum Plc.).	Regulatory compliance Risk management Environmental targets, costs and compliance		 
2–10	Nomination and selection of the highest governance body		http://www.telekom.hu/about_us/investor_relations/corporate_governance/compensation http://www.telekom.hu/about_us/investor_relations/corporate_governance/corporate_governance_documents https://www.telekom.hu/static-tr/sw/file/AGM_submissions_18March2019_eng.pdf https://www.telekom.hu/static-tr/sw/file/20220412_AGM_resolutions_honlapra.pdf https://www.telekom.hu/static-tr/sw/file/2022AGM_submissions_0321_boritoval.pdf https://www.telekom.hu/static-tr/sw/file/20200424_BoD_resolutions_eng_final.pdf https://www.telekom.hu/static-tr/sw/file/20230201_Alapszabaly_ENG_honlapra.pdf	<p>The Annual General Meeting held on April 12, 2022 elected the new Board of Directors members.</p> <p>Shareholders shall have the right to participate at the General Meeting, and if holding shares with voting rights, to vote, in accordance with the Articles of Association.</p> <p>In December 2013 the Remuneration and Nomination Committee elaborated the standard requirements for nomination of the members of the corporate bodies which – among others – include information relating to the identity and professional suitability of the candidates, and their relevant professional and industrial experience. The Remuneration and Nomination Committee on its meeting held on April, 2016 agreed that in the nomination process diversity and complementary competencies are taken into consideration.</p> <p>Remuneration and Nomination Committee http://www.telekom.hu/about_us/investor_relations/corporate_governance/compensation https://www.telekom.hu/static-tr/sw/file/20200101_MT_RNC_RoP_ENG.pdf</p> <p>Submissions of the Annaul General Meeting 2022 https://www.telekom.hu/static-tr/sw/file/2022AGM_submissions_0321_boritoval.pdf</p> <p>Resolutions of the Annual General Meeting 2022 https://www.telekom.hu/static-tr/sw/file/20220412_AGM_resolutions_honlapra.pdf</p> <p>Articles of Association https://www.telekom.hu/static-tr/sw/file/20230201_Alapszabaly_ENG_honlapra.pdf</p>	Corporate compliance Regulatory compliance		 
2–11	Chair of the highest governance body		https://www.telekom.hu/about_us/investor_relations/corporate_governance/board_of_directors https://www.telekom.hu/static-tr/sw/file/BoD_self-assessment_eng.pdf	The chairperson of the Board of Directors is an external (non-executive) member of the Board of Directors.	Corporate compliance Regulatory compliance		

DISCLOSURE NUMBER	DISCLOSURE TITLE	CHAPTER IN SUSTAINABILITY REPORT 2022 (PAGE NUMBER)	URL	DIRECT ANSWER	RELATED MATERI-ALITY TOPICS	SASB CODE	SDG TARGET
2-12	Role of the highest govern-ance body in overseeing the management of impacts	Corporate Governance (6) Stakeholders (40)		<p>Risk items affecting our operations are reviewed regularly throughout the Company. All of our subsidiaries and entities are obliged to identify and report their operational risks. After evaluation of these risks, results are reported to the Company's management, to the Board of Directors, to the Audit Committee and the Supervisory Board. This regular reporting ensures that the most significant risks are monitored, up-to-date risk mitigation measures are implemented and regularly monitored.</p> <p>Our risk reporting system is complemented by a continuous reporting procedure, which requires all of our departments and subsidiaries to report on a real-time basis any new material fact, information or risk that comes to their knowledge. Information thus submitted is monitored and evaluated by the risk management area and the Chief Financial Officer notified when a new material risk or information is identified. An internal regulation has been issued to define responsibilities of each employee in risk monitoring and management.</p> <p>The risk assessment is carried out for a two-year period. This is also our forecast period. If there are significant risks beyond the forecast period, such risks are monitored on a continuous basis.</p>	Involvement of our customers Our employees as corporate citizens Risk management Corporate compliance		
2-13	Delegation of responsi-bility for managing impacts	Corporate Governance (6)			Corporate compliance		
2-14	Role of the highest govern-ance body in sustainabi-lity reporting	Corporate Governance (6)			Corporate governance		
2-15	Conflicts of interest		<p>https://www.telekom.hu/about_us/investor_relations/corporate_governance/board_of_directors</p> <p>https://www.telekom.hu/static-tr/sw/file/Code_of_conduct.pdf</p>	<p>According to the Corporate Governance Recommendations of the Budapest Stock Exchange, the Board of Directors prepared and acknowledged its report on cases in which "significan</p> <p>nterest" of the members of the Board of Directors or their relatives could be clearly identified in any business transactions of the Com-pany, which excluded their independence. The Board of Directors submitted the report to the Supervisory Board for acknowledges.</p> <p>Transactions between members of the Board of Directors (or persons in a close relationship to them) and the Company (or the Com-pany's subsidiaries) shall be conducted according to the general rules of practice of the Company, but, with stricter transparency rules in place. In the case such a transaction is outside the normal course of the Company's business, the transaction and its terms should be approved by the Supervisory Board.</p> <p>In the event of accepting a new executive office, within fifteen days of accepting such executive office, the member of the Board of Di-rectors shall notify about this fact in writing those companies, where he/she already serves as an executive officer or a supervisory board member. The member of the Board of Directors shall inform the Supervisory Board, if he/she receives an offer of Board of Directors or Supervisory Board membership or an offer of an executive management position in a company which is not part of the Company group and also if he/she accepted the offer.</p>	Regulatory compliance		
2-16	Communication of critical concerns	Corporate Governance (6) Stakeholders (40)		2-16-b Confidentiality constraints			
2-17	Collective knowledge of the highest governance body	Corporate Governance (6)		In the process of creating a sustainability strategy, and in the time between strategies, both senior management and the Sustainability Squad will increase their knowledge of sustainable development and corporate governance. As part of this, they regularly attend training on risk management and compliance issues, learn about international sustainability trends, responsible investor assessments, and current new regulations. In addition, the company pays particular attention to data security and the creation of a diverse and inclusive work environment, and diversity and data protection training is mandatory for all employees.			
2-18	Evaluation of the per-formance of the highest governance body			Top management decisions have a direct impact on the entire Magyar Telekom Group's activity and future priorities. The performance of the top management (Chief Executive Officer, Chief Officers) is incentivized through the Lead to Win motivation system. The incentive system has a short-term incentive (bonus), a long-term, cash-based incentive (LTI) and a long-term, share-based incentive (share benefit program - SBP) element. The Remuneration and Nomination Committee of Magyar Telekom Group's Board of Directors makes proposals both for the annual targets and the evaluation of their implementation. The Committee Member, independent from the majority owner, shall provide for the representation of the minority owners' interests. Upon consideration of the proposals made by the Remuneration Committee, the Board of Directors adopts decisions regarding the targets and evaluation of top executives' performance. The Board of Directors evaluates the performance of the previous year and finalizes the targets of the current year in the first meeting of the year. In general, 55% of top executives' salary is fixed, while 45% is variable pay (bonus). The annual bonus is payable prorated to the evaluated performance of the partly collective, partly individual targets set at the beginning of the year and derived from Magyar Telekom Group's strategic targets. In the case of the collective targets no bonus is payable, if performance is below a certain minimum limit, defined in advance. In case of over-achieving the targets, additional bonus is paid, the extent of which cannot exceed 50% of the bonus payable upon 100% performance. The framework of bonus target setting (bonus amount, structure and maximal amount of additional bonus) is defined by the strategic investor's compensation guidelines (Deutsche Telekom Global Compensation Guidelines). In addition to the annual target-setting, evaluation and bonus payment used as short term incentive, the Company also lays emphasis on long-term performance stimulation. The first package of the LTI-program - as part of the Lead to Win system - was introduced in 2015 so as to stimulate the contribution of the top management to the achievement of the strategic objectives even more effectively. With the 4 year term Telekom focuses on the increase of sustainable performance. It is the competence of the General Meeting to approve the "Remune-ration Guidelines" that sets forth the remuneration principles and components for the top management and the members of corporate bodies. Besides, as part of the Corporate Governance Report, Telekom each year discloses the previous year's remuneration for the top management and corporate bodies in the Remuneration Statement. The conditions of selecting the members of Magyar Telekom's Board of Directors, Supervisory Board and Audit Committee were amended by the Remuneration and Nomination Committee in April 2016: as new elements diversity and the reciprocal supplementation of competences are also taken into account.	Corporate compliance		

DISCLOSURE NUMBER	DISCLOSURE TITLE	CHAPTER IN SUSTAINABILITY REPORT 2022 (PAGE NUMBER)	URL	DIRECT ANSWER	RELATED MATERI-ALITY TOPICS	SASB CODE	SDG TARGET
2–19	Remuneration policies	Diversity and Equal opportunity (33)	http://www.telekom.hu/about_us/investor_relations/corporate_governance/compensation https://www.telekom.hu/static-tr/sw/file/IFRS_Group_2018_AGM_alairt_nyilatkozattal.pdf https://www.telekom.hu/about_us/investor_relations/corporate_governance/corporate_governance_documents https://www.telekom.hu/static-tr/sw/file/2022AGM_submissions_0321_boritoval.pdf	<p>Top management decisions have a direct impact on the entire Magyar Telekom Group's activity and future priorities. The performance of the top management (Chief Executive Officer, Chief Officers) is incentivized through the Lead to Win motivation system. The incentive system has a short-term incentive (bonus), a long-term, cash-based incentive (LTI) and a long-term, based incentive (share benefit program - SBP) element. The Remuneration and Nomination Committee of Magyar Telekom Group's Board of Directors makes proposals both for the annual targets and the evaluation of their implementation. The Committee Member, independent from the majority owner, shall provide for the representation of the minority owners' interests. Upon consideration of the proposals made by the Remuneration Committee, the Board of Directors adopts decisions regarding the targets and evaluation of top executives' performance. The Board of Directors evaluates the performance of the previous year and finalizes the targets of the current year in the first meeting of the year. In general, 55% of top executives' salary is fixed, while 45% is variable pay (bonus). The annual bonus is payable prorated to the evaluated performance of the partly collective, partly individual targets set at the beginning of the year and derived from Magyar Telekom Group's strategic targets. In the case of the collective targets no bonus is payable, if performance is below a certain minimum limit, defined in advance. In case of over-achieving the targets, additional bonus is paid, the extent of which cannot exceed 50% of the bonus payable upon 100% performance. The framework of bonus target setting (bonus amount, structure and maximal amount of additional bonus) is defined by the strategic investor's compensation guidelines (Deutsche Telekom Global Compensation Guidelines). In addition to the annual target-setting, evaluation and bonus payment used as short term incentive, the Company also lays emphasis on long-term performance stimulation. The first package of the LTI-program - as part of the Lead to Win system - was introduced in 2015 so as to stimulate the contribution of the top management to the achievement of the strategic objectives even more effectively. With the 4 year term Telekom focuses on the increase of sustainable performance. It is the competence of the General Meeting to approve the "Remuneration Guidelines" that sets forth the remuneration principles and components for the top management and the members of corporate bodies. Besides, as part of the Corporate Governance Report, Telekom each year discloses the previous year's remuneration for the top management and corporate bodies in the Remuneration Statement. The conditions of selecting the members of Magyar Telekom's Board of Directors, Supervisory Board and Audit Committee were amended by the Remuneration and Nomination Committee in April 2016: as new elements diversity and the reciprocal supplementation of competences are also taken into account.</p> <p>In 2022, Magyar Telekom published its annual (2021) Remuneration Report, in which it publicly disclosed the remuneration of the CEO and the Deputy CEOs.</p>	Corporate compliance		
2–20	Process to determine remuneration		https://www.telekom.hu/about_us/investor_relations/corporate_governance/compensation https://www.telekom.hu/static-tr/sw/file/20220412-remuneration-policy.pdf https://www.telekom.hu/static-tr/sw/file/20200101_MT_RNC_RoP_ENG.pdf https://www.telekom.hu/static-tr/sw/file/2022AGM_submissions_0321_boritoval.pdf https://www.telekom.hu/static-tr/sw/file/20220412_AGM_resolutions_honlapra.pdf https://www.telekom.hu/static-tr/sw/file/AGM_submission_-_April_16_2020_final.pdf https://www.telekom.hu/static-tr/sw/file/20200424_BoD_resolutions_eng_final.pdf	<p>The task of the Remuneration and Nomination Committee of Magyar Telekom Nyrt. is to make a proposal to the General Meeting on the compensation of the members of the Board of Directors, the Supervisory Board and the Audit Committee</p> <p>The Remuneration and Nomination Committee of Magyar Telekom Nyrt. has prepared the Remuneration Policy of Magyar Telekom Nyrt. and with the agreement of the Board of Directors, submitted it to the General Meeting for an advisory vote. The Annual General Meeting held on April 12, 2022 approved the amended Remuneration Policy of Magyar Telekom Nyrt. pursuant to Act LXVII</p> <p>of 2019 (SRD Act). The remuneration and evaluation of the work performed by members of the Board of Directors, the Supervisory Board, and the Chief Executive Officer and other Chief Officers of Magyar Telekom Plc. focusing on the Company's continuous development and growth are conducted along the Remuneration Policy adopted by the Company's General Meeting.</p> <p>The relative value and composition of the components included in the Remuneration Policy are determined on the basis of market benchmarks, which is an identical methodology to the one applied in determining the compensation system for the employees in general.</p> <p>The Annual General Meeting held on April 12, 2022 determined the remuneration of the members of the Board of Directors.</p> <p>On April 24, 2020 the Board of Directors determined the remuneration of the members of the Supervisory Board and the Audit Committee. [1]</p> <p>Shareholders shall have the right to participate at the General Meeting, and if holding shares with voting rights, to vote, in accordance with the Articles of Association.</p> <p>[1] Due to the situation caused by the coronavirus epidemic (Covid-19) the Annual General Meeting was not held on its scheduled date. Based on Section 9 (2) of Government Decree no. 102/2020. (IV. 10.) the Board of Directors of the Company decided in the matters set on the published agenda of the Annual General Meeting.</p>	Corporate compliance		
2–21	Annual total compensation ratio		https://www.telekom.hu/static-tr/sw/file/2020AGM-Remuneration-Policy.pdf https://www.telekom.hu/static-tr/sw/file/20220412-corporate-governance-report-2021.pdf	Confidentiality constraints	Corporate compliance Investor relations		
4. Strategy, policies and practices							
2–22	Statement on sustainable development strategy	CEO Letter (3) Our Approach - Sustainability Strategy (5)	https://www.telekom.hu/sustainability https://www.telekom.hu/about_us/sustainability/sustainability-strategy https://www.telekom.hu/about_us/sustainability/sustainability-strategy/what-does-sustainability-mean-for-us https://www.telekom.hu/about_us/sustainability/digitally-enabled-sustainability/vision https://www.telekom.hu/static-tr/sw/file/Magyar_Telekom_environmental_policy.pdf	<p>In 2021, the Magyar Telekom Group has defined a new 10-year sustainability strategy (2021–2025–2030), with 3 main strategic focus areas: Climate protection, Digitalization and Diversity.</p> <p>The main objective of the new sustainability strategy is to ensure that Magyar Telekom remains the country's leading sustainable company by being a catalyst of growth for people, families, communities and businesses, and an accelerator of environment protection.</p>	Corporate governance		
2–23	Policy commitments	Our Approach - Sustainability Strategy (5) Climate and Environment Protection (9) Stakeholders - Suppliers (43)	https://www.telekom.hu/about_us/sustainability/sustainability-strategy https://www.telekom.com/resource/blob/525950/75e-73159e5Saec7fd50199ffb9878ad7/dl-180528-umwelt-schutz-en-data.pdf	Magyar Telekom complies with the legal requirements in all geographies it operates in. Beyond legal requirements, Magyar Telekom employs a precautionary principle in existing and new ventures. We intend to prevent or alternatively minimize negative environmental impacts related to existing and new projects, products and services. Environmental Risk Assessments are an integral part of our due-diligence processes for mergers and acquisitions.	Regulatory compliance Risk management Environmental targets, costs and compliance		







DISCLOSURE NUMBER	DISCLOSURE TITLE	CHAPTER IN SUSTAINABILITY REPORT 2022 (PAGE NUMBER)	URL	DIRECT ANSWER	RELATED MATERIALITY TOPICS	SASB CODE	SDG TARGET
2-24	Embedding policy commitments	Our Approach (5) Diversity and Equal opportunity (30) Stakeholders (40)	https://www.telekom.hu/static-tr/sw/file/emberi-jogok-es-szocialis-alapelvek-kodexe.pdf https://www.telekom.hu/static-tr/sw/file/mt-mukodesi-kodex.pdf http://www.telekom.hu/rolunk/vallalatrol/iranyelveink/megfeleloseg/a-megfelelosegi-program http://www.telekom.hu/static-tr/sw/file/Code_of_Ethics.pdf	The Magyar Telekom Group's Code of Conduct summarises the Group's corporate compliance requirements, sets out the Group's shared values and is also the pledge of Telekom's strong position, reputation and successful future. The Code of Conduct applies to everyone within the Magyar Telekom Group, from employees to members of the Board of Directors. Furthermore, Magyar Telekom Group's contractual partners must also acknowledge and accept these values when registering on the procurement website.	Corporate compliance Corporate governance Regulatory compliance		
2-25	Processes to remediate negative impacts	Our Approach (5) Climate and Environment Protection (9) Diversity and Equal opportunity (30) Stakeholders (40)					
2-26	Mechanisms for seeking advice and raising concerns		http://www.telekom.hu/about_us/about_magyar_telekom/principles/compliance	Magyar Telekom Group takes the Code of Conduct and its detailed regulation seriously and considers its enforcement to be among the highest priorities, but it is also acknowledged that it is sometimes difficult to know right from wrong. That's why the employees are encouraged to initiate open communication through an internally available Ask me! portal. Complaints and concerns about possible non-compliance with ethics are to be issued through the dedicated Tell Me! secure internal employee site.	Corporate compliance Human rights, equal opportunities		
2-27	Compliance with laws and regulations			Magyar Telekom uses its best efforts to fulfill its obligations in accordance with the effective laws. In order to prevent potential authority penalties and sanctions the Company always strives to ensure Magyar Telekom's compliance with the effective laws and manage conflicts – besides harmonizing processes and IT systems with the amendment of laws - with continuous personal consultation, agreements concluded with the authorities and retroactive settlement plans set out in undertakings, made in the form of declarations. Magyar Telekom reports for the GVH and NMHH fines in the related GRI indicators. Further information is confidential.			
2-28	Membership associations	Stakeholders (40)			Professional cooperation		
5. Stakeholder engagement							
2-29	Approach to stakeholder engagement	Stakeholders (40)		100% of the employment contracts of Magyar Telekom Group employees operating in Hungary fall under collective bargaining agreements, the same ratio for Macedonian workers is 82.62%.			
2-30	Collective bargaining agreements			99,9% of the employment contracts of Magyar Telekom Plc. employees operating in Hungary fall under collective bargaining agreements (the CEO and Deputies are excluded from the scope of the Collective Agreement). 100% of the employment contracts of T-Systems Hungary employees operating in Hungary fall under collective bargaining agreements, the same ratio for Macedonian workers is 82.62% in 2022.	Human rights, equal opportunities		

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GRI 200: ECONOMIC STANDARDS 2016																																																																																																																
GRI 201: Economic performance 2016																																																																																																																
103-1-2-3	Management approach	CEO Letter (3) Our Approach (5)																																																																																																														
201-1	Direct economic value generated and distributed			<div><h3>Creating value for our stakeholders</h3><table><tr><th></th><th>2018</th><th>2019</th><th>2020</th><th>2021</th><th>2022</th><th>2022</th><th>2022</th><th>2022</th><th>2022</th></tr><tr><th>Produces economic value</th><th>Group</th><th>Group</th><th>Group</th><th>Group</th><th>Group</th><th>Hungary</th><th>Macedonia</th><th>Romania</th><th>Bulgaria</th></tr><tr><td>Revenues (total revenue + share from the after-tax profit of the affiliates)</td><td>657 692 HUF million</td><td>666 743 HUF million</td><td>672 982 HUF million</td><td>692 849* HUF million</td><td>746 695 HUF million</td><td>659 499 HUF million</td><td>75 269 HUF million</td><td>7 514 HUF million</td><td>4 413 HUF million</td></tr><tr><td>Stakeholder</td><td colspan="9">Distributed economic value</td></tr><tr><td>Suppliers</td><td>Operating costs (total revenue + net other operating costs)</td><td>374 470 HUF million</td><td>333 893 HUF million</td><td>333 333 HUF million</td><td>342 040* HUF million</td><td>363 157 milió Ft</td><td>316 487 HUF million</td><td>39 501 HUF million</td><td>4 063 HUF million</td><td>3 106 HUF million</td></tr><tr><td>Employees</td><td>Employee wages and benefits (employee related costs)</td><td>82 968 HUF million</td><td>80 192 HUF million</td><td>79 004 HUF million</td><td>75 880 HUF million</td><td>77 289 HUF million</td><td>69 418 HUF million</td><td>6 410 HUF million</td><td>892 HUF million</td><td>569 HUF million</td></tr><tr><td>Investors</td><td>Payment to capital investors (dividend pay + net other operating costs)</td><td>43 852 HUF million</td><td>50 194 HUF million</td><td>44 701 HUF million</td><td>28 716 HUF million</td><td>31 008 HUF million</td><td>30 229 HUF million</td><td>743 HUF million</td><td>24 HUF million</td><td>12 HUF million</td></tr><tr><td>State</td><td>Payment to the state budget (profit tax + crisis tax + telecom tax + utility tax)</td><td>45 979 HUF million</td><td>46 639 HUF million</td><td>49 424 HUF million</td><td>50 424 HUF million</td><td>75 598 HUF million</td><td>74 112 HUF million</td><td>1 308 HUF million</td><td>162 HUF million</td><td>16 HUF million</td></tr><tr><td>Communities</td><td>Community investments (donations, institutional sponsorship, voluntary work, education)</td><td>703 HUF million</td><td>253 HUF million</td><td>170 HUF million</td><td>170 HUF million</td><td>141 HUF million</td><td>90 HUF million</td><td>51 HUF million</td><td>n.a.</td><td>n.a.</td></tr><tr><td>Overall stakeholders in the future</td><td>Retailed earning (after-tax profit + depreciation- dividend paid)</td><td>135 910 HUF million</td><td>155 825 HUF million</td><td>166 520 HUF million</td><td>195 789 HUF million</td><td>199 643 HUF million</td><td>169 253 HUF million</td><td>27 307 HUF million</td><td>2 373 HUF million</td><td>710 HUF million</td></tr></table></div>		2018	2019	2020	2021	2022	2022	2022	2022	2022	Produces economic value	Group	Group	Group	Group	Group	Hungary	Macedonia	Romania	Bulgaria	Revenues (total revenue + share from the after-tax profit of the affiliates)	657 692 HUF million	666 743 HUF million	672 982 HUF million	692 849* HUF million	746 695 HUF million	659 499 HUF million	75 269 HUF million	7 514 HUF million	4 413 HUF million	Stakeholder	Distributed economic value									Suppliers	Operating costs (total revenue + net other operating costs)	374 470 HUF million	333 893 HUF million	333 333 HUF million	342 040* HUF million	363 157 milió Ft	316 487 HUF million	39 501 HUF million	4 063 HUF million	3 106 HUF million	Employees	Employee wages and benefits (employee related costs)	82 968 HUF million	80 192 HUF million	79 004 HUF million	75 880 HUF million	77 289 HUF million	69 418 HUF million	6 410 HUF million	892 HUF million	569 HUF million	Investors	Payment to capital investors (dividend pay + net other operating costs)	43 852 HUF million	50 194 HUF million	44 701 HUF million	28 716 HUF million	31 008 HUF million	30 229 HUF million	743 HUF million	24 HUF million	12 HUF million	State	Payment to the state budget (profit tax + crisis tax + telecom tax + utility tax)	45 979 HUF million	46 639 HUF million	49 424 HUF million	50 424 HUF million	75 598 HUF million	74 112 HUF million	1 308 HUF million	162 HUF million	16 HUF million	Communities	Community investments (donations, institutional sponsorship, voluntary work, education)	703 HUF million	253 HUF million	170 HUF million	170 HUF million	141 HUF million	90 HUF million	51 HUF million	n.a.	n.a.	Overall stakeholders in the future	Retailed earning (after-tax profit + depreciation- dividend paid)	135 910 HUF million	155 825 HUF million	166 520 HUF million	195 789 HUF million	199 643 HUF million	169 253 HUF million	27 307 HUF million	2 373 HUF million	710 HUF million	Resource consumption Supplier relations Local procurement Involvement of our employees Donation Sponsorship	<div><div>8 DECENT WORK AND ECONOMIC GROWTH</div><div>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</div></div>
	2018	2019	2020	2021	2022	2022	2022	2022	2022																																																																																																							
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201-2	Financial implications and other risks and opportunities due to climate change	Our Approach - Sustainability Strategy (5) Climate and Environment Protection (9)								<div>13 CLIMATE ACTION</div>																																																																																																						
201-3	Defined benefit plan obligations and other retirement plans				As of 2019 the employer contribution the private healthcare, mutual funds and voluntary pension ceased, while we remain to contribute to the state owned healthcare, pension and unemployment support systems. Meanwhile we deduct voluntary pension and healthcare membership fees and transfer them to the cash funds on behalf of the employee. The membership fee may be a fixed amount or a percentage, which is to be stated in the employee declaration.																																																																																																											
















⁴ In 2022, the Group had to reassess the control in reselling of another party's intangible goods or services with unlimited supply (e.g. software licenses, cloud services, streaming services) or branded products. The reassessment concluded that agent accounting should be adopted and resulted in accounting policy change and restatement in the presentation of reselling of another party's intangible goods or services with unlimited supply or branded products by decreasing accompanying Revenue and Direct cost.

























DISCLOSURE NUMBER	DISCLOSURE TITLE	CHAPTER IN SUSTAINABILITY REPORT 2022 (PAGE NUMBER)	URL	DIRECT ANSWER	RELATED MATERIALITY TOPICS	SASB CODE	SDG TARGET																																				
201-4	Financial assistance received from government			<div>Substantial financial support from State</div> <table><tr><th></th><th>2018</th><th>2019</th><th>2020</th><th>2021</th><th>2022</th></tr><tr><td>tax credit utilization</td><td>2 484 HUF million</td><td>3 862 HUF million</td><td>3 141 HUF million</td><td>4 267 HUF million</td><td>3 237 HUF million</td></tr><tr><td>film- and sport subsidies</td><td>500 HUF million</td><td>645 HUF million</td><td>719 millió</td><td>1 504 HUF million</td><td>775^s HUF million</td></tr><tr><td>tax benefit on wage cost of software developers</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td></tr><tr><td>tax impact of tax base decreasing item on donations</td><td>0</td><td>559 HUF thousand</td><td>306 HUF thousand</td><td>950 HUF thousand</td><td>360 HUF thousand</td></tr><tr><td>tax impact of tax base decreasing item on R&D</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td></tr></table>		2018	2019	2020	2021	2022	tax credit utilization	2 484 HUF million	3 862 HUF million	3 141 HUF million	4 267 HUF million	3 237 HUF million	film- and sport subsidies	500 HUF million	645 HUF million	719 millió	1 504 HUF million	775 ^s HUF million	tax benefit on wage cost of software developers	0	0	0	0	0	tax impact of tax base decreasing item on donations	0	559 HUF thousand	306 HUF thousand	950 HUF thousand	360 HUF thousand	tax impact of tax base decreasing item on R&D	0	0	0	0	0			
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GRI 202: Market Presence 2016																																											
103-1-2-3	Management approach	Our Approach (5) Diversity and Equal opportunities (30) Stakeholders (40)					<div>1 NO POVERTY5 GENDER EQUALITY8 DECENT WORK AND ECONOMIC GROWTH</div>																																				
202-1	Ratios of standard entry level wage by gender compared to local minimum wage			Magyar Telekom Group always provides at least the minimum wage as required in the relevant legislation and the salary of new entrants is exclusively determined by the value of the advertised position. Magyar Telekom is an equal opportunity employer. The salary brackets are determined on the basis of the actual market benchmark regardless of the gender of the employees.	Human rights, equal opportunities Corporate compliance Regulatory compliance																																						
202-2	Proportion of senior management hired from the local community	Diversity and Equal opportunities (30)			Human rights, equal opportunities Corporate compliance		<div>8 DECENT WORK AND ECONOMIC GROWTH</div>																																				
GRI 203: Indirect Economic Impacts 2016																																											
103 1-2-3-	Management Approach	Our Approach - Sustainability Strategy (5)					<div>5 GENDER EQUALITY9 DECENT WORK AND ECONOMIC GROWTH11 SUSTAINABLE CITIES AND COMMUNITIES</div>																																				
203-1	Infrastructure investments and services supported	Digitalization (21) Stakeholders (40)			Service availability		<div>1 NO POVERTY3 GOOD HEALTH AND WELL-BEING8 DECENT WORK AND ECONOMIC GROWTH</div>																																				
203-2	Significant indirect economic impacts	Digitalization (21) Stakeholders (40)																																									
GRI 204: Procurement Practices 2016																																											
103 1-2-3	Management Approach		https://beszerzes.telekom.hu/beszerzes/portal_en?appid=beszerzes&page=english/main.vm				<div>8 DECENT WORK AND ECONOMIC GROWTH</div>																																				
204-1	Proportion of spending on local suppliers				Local procurement																																						
GRI 205: Anti-corruption 2016																																											
103 1-2-3	Management Approach		http://www.telekom.hu/about_us/about_magyar_telekom/principles/compliance https://www.telekom.hu/static-tr/sw/file/mt-code-of-conduct.pdf http://www.telekom.hu/static-tr/sw/file/Anti_corruption_clause_en.pdf http://www.telekom.hu/static-tr/sw/file/corporate_governance_declarations_ICS_eng.pdf	<p>Magyar Telekom does not tolerate intention or transaction on corruption; therefore several internal policies and procedures have been developed to prohibit and prevent bribery (including making facilitation payments). Magyar Telekom intention is to comply with the anti-corruption rules relevant to the Group and it expects its business partners that they will not use money or other consideration paid by Magyar Telekom Group for unlawful purposes, including purposes violating anti-corruption laws, such as make or cause to be made direct or indirect payments to any public official or private person in order to assist Magyar Telekom or anyone acting on its behalf in obtaining or retaining business with, or directing business to, any person, or securing any improper advantage. Telekom prohibits any form of corruption or bribery including but not limited to providing or accepting or promising personal advantage, kick-backs or facilitation payments.</p> <p>The Group also prohibits its employees to make decisions for the employees' benefit or that of the employees' family, friends, associates and acquaintances. No gift or invitation to events can be granted to a third-party where they could affect or be perceived to affect the outcome of a business transaction. The Magyar Telekom Group does not financially or morally support political parties, political organizations or their representatives. Its charitable contribution activities are disclosed on its internet site . Magyar Telekom does not intent to conduct any business with third parties who violate the anticorruption regulations or the guiding principles of the Compliance Program.</p>																																							
205-1	Operations assessed for risks related to corruption		https://www.telekom.hu/about_us/about_magyar_telekom/principles/compliance	<p>Our yearly Compliance Risk Assessment (CRA) addresses active and passive corruption separately. It always includes Magyar Telekom, T-Systems, Makedonski Telekom. Other subsidiaries may be included on an ad-hoc basis based on inputs coming from compliance investigations. The CRA covers the before mentioned companies entirely (100%). During the risk assessment we formulate remedial actions concerning the risks identified. We also monitor the fulfillment of these measures.</p>	Risk management Corporate compliance		<div>16 PEACE AND JUSTICE, STRONG INSTITUTIONS</div>																																				












































^s The tax relief for the sports subsidy may change until 31 May, as the tax return for 2022 will only be submitted by the company on the basis of the certificates received by then.





DISCLOSURE NUMBER	DISCLOSURE TITLE	CHAPTER IN SUSTAINABILITY REPORT 2022 (PAGE NUMBER)	URL	DIRECT ANSWER	RELATED MATERI-ALITY TOPICS	SASB CODE	SDG TARGET
205-2	Communication and training about anti-corruption policies and procedures		https://www.telekom.hu/about_us/about_magyar_telekom/principles/compliance	a. number and proportion of the members of management bodies to which the organization's anticorruption policy and processes have been communicated, broken down to regions: 100%, and all regions, Magyar Telekom: 6 persons (Leadership Squad) b. number and proportion of employees to whom the organization's anticorruption policy and processes have been communicated, broken down to employee categories and regions: 100%, all regions c. number and proportion of business partners to which the organization's anticorruption policy and processes have been communicated, broken down to business partner type and region: 100%, Magyar Telekom's current business partners. The anticorruption policy is publicly available. d. number and proportion of management organizations that were trained on anticorruption, broken down to regions: 100%, all regions, Magyar Telekom: 6 persons e. number and proportion of employees who were trained on anticorruption, broken down to employee a category and region: Magyar Telekom Plc. 5112 persons, in 2022-ben 93% of new entrants completed the course successfully	Risk management Corporate compliance		
205-3	Confirmed incidents of corruption and actions taken			Number of confirmed incidents: 0	Risk management Corporate compliance		
GRI 206: Anti-competitive Behavior 2016							
103 1-2-3	Management Approach		https://www.telekom.hu/about_us/about_magyar_telekom/principles/compliance	Magyar Telekom uses its best efforts to fulfill its obligations in accordance with the effective laws. Eg. in the field of electronic communications in order to prevent potential authority penalties and sanctions the Company always strive to ensure Magyar Telekom's compliance with the effective laws and manage conflicts - besides harmonizing our processes and IT systems with the amendment of laws - with the NMHH continuous personal consultation, agreements concluded with the authorities and retroactive settlement plans set out in undertakings, made in the form of declarations.	Corporate compliance Regulatory compliance		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices			The antitrust policy covers price fixing, bid rigging, market allocation schemes. The antitrust policy applies to: employees, contractors, suppliers. Measures are taken to promote and ensure antitrust compliance. In 2022 no fines were imposed due to anti-competitive conduct or violation of antitrust rules.	Corporate compliance Regulatory compliance	TC-TL-520a. 1	
GRI 207: Tax 2019							
207-1	Management Approach			"In order to ensure tax compliance, Magyar Telekom Group considers it a top priority to fulfill all tax liabilities fully and in time, as required by the relevant laws, guidelines, contracts and court rulings. Compliance with the tax laws is ensured by the fact that there is a dedicated organizational unit, the Tax Center of Expertise that is responsible for filing tax returns, managing tax implications of business transactions and liaising with tax authorities and other affected parties (e.g. the Ministry of Finance). The Tax CoE is a part of the Reporting and Tax Tribe reporting to the CFO . This underlying responsibility of the company is managed by a Group-level process, encompassing all the related tasks, accountabilities, authorizations and guidelines associated with the fulfillment of tax liabilities. The process defines how the affected parties should cooperate with the aim to fulfill Magyar Telekom's relevant liabilities."	Risk management Corporate compliance		
207-2	Tax governance, control, and risk management		https://www.telekom.hu/static-tr/sw/file/IFRS_Group_ENG_20211231.pdf	Magyar Telekom has a Group-level risk management system in place, which covers the efficient and appropriate management of tax-related risks, too. The system systematically identifies, analyzes, assesses, monitors and minimizes tax-related risks and ensures their proper communication. In addition, existing and regularly reviewed controls (ICS) are in place in the taxation area, which ensure that all organizational entities that need to be aware of the effective taxation statutes and their potential changes for their daily operations and that have a direct impact on the proper fulfillment of tax liabilities be up to date in that regard.	Risk management Corporate compliance		
207-3	"Stakeholder engagement and management of concerns related to tax"		https://www.telekom.hu/static-tr/sw/file/IFRS_Group_ENG_20211231.pdf				









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207–4	Country-by-country reporting		https://www.telekom.hu/static-tr/sw/file/IFRS_Group_ENG_20211231.pdf	<div><div><div>MAGYAR TELEKOM GROUP (MILLION HUF)</div><div>Magyar Telekom Group's activities cover three basic business areas:<ul style="list-style-type: none">- fixed line and mobile communications services for residential customers (Telekom brand)- services for SMB customers (Telekom brand)- corporate services provided to enterprise customers (previously T-Systems brand; from November 2022 Telekom brand).</div></div><table><tr><td>Number of employees</td><td>6 705</td></tr><tr><td>Revenues</td><td>746 669</td></tr><tr><td>Mobile revenues</td><td>433 178</td></tr><tr><td>Fixed line revenues</td><td>237 019</td></tr><tr><td>System integration and IT revenues</td><td>76 472</td></tr><tr><td>Revenue from contracts with customers</td><td>738 827</td></tr><tr><td>Revenue from other sources</td><td>7 842</td></tr><tr><td>Operating expenses</td><td>(645 712)</td></tr><tr><td>Other operating income</td><td>8 221</td></tr><tr><td>Operating profit</td><td>109 178</td></tr><tr><td>Interest income</td><td>1588</td></tr><tr><td>Interest expense</td><td>(17 596)</td></tr><tr><td>Other finance expense-net</td><td>(8 801)</td></tr><tr><td>Net financial result</td><td>(24 809)</td></tr><tr><td>Share of associates' and joint ventures' net profit</td><td>26</td></tr><tr><td>Profit before income tax</td><td>84 395</td></tr><tr><td>Income tax</td><td>(17 321)</td></tr><tr><td>Profit for the year</td><td>67 074</td></tr><tr><td>Consolidated statements of cash flows</td><td></td></tr><tr><td>Cash flows from operating activities</td><td>195 763</td></tr><tr><td>Net cash used in investing activities</td><td>(105 256)</td></tr><tr><td>Net cash used in financing activities</td><td>(91 859)</td></tr><tr><td>Change in cash and cash equivalents</td><td>(602)</td></tr><tr><td>Cash and cash equivalents, beginning of year (2022)</td><td>13 463</td></tr><tr><td>Cash and cash equivalents, end of year (2022)</td><td>12 861</td></tr><tr><td>Consolidated IFRS profit before income tax</td><td>84 395</td></tr><tr><td>Tax at 9%</td><td>(7 596)</td></tr><tr><td>Impact of different tax rates</td><td>(239)</td></tr><tr><td>Tax shield of items not subject to income tax</td><td>797</td></tr><tr><td>Tax impact of non deductible items</td><td>(1 232)</td></tr><tr><td>Other income taxes</td><td>(1 360)</td></tr><tr><td>Impact of tax deductibility of other income taxes</td><td>898</td></tr><tr><td>(De)/recognized deferred tax on tax losses</td><td>-</td></tr><tr><td>Investment tax credit accretion</td><td>26</td></tr><tr><td>Effective tax rate</td><td>20,52%</td></tr><tr><td>Tax loss carry forwards at December 31, 2022</td><td>-</td></tr><tr><td>Tax losses for which deferred tax is recognized</td><td>-</td></tr><tr><td>Tax losses for which deferred tax is not recognized</td><td>-</td></tr><tr><td colspan="2">Out of the affiliates seated outside of Hungary, Magyar Telekom discloses the financials of the Macedonian affiliate, Makedonski Telekom as a separate section in its consolidated annual report, based on the relevant annual revenue data, due to the structure of the Group.</td></tr><tr><td colspan="2">Makedonski Telekom (million HUF)</td></tr><tr><td>Revenues</td><td>75 329</td></tr><tr><td>Profit before income tax</td><td>10 765</td></tr><tr><td>Income tax</td><td>1 307</td></tr><tr><td>Profit for the period</td><td>9 458</td></tr><tr><td>Summarized cash flows</td><td></td></tr><tr><td>Net cash generated from operating activities</td><td>27 494</td></tr><tr><td>Net cash from investing activities</td><td>(16 312)</td></tr><tr><td>Dividends/capital reduction paid to Controlling interest</td><td>(5 868)</td></tr><tr><td>Dividends/capital reduction paid to Non-controlling interest</td><td>(4 492)</td></tr><tr><td>Other cash flows from financing activities</td><td>(4 288)</td></tr><tr><td>Net cash used in financing activities</td><td>(14 648)</td></tr></table></div> <div><div><div>1NO POVERTY</div><div>10INDUSTRIAL INNOVATION AND INFRASTRUCTURE</div><div>17PARTNERSHIPS FOR THE GOALS</div></div></div>	Number of employees	6 705	Revenues	746 669	Mobile revenues	433 178	Fixed line revenues	237 019	System integration and IT revenues	76 472	Revenue from contracts with customers	738 827	Revenue from other sources	7 842	Operating expenses	(645 712)	Other operating income	8 221	Operating profit	109 178	Interest income	1588	Interest expense	(17 596)	Other finance expense-net	(8 801)	Net financial result	(24 809)	Share of associates' and joint ventures' net profit	26	Profit before income tax	84 395	Income tax	(17 321)	Profit for the year	67 074	Consolidated statements of cash flows		Cash flows from operating activities	195 763	Net cash used in investing activities	(105 256)	Net cash used in financing activities	(91 859)	Change in cash and cash equivalents	(602)	Cash and cash equivalents, beginning of year (2022)	13 463	Cash and cash equivalents, end of year (2022)	12 861	Consolidated IFRS profit before income tax	84 395	Tax at 9%	(7 596)	Impact of different tax rates	(239)	Tax shield of items not subject to income tax	797	Tax impact of non deductible items	(1 232)	Other income taxes	(1 360)	Impact of tax deductibility of other income taxes	898	(De)/recognized deferred tax on tax losses	-	Investment tax credit accretion	26	Effective tax rate	20,52%	Tax loss carry forwards at December 31, 2022	-	Tax losses for which deferred tax is recognized	-	Tax losses for which deferred tax is not recognized	-	Out of the affiliates seated outside of Hungary, Magyar Telekom discloses the financials of the Macedonian affiliate, Makedonski Telekom as a separate section in its consolidated annual report, based on the relevant annual revenue data, due to the structure of the Group.		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Revenue from contracts with customers	738 827																																																																																																									
Revenue from other sources	7 842																																																																																																									
Operating expenses	(645 712)																																																																																																									
Other operating income	8 221																																																																																																									
Operating profit	109 178																																																																																																									
Interest income	1588																																																																																																									
Interest expense	(17 596)																																																																																																									
Other finance expense-net	(8 801)																																																																																																									
Net financial result	(24 809)																																																																																																									
Share of associates' and joint ventures' net profit	26																																																																																																									
Profit before income tax	84 395																																																																																																									
Income tax	(17 321)																																																																																																									
Profit for the year	67 074																																																																																																									
Consolidated statements of cash flows																																																																																																										
Cash flows from operating activities	195 763																																																																																																									
Net cash used in investing activities	(105 256)																																																																																																									
Net cash used in financing activities	(91 859)																																																																																																									
Change in cash and cash equivalents	(602)																																																																																																									
Cash and cash equivalents, beginning of year (2022)	13 463																																																																																																									
Cash and cash equivalents, end of year (2022)	12 861																																																																																																									
Consolidated IFRS profit before income tax	84 395																																																																																																									
Tax at 9%	(7 596)																																																																																																									
Impact of different tax rates	(239)																																																																																																									
Tax shield of items not subject to income tax	797																																																																																																									
Tax impact of non deductible items	(1 232)																																																																																																									
Other income taxes	(1 360)																																																																																																									
Impact of tax deductibility of other income taxes	898																																																																																																									
(De)/recognized deferred tax on tax losses	-																																																																																																									
Investment tax credit accretion	26																																																																																																									
Effective tax rate	20,52%																																																																																																									
Tax loss carry forwards at December 31, 2022	-																																																																																																									
Tax losses for which deferred tax is recognized	-																																																																																																									
Tax losses for which deferred tax is not recognized	-																																																																																																									
Out of the affiliates seated outside of Hungary, Magyar Telekom discloses the financials of the Macedonian affiliate, Makedonski Telekom as a separate section in its consolidated annual report, based on the relevant annual revenue data, due to the structure of the Group.																																																																																																										
Makedonski Telekom (million HUF)																																																																																																										
Revenues	75 329																																																																																																									
Profit before income tax	10 765																																																																																																									
Income tax	1 307																																																																																																									
Profit for the period	9 458																																																																																																									
Summarized cash flows																																																																																																										
Net cash generated from operating activities	27 494																																																																																																									
Net cash from investing activities	(16 312)																																																																																																									
Dividends/capital reduction paid to Controlling interest	(5 868)																																																																																																									
Dividends/capital reduction paid to Non-controlling interest	(4 492)																																																																																																									
Other cash flows from financing activities	(4 288)																																																																																																									
Net cash used in financing activities	(14 648)																																																																																																									







DISCLOSURE NUMBER	DISCLOSURE TITLE	CHAPTER IN SUSTAINABILITY REPORT 2022 (PAGE NUMBER)	URL	DIRECT ANSWER	RELATED MATERIALITY TOPICS	SASB CODE	SDG TARGET
GRI 300: ENVIRONMENTAL STANDARDS 2016							
GRI 301: Materials 2016							
103 1–2–3	Management Approach	Our Approach - Sustainability Strategy (5) Climate and Environment Protection (9)	https://www.telekom.hu/about_us/sustainability/sustainability-strategy http://www.telekom.hu/static-tr/sw/file/Magyar_Telekom_environmental_policy.pdf http://www.telekom.hu/about_us/society_and_environment/environment/management_systems	Magyar Telekom Group upholds its commitment to sustainable development and the environment protection in the Environmental policy. The policy contains obligations for the members of the Magyar Telekom Group both individually and as a Group. Both Magyar Telekom and T-Systems has the certified Integrated Management Systems, included ISO 50001 energy management system and ISO 14001 environmental management system.	Waste management Environmental targets, costs and compliance Sustainability in the supplier chain		 
301–1	Materials used by weight or volume	Our Approach - Sustainability Strategy (5) Climate and Environment Protection (9) Digitalization (21)	https://www.telekom.hu/sustainability http://www.telekom.hu/about_us/society_and_environment/environment/equipment_management http://www.t-systems.hu/a-t-systemsrol/iranyelveink/gyartoi-tajekoztato (only HU) http://www.telekom.hu/static-tr/sw/file/Magyar_Telekom_environmental_policy.pdf		Waste management Environmental targets, costs and compliance Sustainability in the supplier chain		
301–2	Recycled input materials used		http://www.telekom.hu/about_us/society_and_environment https://www.telekom.hu/rolunk/fenntarthatosag/ugyfeleinknek (only HU)	Recycled paper used in 2022: 4 022,5 kg.	Waste management Environmental targets, costs and compliance Sustainability in the supplier chain	TC-TL-440a.1	 
301–3	Reclaimed products and their packaging materials		http://relem.hu/ https://beszerzes.telekom.hu/beszerzes/portal_en?appid=beszerzes&page=english/vendors/information/main.vm http://www.t-systems.hu/a-t-systemsrol/iranyelveink/gyartoi-tajekoztato (only HU) http://www.telekom.hu/about_us/society_and_environment/environment/equipment_management https://www.telekom.hu/rolunk/fenntarthatosag/ugyfeleinknek (only HU)	Magyar Telekom Plc.'s intermediary partner for batteries is ReLEM.	Waste management Environmental targets, costs and compliance Sustainability in the supplier chain	TC-TL-440a.1	
GRI 302: Energy 2016							
103 1–2–3	Management Approach	Our Approach - Sustainability Strategy (5) Climate and Environment Protection (9)	https://www.telekom.hu/about_us/sustainability/sustainability-strategy http://www.telekom.hu/static-tr/sw/file/Magyar_Telekom_environmental_policy.pdf http://www.telekom.hu/about_us/society_and_environment/environment/management_systems	Magyar Telekom Group upholds its commitment to sustainable development and the environment protection in the Environmental policy. The policy contains obligations for the members of the Magyar Telekom Group both individually and as a Group. Both Magyar Telekom and T-Systems has the certified Integrated Management Systems, included ISO 50001 energy management system and ISO 14001 environmental management system.	Climate protection and energy efficiency Environmental targets, costs and compliance Resource consumption		
302–1	Energy consumption within the organization	Climate and Environment Protection (9)	https://www.telekom.hu/rolunk/fenntarthatosag/ugyfeleinknek (only HU)		Climate protection and energy efficiency Environmental targets, costs and compliance Resource consumption	TC-TL-130a.1	  
302–2	Energy consumption outside of the organization	Climate and Environment Protection (9)	https://www.telekom.hu/about_us/society_and_environment/environment/equipment_management		Climate protection and energy efficiency Environmental targets, costs and compliance Resource consumption	TC-TL-130a.1	  
302–3	Energy intensity	Climate and Environment Protection (9)			Climate protection and energy efficiency Environmental targets, costs and compliance Resource consumption	TC-TL-130a.1	   

DISCLOSURE NUMBER	DISCLOSURE TITLE	CHAPTER IN SUSTAINABILITY REPORT 2022 (PAGE NUMBER)	URL	DIRECT ANSWER	RELATED MATERI-ALITY TOPICS	SASB CODE	SDG TARGET
302-4	Reduction of energy consumption	Climate and Environment Protection (9)	https://www.telekom.hu/sustainability		Climate protection and energy efficiency Environmental targets, costs and compliance Resource consumption	TC-TL-130a.1	   
302-5	Reductions in energy requirements of products and services	Climate and Environment Protection (9)			Climate protection and energy efficiency Environmental targets, costs and compliance Resource consumption	TC-TL-130a.1	   
GRI 303: Water and effluents 2018							
303-1	Interactions with water as a shared resource	Climate and Environment Protection (9)	http://www.telekom.hu/about_us/about_magyar_telekom/principles/quality_guarantees http://www.telekom.hu/static-tr/sw/file/Magyar_Telekom_environmental_policy.pdf	Magyar Telekom Group upholds its commitment to sustainable development and the environment protection in the Environmental policy. The policy contains obligations for the members of the Magyar Telekom Group both individually and as a Group.	Environmental targets, costs and compliance Resource consumption		 
303-2	Management of water discharge-related impacts	Climate and Environment Protection (9)	http://www.telekom.hu/about_us/about_magyar_telekom/principles/quality_guarantees http://www.telekom.hu/static-tr/sw/file/Magyar_Telekom_environmental_policy.pdf		Environmental targets, costs and compliance Resource consumption		
303-3	Water withdrawal	Climate and Environment Protection (9)		The usage of groundwater is only a minor part of the total water consumption, the wells are not located in protected areas therefore we only report quantitative data of consumption.	Environmental targets, costs and compliance Resource consumption		
303-4	Water discharge	Climate and Environment Protection (9)			Environmental targets, costs and compliance Resource consumption		
303-5	Water consumption	Climate and Environment Protection (9)			Environmental targets, costs and compliance Resource consumption		
GRI 304: Biodiversity 2016							
103 1-2-3	Management Approach	Climate and Environment Protection (9)	https://www.telekom.hu/about_us/sustainability/sustainability-strategy http://www.telekom.hu/about_us/about_magyar_telekom/principles/quality_guarantees http://www.telekom.hu/static-tr/sw/file/Magyar_Telekom_environmental_policy.pdf	Magyar Telekom Group upholds its commitment to sustainable development and the environment protection in the Environmental policy. The policy contains obligations for the members of the Magyar Telekom Group both individually and as a Group.	Environmental targets, costs and compliance		
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas		http://www.telekom.hu/static-tr/sw/file/Magyar_Telekom_environmental_policy.pdf		Environmental targets, costs and compliance		  
304-2	Significant impacts of activities, products, and services on biodiversity			Our company avoids operations on protected and Natura 2000 areas.	Environmental targets, costs and compliance		  
304-3	Habitats protected or restored			We do not conduct operations on protected or restored habitats.	Environmental targets, costs and compliance		  
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations			Our operations do not affect habitats of endangered and/or IUCN Red List species.	Environmental targets, costs and compliance		 





DISCLOSURE NUMBER	DISCLOSURE TITLE	CHAPTER IN SUSTAINABILITY REPORT 2022 (PAGE NUMBER)	URL	DIRECT ANSWER	RELATED MATERIALITY TOPICS	SASB CODE	SDG TARGET
GRI 305: Emissions 2016							
103 1–2–3	Management Approach	Our Approach - Sustainability Strategy (5) Climate and Environment Protection (9)	https://www.telekom.hu/about_us/sustainability/sustainability-strategy http://www.telekom.hu/about_us/about_magyar_telekom/principles/quality_guarantees http://www.telekom.hu/static-tr/sw/file/Magyar_Telekom_environmental_policy.pdf	Magyar Telekom Group upholds its commitment to sustainable development and the environment protection in the Environmental policy. The policy contains obligations for the members of the Magyar Telekom Group both individually and as a Group.	Environmental targets, costs and compliance Emissions		 
305–1	Direct (Scope 1) GHG emissions	Climate and Environment Protection (9)			Environmental targets, costs and compliance Emissions		    
305–2	Energy indirect (Scope 2) GHG emissions	Climate and Environment Protection (9)		All emissions are location based. Electricity consumption is given as market based too.	Environmental targets, costs and compliance Emissions		    
305–3	Other indirect (Scope 3) GHG emissions	Climate and Environment Protection (9)			Environmental targets, costs and compliance Emissions		  
305–4	GHG emissions intensity	Climate and Environment Protection (9)		We have conducted the following measurements: Scope 1: g/CO ₂ /km, Scope: 2 Gbit/kWh, energy intensity: GJ/HUF M, Scope 3: we measure the emissions related to CPE energy consumption, paper use, emissions of business travel.	Environmental targets, costs and compliance Emissions		  
305–5	Reduction of GHG emissions	Climate and Environment Protection (9)		The quoted emission data refer to Scope 1 and Scope 2 emissions.	Environmental targets, costs and compliance Emissions		  
305–6	Emissions of ozone-depleting substances (ODS)			Magyar Telekom does not produce, export or import substances that damage the ozone layer. No leakage was detected from air-conditioning equipment. Due to the very low number of occurrences Telekom does not report this item.	Environmental targets, costs and compliance Emissions		  
305–7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	Climate and Environment Protection (9)			Environmental targets, costs and compliance Emissions		   
GRI 306: Effluents and Waste 2016							
103 1–2–3	Management Approach	Our Approach - Sustainability Strategy (5) Climate and Environment Protection (9)	https://www.telekom.hu/about_us/sustainability/sustainability-strategy http://www.telekom.hu/about_us/about_magyar_telekom/principles/quality_guarantees http://www.telekom.hu/static-tr/sw/file/Magyar_Telekom_environmental_policy.pdf	Magyar Telekom Group upholds its commitment to sustainable development and the environment protection in the Environmental policy. The policy contains obligations for the members of the Magyar Telekom Group both individually and as a Group.	Environmental targets, costs and compliance		
306–1	Water discharge by quality and destination	Climate and Environment Protection (9)		Magyar Telekom Group only uses potable water for social purposes (we do not use water for technology purposes) therefore the quantity of sewage water output is the same as the potable water consumption	Environmental targets, costs and compliance		  
306–2	Waste by type and disposal method	Climate and Environment Protection (9)			Environmental targets, costs and compliance		  
306–3	Significant spills			There was no significant leakage or unsupervised output.	Environmental targets, costs and compliance		    
306–4	Transport of hazardous waste			Magyar Telekom does not import or export or manage hazardous waste.	Environmental targets, costs and compliance		 
306–5	Water bodies affected by water discharges and/or runoff			Our operations do not directly affect water bodies, water discharges and/or freshwater habitat.	Environmental targets, costs and compliance		 

DISCLOSURE NUMBER	DISCLOSURE TITLE	CHAPTER IN SUSTAINABILITY REPORT 2022 (PAGE NUMBER)	URL	DIRECT ANSWER	RELATED MATERI-ALITY TOPICS	SASB CODE	SDG TARGET																																																																																																																									
GRI 307: Environmental Compliance 2016																																																																																																																																
103 1–2–3	Management Approach	Our Approach - Sustainability Strategy (5) Climate and Environment Protection (9)	https://www.telekom.hu/about_us/sustainability/sustainability-strategy http://www.telekom.hu/about_us/about_magyar_telekom/principles/quality_guarantees http://www.telekom.hu/static-tr/sw/file/Magyar_Telekom_environmental_policy.pdf	Magyar Telekom Group upholds its commitment to sustainable development and the environment protection in the Environmental policy. The policy contains obligations for the members of the Magyar Telekom Group both individually and as a Group.	Environmental targets, costs and compliance																																																																																																																											
307–1	Non-compliance with environmental laws and regulations	Climate and Environment Protection (9)																																																																																																																														
GRI 308: Supplier Environmental Assessment 2016																																																																																																																																
103 1–2–3	Management Approach	Stakeholders - Suppliers (43)			Sustainability in the supplier chain Supplier relations																																																																																																																											
308–1	New suppliers that were screened using environmental criteria	Stakeholders - Suppliers (43)			Sustainability in the supplier chain Supplier relations																																																																																																																											
308–2	Negative environmental impacts in the supply chain and actions taken	Stakeholders - Suppliers (43)			Sustainability in the supplier chain Supplier relations																																																																																																																											
GRI 400: SOCIAL STANDARDS 2016																																																																																																																																
GRI 401: Employment 2016																																																																																																																																
103 1–2–3	Management Approach	Diversity and Equal Opportunities (30)			Human rights, equal opportunities																																																																																																																											
401–1	New employee hires and employee turnover			<div>Fluctuation at Magyar Telekom Group (Plc./Group)</div> <table><tr><th></th><th>2018</th><th>2019</th><th>2020</th><th>2021</th><th>2022</th></tr><tr><td>Total fluctuation</td><td>16.47%/17.51%</td><td>16.47%/15.1%</td><td>17.20%/19.27%</td><td>11.0%/11.53%</td><td>7.3%/8.32%</td></tr><tr><td>Termination initiated by the employee</td><td>6.81%/18.84%</td><td>6.81%/15.91%</td><td>2.70%/10.92%</td><td>3.40%/15.58%</td><td>4.3%/15.42%</td></tr></table> <div>Fluctuation at Magyar Telekom Group in 2022</div> <table><tr><th></th><th>MAGYAR TELEKOM GROUP</th><th>MAGYAR TELEKOM PLC.</th><th>T-SYSTEMS HUNGARY</th><th>MAKEDONKSI TELEKOM</th></tr><tr><td>Total fluctuation</td><td>8.32%</td><td>7.30%</td><td>14.60%</td><td>10.00%</td></tr><tr><td>Termination initiated by the employee</td><td>15.42%</td><td>4.30%</td><td>7.00%</td><td>97.70%</td></tr></table> <div>Fluctuation at Magyar Telekom Plc. in 2022</div> <table><tr><th></th><th>FEMALE</th><th>MALE</th></tr><tr><td>Total fluctuation</td><td>9.0%</td><td>6.3%</td></tr><tr><td>Termination initiated by the employee</td><td>4.80%</td><td>4.1%</td></tr></table> <div>Age groups and gender distribution of new hires at Magyar Telekom Plc. in 2022</div> <table><tr><th>AGE GROUP</th><th>19–25</th><th>26–30</th><th>31–35</th><th>36–40</th><th>41–45</th><th>46–50</th><th>51–55</th><th>56+</th><th>TOTAL</th></tr><tr><td>Male</td><td>51</td><td>37</td><td>27</td><td>14</td><td>9</td><td>1</td><td>4</td><td>4</td><td>147</td></tr><tr><td>Female</td><td>33</td><td>25</td><td>20</td><td>13</td><td>4</td><td>3</td><td>1</td><td>0</td><td>99</td></tr><tr><td>Total headcount</td><td>84</td><td>62</td><td>44</td><td>27</td><td>13</td><td>4</td><td>5</td><td>4</td><td>246</td></tr></table> <div>Age groups and gender distribution of new hires at Magyar Telekom Group in 2022</div> <table><tr><th>AGE GROUP</th><th>19–25</th><th>26–30</th><th>31–35</th><th>36–40</th><th>41–45</th><th>46–50</th><th>51–55</th><th>56+</th><th>TOTAL</th></tr><tr><td>Male</td><td>76</td><td>68</td><td>39</td><td>31</td><td>18</td><td>13</td><td>8</td><td>7</td><td>260</td></tr><tr><td>Female</td><td>48</td><td>35</td><td>25</td><td>21</td><td>14</td><td>6</td><td>5</td><td>1</td><td>155</td></tr><tr><td>Total headcount</td><td>124</td><td>103</td><td>64</td><td>52</td><td>32</td><td>19</td><td>13</td><td>8</td><td>413</td></tr></table>		2018	2019	2020	2021	2022	Total fluctuation	16.47%/17.51%	16.47%/15.1%	17.20%/19.27%	11.0%/11.53%	7.3%/8.32%	Termination initiated by the employee	6.81%/18.84%	6.81%/15.91%	2.70%/10.92%	3.40%/15.58%	4.3%/15.42%		MAGYAR TELEKOM GROUP	MAGYAR TELEKOM PLC.	T-SYSTEMS HUNGARY	MAKEDONKSI TELEKOM	Total fluctuation	8.32%	7.30%	14.60%	10.00%	Termination initiated by the employee	15.42%	4.30%	7.00%	97.70%		FEMALE	MALE	Total fluctuation	9.0%	6.3%	Termination initiated by the employee	4.80%	4.1%	AGE GROUP	19–25	26–30	31–35	36–40	41–45	46–50	51–55	56+	TOTAL	Male	51	37	27	14	9	1	4	4	147	Female	33	25	20	13	4	3	1	0	99	Total headcount	84	62	44	27	13	4	5	4	246	AGE GROUP	19–25	26–30	31–35	36–40	41–45	46–50	51–55	56+	TOTAL	Male	76	68	39	31	18	13	8	7	260	Female	48	35	25	21	14	6	5	1	155	Total headcount	124	103	64	52	32	19	13	8	413	Human rights, equal opportunities Involvement of our employees Talent management	  
	2018	2019	2020	2021	2022																																																																																																																											
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DISCLOSURE NUMBER	DISCLOSURE TITLE	CHAPTER IN SUSTAINABILITY REPORT 2022 (PAGE NUMBER)	URL	DIRECT ANSWER	RELATED MATERI-ALITY TOPICS	SASB CODE	SDG TARGET
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Diversity and Equal Opportunities (30)		Magyar Telekom provides a broad range of welfare and social benefits. Some of them are provided automatically whereas others can be obtained upon satisfying certain conditions while there are insurance types of benefits, too. The provision of certain benefits is subject to the employee's own contribution. The provision of social benefits and benefits that are not provided automatically is regulated in the Col-lective Agreement and the relevant policies. We also provide telecommunication discounts and other benefits. Contributions to public health, pension and unemployment benefit schemes are made by the employer to the required extent and until the statutory deadline. With respect to additional payments from 2019 the additional contribution to funds ceased. Meanwhile we deduct voluntary pension and healthcare membership fees and transfer them to the cash funds on behalf of the employee. The membership fee may be a fixed amount or a percentage, which is to be stated in the employee declaration.	Involvement of our employees Corporate compliance		  
401-3	Parental leave	Diversity and Equal Opportunities (30)			Involvement of our employees		 
GRI 402: Labor/Management Relations 2016							
103 1-2-3	Management Approach			Magyar Telekom has long traditions of negotiation with employee representative bodies. Employee representation bodies are treated as partners in the operation of the company. At present two unions and workers council operate at Magyar Telekom, communication with them runs on two levels. Central decisions concerning the whole Company, when the employee representation bodies need to be consulted, are deliberated with the Central Workers Council and the representatives delegated by the trade unions, either in the frame of joint consultation (Interest Reconciliation Council), or separately, depending on the nature of the matter discussed. Central communica-tion is managed both verbally (negotiation) and in writing. The Chief People Officer and the responsible HR Business partner are mana-ging central-level communication with the employee representation bodies. Interest enforcement issues concerning a given governance area are also discussed locally with the representatives of the trade unions and the local workers council. The HR Business Partners of the governance area are responsible for communication with the local employee representation bodies. In line with the provisions of Act V of 2013 on the Hungarian Civil Code one third of Supervisory Board members are employee representatives. The employee representatives of the Supervisory Board are nominated by the Central Works Council, in consideration of the opinion of trade unions operating at the Company. The General Meeting is obliged to elect persons nominated by the Central Works Council to the Supervisory Board unless there are underlying circumstances that serve as grounds for exclusion. On December 31, 2022 the Supervisory Board had two employee representatives: Tamás Lichnovszky and Zsoltné Varga.	Involvement of our employees Corporate compliance		
402-1	Minimum notice periods regarding operational changes			Trade union and the workers council (Central Workers Council) must be consulted and their opinion solicited on significant decisions resulting in organizational changes or changes affecting a large group of employees. In organization restructuring decisions the collec-tive 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 resolu-tions, aiming at organizational changes without regard to the number of employees concerned.	Involvement of our employees Corporate compliance		
GRI 403: Occupational Health and Safety 2018							
403-1	Occupational health and safety management system	Stakeholders - Suppliers (43)	http://www.telekom.hu/about_us/about_magyar_telekom/principles/quality_guarantees	Magyar Telekom looks at health and safety as a precondition of the success of the company that play an important role in the satisfaction of our employees as well as in the quality of work and corporate culture. That is the reason why the company is committed to operate the Workplace Healthcare and Occupational Safety Management System that ensures the successful fulfillment of the objectives. The results justify Telekom's work, i.e. as a result of the year 2021 audit the Company successfully renewed the MEBIR certification. Magyar Telekom together with all of its national and international subsidiaries have the DEKRA Certification ISO 45001:2018. The company also demands suppliers compliance with its health and safety regulations.	Occupational health and safety		
403-2	Hazard identification, risk assessment, and incident investigation			In 2022, the full corporate health and safety risk assessment was renewed for both Magyar Telekom and T-Systems. Occupational health and safety risk assessments were carried out at 101 sites and 389 organisational units. Target inspections (on-site work inspections) were carried out in 16 cases at the TU and ÉMKI technical teams responsible for operations and troubleshooting. MEBIR site internal audit covered 11 sites. Measures have been taken to correct the deficiencies identified during the visits.	Occupational health and safety		
403-3	Occupational health services			As in previous years, we put extra emphasis on health, the support of different medical checkups in 2022, too. Apart from the regular oc-cupational healthcare services we provided our employees with family practitioner-type care in Budapest, and offered different medical checkups across the country. A total of 5406 people (MT: 4716 TSM: 690) took part in the occupational health assessments. As part of the assessments, ophthalmology examinations took place in 4788 cases (MT: 4057, TSM: 731). As a result of the examinations 573 people (MT: 494, TSM: 79) received allowance for prescription glasses. In 2022, a total of 1509 employees (MT:1265, TSM:244) have attended health screenings offered independent from the regular occupational health examinations.	Occupational health and safety		
403-4	Worker participation, con-sultation, and communica-tion on occupational health and safety			In accordance with the occupational health and safety regulations there are health and safety committees formed by health and safety employee: at Magyar Telekom 7 and at T-Systems 2 representatives serve in the safety committees, depending on the risk category of the respective areas the occupational safety risks and interests - are weighted. Magyar Telekom held an employee representative election in 2021. In general the technical areas have the highest representation rate in the weighted structure, but representatives cover all relevant company organizations. The safety committees and the employer have regular consultation forums where they work closely together on key health and safety issues, goals and perspectives.	Occupational health and safety		
403-5	Worker training on occupa-tional health and safety			All Magyar Telekom employees are required to complete their occupational health and safety training along their onboarding, they are obliged to refresh their knowledge via completing a training course bi-annually. Physical workers attend courses specific to their activiti-es: e.g. a joint course with the electric power provider regarding work on shared poles, and first-aid training.	Occupational health and safety		
403-6	Promotion of worker health		http://www.telekom.hu/about_us/about_magyar_telekom/principles/quality_guarantees	The regulatory function of the Central Works Council (Occupational Safety Rules and Regulations) guarantees that employees may work in a healthy and safe environment and the Council also has the right to express its opinion in such matters. The Occupational Safety Rules and Regulations determines the scope of personal protective equipment, the environment to provide healthy and safe workplaces that also ensures compliance with the effective legislation as well as the MSZ ISO 45001:2018 MEBIR (Occupational Health and Safety Management System) safety standards. Once a year, employees can choose from a range of preventive medical checkup packages, provided by our contractual medical services provider. A gym is available at the Telekom HQ building. And the EAP (Employee Assistance Program) – “You can count on us” Program offers help to colleagues in overcoming their specific problems and challenges.	Occupational health and safety		









DISCLOSURE NUMBER	DISCLOSURE TITLE	CHAPTER IN SUSTAINABILITY REPORT 2022 (PAGE NUMBER)	URL	DIRECT ANSWER	RELATED MATERI-ALITY TOPICS	SASB CODE	SDG TARGET																																																
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships			In 2022, we put extra emphasis on the Covid-19 infection prevention work. As part of the effort, we provided safe working conditions to colleagues working in the shops. They received masks, gloves, hand sanitizers. We limited the number of customers present in the shops, and equipped the desks with plexiglass screens. In case of potential infections, we tested the affected colleagues.	Occupational health and safety																																																		
403-8	Workers covered by an occupational health and safety management system		http://www.telekom.hu/about_us/about_magyar_telekom/principles/quality_guarantees	Magyar Telekom together with all of its national and international subsidiaries have the DEKRA Certification ISO 45001:2018 (Occupational Health and Safety Management System). The company also demands suppliers compliance with its health and safety regulations	Occupational health and safety																																																		
403-9	Work-related injuries			Magyar Telekom Plc.: There were no occupational fatal accidents in 2022. There were 37 registered injuries: 19 cases involved the loss of more than 3 workdays, 2 cases involved the loss of 1 to 3 workdays, 14 cases did not involve loss of workdays and there were 2 unsubstantiated accident, i.e. a total of 687 lost workdays. Distribution of injury types: 33 phisical activity related injuries, 2 office injuries. Most frequent recorded injuries: 5 cases of fractures, 3 cases of electric shock, 9 cases of cut injuries or open wounds, 4 cases of strains and sprains, 14 cases of bruises. There was no accident at T-Systems Hungary. Makedonski Telekom: 0 fatal accidents, 10 accidents at work subject to reporting obligations, i.e. a total of 120 lost workdays.	Occupational health and safety		  																																																
<div>Workplace Accidents at Magyar Telekom Group</div> <table><tr><th></th><th>2018</th><th>2019</th><th>2020</th><th>2021</th><th>2022</th></tr><tr><td>Magyar Telekom Plc.</td><td>27</td><td>77</td><td>37</td><td>30</td><td>37</td></tr><tr><td>Makedonski Telekom</td><td>10</td><td>11</td><td>4</td><td>6</td><td>10</td></tr><tr><td>T-Systems Hungary</td><td>2</td><td>0</td><td>0</td><td>0</td><td>0</td></tr></table> <div>Accident ratio for one thousand employee at Magyar Telekom Group</div> <table><tr><th></th><th>2018</th><th>2019</th><th>2020</th><th>2021</th><th>2022</th></tr><tr><td>Magyar Telekom Plc.</td><td>4</td><td>12</td><td>7</td><td>6</td><td>8</td></tr><tr><td>Makedonski Telekom</td><td>9</td><td>10</td><td>4</td><td>7</td><td>14</td></tr><tr><td>T-Systems Hungary</td><td>1</td><td>0</td><td>0</td><td>0</td><td>0</td></tr></table>									2018	2019	2020	2021	2022	Magyar Telekom Plc.	27	77	37	30	37	Makedonski Telekom	10	11	4	6	10	T-Systems Hungary	2	0	0	0	0		2018	2019	2020	2021	2022	Magyar Telekom Plc.	4	12	7	6	8	Makedonski Telekom	9	10	4	7	14	T-Systems Hungary	1	0	0	0	0
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Makedonski Telekom	9	10	4	7	14																																																		
T-Systems Hungary	1	0	0	0	0																																																		
403-10	Work-related ill health			At Magyar Telekom Group there were no occupational diseases or increased exposures in 2022.	Occupational health and safety		  																																																
GRI 404: Training and Education 2016																																																							
103 1-2-3	Management Approach			<p>Magyar Telekom Group lays special emphasis on the constant training and development of its employees and on supporting the application of the acquired knowledge. Magyar Telekom Group is a key player in Hungary's ICT sector. In this industry, awareness about and adoption of new trends and research findings is imperative on managerial and non-managerial levels alike.</p> <p>Our training-development strategy is aligned with the renewal of our organizational structure and the business objectives defined upon reconciliation with Deutsche Telekom. We discuss the training implications of the business objectives with the organizational units and ensure that the most appropriate training programs be available for the focused development of the skills foreseeably required in the future. During the year, we keep track of the programs' effectiveness at retrospective sessions, and if necessary, we fine-tune them so that they more effectively support our business and individual development objectives. Following the training sessions, we survey participants' satisfaction with the programs.</p> <p>A key effectiveness improvement component of our training strategy is the promotion of e-learning courses, thus we have established a digital learning platform that enables anyone, anywhere and anytime to access the training most relevant to him or her. By this, we democratize access to knowledge. The platform offers many online learning journeys designed to support efficient work, which anyone can opt to complete in line with his or her specific needs. The platform represents an approach to personal development that puts data, student-experience and customized courses into the focus. Our goal with SmartApp is to implement a forward-looking learning methodology, which integrates the systems we had used before for supporting colleagues' development. The launch of the platform is only the first step, which will be gradually followed by the addition of further functions and availability on mobile devices later. At the same time, we use blended learning programs designed for specific target groups to prepare colleagues for new roles and to build our management succession pool.</p> <p>Being a caring company, we have put an outplacement program in place to offer different activities to employees affected by downsizing that support them in finding new jobs, and we also provide those on permanent leave access to the online learning platforms.</p>	Involvement of our employees Talent management Initiatives to eliminate the digital divide																																																		






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404-1	Average hours of training per year per employee			<div><div>Ratio of distance learning at Magyar Telekom Group (%)</div><table><tr><th></th><th>2018</th><th>2019</th><th>2020</th><th>2021</th><th>2022</th></tr><tr><td>Magyar Telekom Plc.</td><td>36</td><td>35</td><td>48</td><td>45</td><td>42.8</td></tr><tr><td>Makedonski Telekom</td><td>22</td><td>1</td><td>53.63</td><td>100</td><td>67.9</td></tr><tr><td>T-Systems Hungary</td><td>25</td><td>56</td><td>89</td><td>77</td><td>22</td></tr></table><div>Training days per capita at Magyar Telekom Group</div><table><tr><th></th><th>2018</th><th>2019</th><th>2020</th><th>2021</th><th>2022</th></tr><tr><td>Magyar Telekom Plc.</td><td>4</td><td>5</td><td>3</td><td>3,2</td><td>3</td></tr><tr><td>Makedonski Telekom</td><td>13</td><td>20</td><td>2.22</td><td>1.55</td><td>0.85</td></tr><tr><td>T-Systems Hungary</td><td>4</td><td>2</td><td>1.64</td><td>1.55</td><td>2.62</td></tr></table><div>Annual average training hours per capita at Magyar Telekom Group, 2022</div><table><tr><th></th><th>HOURS</th></tr><tr><td>Magyar Telekom Plc.</td><td>26</td></tr><tr><td>Makedonski Telekom</td><td>21</td></tr><tr><td>T-Systems Hungary</td><td>4</td></tr></table></div> <div>Involvement of our employees Talent management Initiatives to eliminate the digital divide</div> <div><div>4 QUALITY EDUCATION</div><div>5 GENDER EQUALITY</div><div>8 DECENT WORK AND ECONOMIC GROWTH</div></div>		2018	2019	2020	2021	2022	Magyar Telekom Plc.	36	35	48	45	42.8	Makedonski Telekom	22	1	53.63	100	67.9	T-Systems Hungary	25	56	89	77	22		2018	2019	2020	2021	2022	Magyar Telekom Plc.	4	5	3	3,2	3	Makedonski Telekom	13	20	2.22	1.55	0.85	T-Systems Hungary	4	2	1.64	1.55	2.62		HOURS	Magyar Telekom Plc.	26	Makedonski Telekom	21	T-Systems Hungary	4		
	2018	2019	2020	2021	2022																																																									
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404-2	Programs for upgrading employee skills and transition assistance programs	Diversity and Equal Opportunities (30)		<div><p>The development of our employees has been a priority in Magyar Telekom's strategy for years. In a rapidly changing and challenging business environment, it is not enough to create outstanding training programmes to maintain our role as a market leader and innovator, we need to support organisations in creating a learning culture. That is why Telekom's training area unified its competence development portfolio in 2020 under the name SMART and made it available to the widest possible audience through digital tools; in 2021, it introduced a dedicated time framework to support effective learning; and in 2022, it developed a competence development programme package, TOP5 Super Skills, which is freely available to the entire workforce.</p><p>With the TOP5 programme for 3,000 employees, the development area aimed to help Telekom employees find and develop their talent in a way that serves real business goals. The 12 competencies included topical and valuable themes such as data-driven thinking, Cloud technologies, digital tools and skills development, resilience and English language skills.</p><p>In addition to the TOP5-like core development programmes, a quarterly training plan prepared at business unit level provides guidance for the current development activities of the period in terms of professional training, skills development programmes, agile training, leadership development and conferences. In all areas of the company undergoing agile transformation, we have kick-started the transformation with strong induction training and mindset shaping training. The strengthening of the agile mindset and agile operations is continuously developed by an internal agile coach team supporting the areas/organisations in situations that are currently perceived and need to be remedied. Knowledge sharing and self-development are encouraged at the corporate level. Centrally delivered programmes in the past year included the Skilljet leadership development programme, which used gamified online and face-to-face workshops to address key dilemmas in leadership, with solutions to help people become better leaders. EEn addition, our leaders were able to participate in the LevelUp Next Gen, Lead First, Leadership hub platform programmes organised by the parent company, which also broadened their knowledge in internationalisation. Employees also had the opportunity to participate in the Group's training courses through the Future Skilling programme and even learn a new profession through learning journeys in software development, digital marketing, data analysis. In 2022, Telekom launched SmartApp, its innovative learning framework for self-development. The system, available on PC and mobile phone, gives our colleagues access to all training opportunities, including hundreds of thousands of fresh professional training courses, books and videos covering the widest range of professions. Many of these courses provide internationally recognised qualifications.</p><p>This year, several events have been organised to support the development of colleagues not only at local level (Super Skills Day) but also at international level (DT Group's YouLearn Day initiative).</p><p>In addition to these platforms, they can also (if the epidemiological situation allows) expand their knowledge through face-to-face training and conferences. We also work with our supply partners on tool introduction to ensure new knowledge acquisition. To reinforce the importance of self-development and to raise awareness of the opportunities available, we have launched several campaigns each year, where inspiring external speakers, training sessions, development workshops, learning palettes and tool demonstrations have focused staff's attention on learning, which has become a necessity for all professions in a fast-changing world.</p><p>After registering in the outplacement programme, staff affected by redundancies can benefit from the following services: two-day group labour market training; active job search support; financial support for training and retraining in line with labour market requirements; personal psychological and labour law counselling; follow-up support for participants and monitoring of their placement.</p></div> <div>Involvement of our employees Talent management Initiatives to eliminate the digital divide</div> <div><div>8 DECENT WORK AND ECONOMIC GROWTH</div></div>																																																										




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404-3	Percentage of employees receiving regular performance and career development reviews			To strengthen the culture of performance appraisal, career management and feedback, a new flexible framework was introduced in 2018 that supports both business and personal success, putting the growth mindset approach into practice and strengthening the culture of recognition. FUTAM can be tailored to individual and current business needs at both organisational and staff level. It provides a framework for guiding employee development, is based on collaboration and feedback rather than evaluation, and its new module in 2019, developed as part of the Agile transformation, further deepened these values in line with the new way of working. By year-end, 3 086 colleagues had participated in the regular competency feedback process. The framework has not changed, the platform used, FUTAM, has been renewed in response to customer feedback to make it a more user-friendly tool.	Involvement of our employees Talent management Initiatives to eliminate the digital divide																									
GRI 405: Diversity and Equal Opportunity 2016																														
103 1-2-3	Management Approach	Diversity and Equal Opportunities (30)	https://www.telekom.hu/static-tr/sw/file/code-of-human-rights-socialprinciples-eng.pdf https://www.telekom.hu/static-tr/sw/file/mt-code-of-conduct.pdf https://www.telekom.hu/static-tr/sw/file/Telekom_diversity__equity_and_inclusion_group_policy.pdf https://www.telekom.hu/static-tr/sw/file/Telekom_Equal_opportunities_plan.pdf		Human rights, equal opportunities																									
405-1	Diversity of governance bodies and employees	Diversity and Equal Opportunities (30)			Human rights, equal opportunities																									
405-2	Ratio of basic salary and remuneration of women to men	Diversity and Equal Opportunities (30)		<div>Ratio of basic salary and remuneration of women to men</div> <table><tr><th></th><th>Top managers</th><th>Senior managers</th><th>Middle managers</th><th>Employees⁶</th><th>Specialists</th></tr><tr><td>Magyar Telekom Plc.⁶</td><td>103%</td><td>95%</td><td>93%</td><td>N/A</td><td>94%</td></tr><tr><td>Makedonski Telekom⁷</td><td>N/A</td><td>99.7%</td><td>91.4%</td><td>99.2%</td><td>101.4%</td></tr><tr><td>T-Systems Hungary⁶</td><td>N/A</td><td>93%</td><td>75%</td><td>N/A</td><td>96%</td></tr></table>		Top managers	Senior managers	Middle managers	Employees ⁶	Specialists	Magyar Telekom Plc. ⁶	103%	95%	93%	N/A	94%	Makedonski Telekom ⁷	N/A	99.7%	91.4%	99.2%	101.4%	T-Systems Hungary ⁶	N/A	93%	75%	N/A	96%	Human rights, equal opportunities	
	Top managers	Senior managers	Middle managers	Employees ⁶	Specialists																									
Magyar Telekom Plc. ⁶	103%	95%	93%	N/A	94%																									
Makedonski Telekom ⁷	N/A	99.7%	91.4%	99.2%	101.4%																									
T-Systems Hungary ⁶	N/A	93%	75%	N/A	96%																									
GRI 406: Non-discrimination 2016																														
103 1-2-3	Management Approach	Diversity and Equal Opportunities (30)	https://www.telekom.hu/static-tr/sw/file/code-of-human-rights-socialprinciples-eng.pdf https://www.telekom.hu/static-tr/sw/file/Telekom_Group_policy_on_employee_relations.pdf https://www.telekom.hu/static-tr/sw/file/mt-code-of-conduct.pdf https://www.telekom.hu/static-tr/sw/file/Telekom_diversity__equity_and_inclusion_group_policy.pdf https://www.telekom.hu/static-tr/sw/file/Telekom_Equal_opportunities_plan.pdf	Magyar Telekom Group's Code of Conduct and the Code of Human Rights and Social Principles are a summary of the corporate compliance requirements; these documents set out the common values of the Group and it is also the token of the strong position, reputation and successful future of Telekom. Everyone at Magyar Telekom Group must comply with these Codes from staff employees to the Board members. In addition to the employees the contracted partners of Magyar Telekom Group are also required to learn and accept these values when registering on the Company's procurement site. In order to effectively develop Magyar Telekom's Diversity and Equal Opportunities efforts. An anonymous employee survey measuring the diversity and inclusion culture of the company was conducted in 2018 January and repeated in 2020. According to the recent survey results from January 2020 based on the feedback of the employees, Telekom's perception as an open and inclusive workplace has improved in all areas affected by the action plan.	Human rights, equal opportunities																									
406-1	Incidents of discrimination and corrective actions taken			In 2021 the Office of the Competent Commissioner for Fundamental Rights (AJBH) initiated proceedings against Magyar Telekom Plc on one instance. The complaint that was issued by a customer on the grounds of violating equal opportunity treatment was closed upon dismissal of the complaint in 2022.	Human rights, equal opportunities																									
GRI 407: Freedom of Association and Collective Bargaining 2016																														
103 1-2-3	Management Approach	Stakeholders - Suppliers (43)	https://www.telekom.hu/static-tr/sw/file/code-of-human-rights-socialprinciples-eng.pdf https://www.telekom.hu/static-tr/sw/file/Telekom_Group_policy_on_employee_relations.pdf https://www.telekom.hu/static-tr/sw/file/mt-code-of-conduct.pdf https://www.telekom.hu/static-tr/sw/file/Telekom_diversity__equity_and_inclusion_group_policy.pdf https://www.telekom.hu/static-tr/sw/file/Telekom_Equal_opportunities_plan.pdf	Magyar Telekom Group has acknowledged the freedom of association and the right for collective bargaining in its Code of Human Rights and Social Principles. Magyar Telekom strives to maintain a dialogue and cooperation with employee representation bodies in the spirit of openness and trust. The Code of Human Rights and Social Principles and the long-standing relationship between Magyar Telekom's management and the employee representation bodies are the guarantee that the relevant rights are observed. The agreement, which can be terminated by either party with three months' notice, applies to all Magyar Telekom Plc. employees except the CEO, regardless of their union membership status. Wage terms in the collective bargaining agreement must be renegotiated annually. If the employment is terminated due to reasons related to the employer's operation, employees are entitled to a specific amount of severance pay surplus, which depends on the tenure of the employee. In addition to the collective bargaining agreement, employees of our Hungarian operations are generally covered by the Act I of 2012 on the Labor Code, which imposes various restrictions on the involuntary termination of employment. The Labor Code protects employee interests through two different labor organizations: the Trade Union and the Workers' Council. The Trade Union, as the official representative of employee interests in negotiations relating to the terms of employment, has the right to be informed of all corporate measures that may significantly affect the interests of employees and to commence legal action against the Company for employmentrelated conduct that infringes an employment rule. In addition, the Workers' Council directly represents employee interests in dealings with management and decides jointly with manageme on matters involving employee welfare funds and institutions. The Workers' Council must be informed semi-annually on issues affecting our economic performance and changes in wages, employment conditions and working hours. The Workers' Council must also be consulted on corporate measures affecting employees. We believe that our relations with our employees are good. We have not experienced any labor strikes or disruptions since our formation. The above rights, policies and practices are transparent to the employees, they are represented in relevant internal communication materials and intranet sites and the employee representation bodies also take part in their active promotion.	Sustainability in the supplier chain Supplier relations																									

⁶ Definition for employee category at Magyar Telekom HU: Top Managers: CEO and CxO; Senior managers: Leadership team members; Middle managers: CoEL, Chapter Lead, head of department (all other leader); Specialist: all employees who don't belong to the above categories.
⁷ Definition for employee category at Makedonski Telekom: Senior Managers (First Line Management/Supervisor): Unit heads / Team leaders / Supervisors; Middle Managers: Directors and Senior Heads; Employees: all other grade employees (L1, L2, L3 lower grade); Specialists: Expert / Senior professionals (Level L3 upper grade).
⁸ In 2021 the 'employee' category was merged with the 'specialists' category at Magyar Telekom Plc. and T-Systems Hungary Ltd., therefore no data is available in this category.

DISCLOSURE NUMBER	DISCLOSURE TITLE	CHAPTER IN SUSTAINABILITY REPORT 2022 (PAGE NUMBER)	URL	DIRECT ANSWER	RELATED MATERI-ALITY TOPICS	SASB CODE	SDG TARGET
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Stakeholders - Suppliers (43)		99,9% of the employment contracts of Magyar Telekom Plc. employees operating in Hungary fall under collective bargaining agreements (the CEO and Deputies are excluded from the scope of the Collective Agreement). 100% of the employment contracts of T-Systems Hungary employees operating in Hungary fall under collective bargaining agreements, the same ratio for Macedonian workers is 82.62% in 2022.	Sustainability in the supplier chain Supplier relations		
GRI 408: Child Labor 2016							
103 1-2-3	Management Approach	Stakeholders - Suppliers (43)	https://www.telekom.hu/static-tr/sw/file/mt-code-of-conduct.pdf https://www.telekom.hu/static-tr/sw/file/code-of-human-rights-socialprinciples-eng.pdf https://beszerzes.telekom.hu/beszerzes/portal/objects-beszerzes/doc/mukodesi_kodex_en.pdf	Magyar Telekom Group is an ICT company committed to respect and support human and social rights at all times in view of our tasks arising from technological development and digitalization. In line with the basic principles set out in the Code of Human Rights & Social Principles our company stands up for the protection of human rights as set forth in international human rights treaties, including the protection of freedom of speech and protection of the right for ones' own belief. Furthermore, the company rejects child labor, all types of forced or compulsory labor, and uses all measures to fight any kind of human trafficking and modern slavery. The definition of 'child labor' is defined in accordance with the ILO Minimun Age Convention, and the definition of 'forced labor' is defined in accordance with the ILO Forced Labor Convention (No. 29)and the Abolition of Forced Labor Convention. (No. 105)	Sustainability in the supplier chain Supplier relations Regulatory compliance Corporate compliance		
408-1	Operations and suppliers at significant risk for incidents of child labor	Stakeholders - Suppliers (43)	https://www.telekom.hu/about_us/sustainability/sustainability-strategy/sustainable-supplier-chain-management-process https://beszerzes.telekom.hu/beszerzes/portal?appid=-beszerzes&page=szallitoinknak/kornyezetvedelem/fooldalvm	Deutsche Telekom Group as our parent company is responsible for the maintenance and supervision of compliance of global suppliers through monitoring and audits. For further information of the method of classification of global suppliers and the relevant results, please visit the indicated website.	Sustainability in the supplier chain Supplier relations Regulatory compliance Corporate compliance Human rights, equal opportunities		 
GRI 409: Forced or Compulsory Labor 2016							
103 1-2-3	Management Approach	Stakeholders - Suppliers (43)	https://www.telekom.hu/static-tr/sw/file/Code_of_conduct.pdf https://www.telekom.hu/static-tr/sw/file/code-of-human-rights-socialprinciples-eng.pdf https://www.telekom.hu/about_us/sustainability/sustainability-strategy/sustainable-supplier-chain-management-process https://beszerzes.telekom.hu/beszerzes/portal?appid=-beszerzes&page=szallitoinknak/kornyezetvedelem/fooldalvm	Magyar Telekom Group is an ICT company committed to respect and support human and social rights at all times in view of our tasks arising from technological development and digitalization. In line with the basic principles set out in the Code of Human Rights & Social Principles our company stands up for the protection of human rights as set forth in international human rights treaties, including the protection of freedom of speech and protection of the right for ones' own belief. Furthermore, the company rejects child labor, all types of forced or compulsory labor, and uses all measures to fight any kind of human trafficking and modern slavery. Beyond this process, the company is aware that it is sometimes difficult to distinguish between right and wrong. In order to help employees make the right decision, secure internal channels managed by the corporate compliance area are available to employees. Employees can contact Magyar Telekom's "Kérdezz!" ("Ask me!") line whenever they have a question or concern, or are unsure of the right thing to do in any situation. Employees can make complaints and comments about abuse and misconduct on Magyar Telekom's Tell me! line or on the Tell me! line managed by the Deutsche Telekom Group, while from summer 2022 the Group will also use a platform managed by an external service provider in order to fully comply with the new EU Whistleblowing Directive. The main guidelines for the investigation of complaints and observations reported on abuse and misconduct, as well as the corporate guidance on the process, are available on the company's internal staff platform. The key aspects of the policy are anonymity, confidentiality and the protection of personal security.	Sustainability in the supplier chain Supplier relations Regulatory compliance Corporate compliance Human rights, equal opportunities		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Stakeholders - Suppliers (43)	https://www.telekom.hu/about_us/sustainability/sustainability-strategy/sustainable-supplier-chain-management-process https://beszerzes.telekom.hu/beszerzes/portal?appid=-beszerzes&page=szallitoinknak/kornyezetvedelem/fooldalvm	Deutsche Telekom Group as our parent company is responsible for the maintenance and supervision of compliance of global suppliers through monitoring and audits. For further information of the method of classification of global suppliers and the relevant results, please visit the indicated website.	Sustainability in the supplier chain Supplier relations Regulatory compliance Corporate compliance Human rights, equal opportunities		
GRI 410: Security Practices 2016							
103 1-2-3	Management Approach		http://www.telekom.hu/static-tr/sw/file/Code_of_Ethics.pdf https://www.telekom.hu/static-tr/sw/file/Code_of_conduct.pdf https://www.telekom.hu/static-tr/sw/file/code-of-human-rights-socialprinciples-eng.pdf		Occupational health and safety Human rights, equal opportunities Regulatory compliance		
410-1	Security personnel trained in human rights policies or procedures		http://www.telekom.hu/static-tr/sw/file/Code_of_Ethics.pdf https://www.telekom.hu/static-tr/sw/file/Code_of_conduct.pdf https://www.telekom.hu/static-tr/sw/file/code-of-human-rights-socialprinciples-eng.pdf	Security personnel employed by the company also participated in the compulsory human rights e-Training of all Magyar Telekom Group employees in 2018. The training became an element of the compulsory employee training portfolio as of 2018. As partners of Magyar Telekom they are too obliged to thoroughly comprehend and comply with the contents of Magyar Telekom Group Code of Business Conduct and Ethics and the code of Human Rights and Social Principles.	Occupational health and safety Human rights, equal opportunities Regulatory compliance		
GRI 411: Rights of Indigenous Peoples 2016							
103 1-2-3	Management Approach			In Hungary there is no adequate denotation of the group 'Indigenous Peoples'.			
411-1	Incidents of violations involving rights of indigenous peoples			In Hungary there is no adequate denotation of the group 'Indigenous Peoples'.			

DISCLOSURE NUMBER	DISCLOSURE TITLE	CHAPTER IN SUSTAINABILITY REPORT 2022 (PAGE NUMBER)	URL	DIRECT ANSWER	RELATED MATERIALITY TOPICS	SASB CODE	SDG TARGET
GRI 412: Human Rights Assessment 2016							
103 1–2–3	Management Approach	Diversity and Equal Opportunities (30) Stakeholders - Suppliers (43)	https://www.telekom.hu/static-tr/sw/file/Code_of_conduct.pdf https://www.telekom.hu/static-tr/sw/file/code-of-human-rights-socialprinciples-eng.pdf https://www.telekom.hu/static-tr/sw/file/Telekom_Equal_opportunities_plan.pdf https://www.telekom.hu/static-tr/sw/file/Telekom_Group_policy_on_employee_relations.pdf		Sustainability in the supplier chain Supplier relations Regulatory compliance Corporate compliance Human rights, equal opportunities		
412–1	Operations that have been subject to human rights reviews or impact assessments	Diversity and Equal Opportunities (30) Stakeholders - Suppliers (43)	https://www.telekom.hu/static-tr/sw/file/Telekom_Equal_opportunities_plan.pdf	As a member of Deutsche Telekom Group, Magyar Telekom Group fulfills its obligation to provide an annual Human Rights & Social Performance Report confirming its observance of the principles of the Code of Human Rights and Social Principles. Following the practice Magyar Telekom Group has declared its full conformity with the ten basic principles of Deutsche Telekom's Code of Human Rights and Social Principles for the year 2022 relevant to all its Hungarian operations.	Sustainability in the supplier chain Supplier relations Regulatory compliance Corporate compliance Human rights, equal opportunities		
412–2	Employee training on human rights policies or procedures			As a tribute to the 70th anniversary of the Universal Declaration of Human Rights and in compliance with the Code of Human Rights and Social Principles renewed in 2017, all employees of Magyar Telekom Plc. and T-Systems together with their external workforce involved in brand representation participated in a compulsory human rights e-Learning training in 2018. The online training points to relevant human rights issues, regulations, complaint handling and whistleblowing options that might come up within the employment, sourcing, operational and distributional processes of the company group. The e-Learning material has become part of the compulsory employee e-Learning course portfolio of the company as of 2018 and remained to be a mandatory course to all new entrants in 2022 as well..	Involvement of our employees Regulatory compliance Corporate compliance Human rights, equal opportunities		
412–3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Stakeholders - Suppliers (43)	https://beszerzes.telekom.hu/beszerzes/portal/objects-beszerzes/doc/szallitoi_mukodesi_kodex_ENG.pdf https://www.telekom.hu/static-tr/sw/file/Code_of_conduct.pdf https://www.telekom.hu/static-tr/sw/file/code-of-human-rights-socialprinciples-eng.pdf	The warranty statement is a compulsory element of the suppliers contracts (100%). Both the suppliers and sponsorship contract sample includes the relevant elements for the declaration of respecting of human rights, and these elements are also part of the Suppliers Code of Conduct.	Sustainability in the supplier chain Supplier relations Regulatory compliance Corporate compliance Human rights, equal opportunities		
GRI 413: Local Communities 2016							
103 1–2–3	Management Approach	Stakeholders (40)					
413–1	Operations with local community engagement, impact assessments, and development programs	Stakeholders - Local communities (50)					
413–2	Operations with significant actual and potential negative impacts on local communities			In some cases of network development processes the physical construction of the network might cause temporary inconvenience to residents.		TC-TL-520a.2	 
GRI 414: Supplier Social Assessment 2016							
103 1–2–3	Management Approach	Stakeholders - Suppliers (43)			Sustainability in the supplier chain Supplier relations		
414–1	New suppliers that were screened using social criteria	Stakeholders - Suppliers (43)			Sustainability in the supplier chain Supplier relations		  
414–2	Negative social impacts in the supply chain and actions taken	Stakeholders - Suppliers (43)		Magyar Telekom has not terminated any contracts with any of its suppliers with reference to negative environmental impacts in 2022.	Sustainability in the supplier chain Supplier relations		  

DISCLOSURE NUMBER	DISCLOSURE TITLE	CHAPTER IN SUSTAINABILITY REPORT 2022 (PAGE NUMBER)	URL	DIRECT ANSWER	RELATED MATERI-ALITY TOPICS	SASB CODE	SDG TARGET
GRI 415: Public Policy 2016							
103 1–2–3	Management Approach			<p>Magyar Telekom Group is involved in shaping public politics indirectly, through its representation organizations, in such a way that the representation organizations, in compliance with the effective regulation, are given the opportunity to comment draft laws and industry-specific strategies. The ministries and authorities supervising the industry pass the relevant regulations to the representation organizations, which synthesize the opinions received from the member companies and submit a summary to the relevant ministries. Such regulation commenting procedures are implemented most of all through the Telecommunication Reconciliation Council (HÉT); in some cases the Scientific Association for Infocommunications (HTE); the Joint Venture Association, the American Chamber of Commerce (AmCham), the German-Hungarian Chamber of Industry and Trade, the Association of IT Enterprises, the Communication Interest Conciliation Council.</p> <p>HÉT is the dedicated consultation partner of the telecommunication industry in respect of the Digital Success Program (DJP) – the former Digital National Development Program (DNFP) – launched as a result of the InternetKon national consultation that determined the future of the domestic internet market. During the planning and implementation of the government decree, issued to ensure the implementation of the DJP, the HÉT represents the standpoint of the industry.</p>	Corporate compliance Regulatory compliance		
415–1	Political contributions		<p>https://www.telekom.hu/static-tr/sw/file/mt-code-of-conduct.pdf</p> <p>https://www.telekom.hu/about_us/about_magyar_telekom/principles/compliance</p> <p>https://www.telekom.hu/about_us/about_magyar_telekom/principles</p>	The Magyar Telekom Group is a member of domestic and international industry industry advocacy organizations, which provides it with the opportunity to share its views on strategy issues with market participants, government institutions and regulatory organizations, which fully complies with the requirements of the detailed rules of the Magyar Telekom Code of Conduct [2.10].	Corporate compliance Regulatory compliance		
GRI 416: Customer Health and Safety 2016							
103 1–2–3	Management Approach	Stakeholders - Customers (45)	<p>http://www.telekom.hu/about_us/society_and_environment/society/health_and_safety</p> <p>https://www.telekom.hu/about_us/society_and_environment/society/protection_of_our_children</p>				
416–1	Assessment of the health and safety impacts of product and service categories			Magyar Telekom did not identify such impacts.	Safe use of mobile phones, electromagnetic fields Customer satisfaction Regulatory compliance		
416–2	Incidents of non-compliance concerning the health and safety impacts of products and services			The number of health and safety incidents regarding products and services, involving disorderly operating equipment or the breach of internal policies were as follows: penalty or fine due to disorderly operation of equipment: 0 warning due to disorderly operation of equipment: 0 internal warning due to disorderly operation of equipment: 0	Safe use of mobile phones, electromagnetic fields Customer satisfaction Regulatory compliance		
GRI 417: Marketing and Labeling 2016							
103 1–2–3	Management Approach	Our Approach - Sustainability Strategy (5) Climate and Environment Protection (9) Dititalization (21) Stakeholders (40)	<p>http://www.telekom.hu/lakossagi/english</p> <p>http://www.telekom.hu/lakossagi/english/plans/mobile</p> <p>https://www.telekom.hu/lakossagi/english/plans/phonei</p> <p>https://www.telekom.hu/uzleti/main</p> <p>http://www.t-systems.hu</p> <p>http://www.kitchenbudapest.hu/hu/kibu/projects/</p> <p>http://www.kalasznethu/ (only in Hungarian)</p> <p>http://www.telekom.mk/en/?z=222</p>	<p>Magyar Telekom Group is making ongoing efforts to simplify its propositions as much as possible and to make them available to the widest possible scope of customers. We offer detailed information about the services and tariff packages of Magyar Telekom Plc.'s business units, and information about the services of our most important member companies on the listed websites. Customers can inquire about Telekom tariff packages and services or even request modifications 24 hours a day through the consumer customer service call center, which can be called toll free from Telekom's Hungarian mobile network at 1414 or the 1777 (Domino pre-paid center) number. We have made Telekom website more user-friendly, among others by highlighting search keywords and developing the webshop service to enable quick and simple purchase. The services are available on the following website: http://www.telekom.hu/lakossagi/szolgaltatasok/mobil . The integrated servicing of T-Systems customers is provided through the 1400 telephone number and the TS_ugyfelkapcsolat@t-systems.hu e-mail address.</p> <p>Magyar Telekom considers it as high priority to communicate its advertisements to the existing and prospective consumers in compliance with the relevant regulations. We take all measures necessary to ensure that our advertisements deliver our proposals accurately and clearly, excluding any deception. In view of the above, compliance with the consumer protection and GVH (Competition Office) guidelines, and checking regulatory compliance are important requirements of the work processes of producing advertisements is a crucial part of our advertising operations. We convey our proposals to everyone by using the greatest number of communication tools possible and with maximum exploitation of the possibilities offered by the given media. In this way we allow our audience to receive thorough information to be able to make carefully contemplated and responsible decisions</p> <p>In connection with the changed life situations due to the COVID epidemic, digitalization has received more emphasis in everyday life: working from home, online learning, online administration, and contact with the digital space. We also tried to emphasize this in our communication, campaigns and advertisements and helped our clients.</p>	Customer satisfaction Corporate compliance Environmental targets, costs and compliance Innovation for sustainability ICT for sustainability		
417–1	Requirements for product and service information and labeling	Climate and Environment Protection (9) Stakeholders (40)			Corporate compliance Environmental targets, costs and compliance		
417–2	Incidents of non-compliance concerning product and service information and labeling			The Company did not identify such incidents.	Corporate compliance Environmental targets, costs and compliance	TC-TL-220a.3.	

DISCLOSURE NUMBER	DISCLOSURE TITLE	CHAPTER IN SUSTAINABILITY REPORT 2022 (PAGE NUMBER)	URL	DIRECT ANSWER	RELATED MATERI-ALITY TOPICS	SASB CODE	SDG TARGET
417–3	Incidents of non-compliance concerning marketing communications			The Hungarian Competition Authority (GVH) did not take any legal action against Magyar Telekom in 2022 for breaching the rules prohibiting unfair commercial practices against consumers.	Corporate compliance Environmental targets, costs and compliance	TC-TL-520a.1	
GRI 418: Customer Privacy 2016							
103 1–2–3	Management Approach	Stakeholders - Data Protection (51)	https://www.telekom.hu/rolunk/adatvedelem		Data protection		
418–1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Stakeholders - Data Protection (51)		2022-ben is érkeztek a Nemzeti Adatvédelmi és Információszabadság Hatóságtól, illetve közvetlenül az ügyfelektől is megkeresések, panaszok, amelyeket a Magyar Telekom minden esetben kivizsgált, és a vizsgálat eredményéről tájékoztatta a panaszos ügyfelet, illetve a Nemzeti Adatvédelmi és Információszabadság Hatóságot. A panaszok kivizsgálásához kapcsolódóan az érintett folyamatainkat a panaszok okának feltárását követően felülvizsgáljuk, és amennyiben szükséges, megfelelően módosítjuk, illetve tovább fejlesztjük. 2022-ben két, személyes adatok kezelésével kapcsolatos adatvédelmi hatósági vizsgálat és egy hatósági eljárás indult, és egyik 2022-ben zárult eljárás sem járt bírság kiszabásával. A Magyar Telekom rendelkezik ISO 27001 Információbiztonság Irányítási rendszerrel	Data protection	TC-TL-220a.1 TC-TL-230a.1 TC-TL-230a.2	
GRI 419: Socioeconomic Compliance 2016							
103 1–2–3	Management Approach		https://www.telekom.hu/about_us/about_magyar_telekom/principles/compliance https://beszerzes.telekom.hu/beszerzes/portal_en?appid=beszerzes&page=english/main.vm	The Management and Board of Magyar Telekom Group (hereinafter “Magyar Telekom” or “Group”) are unanimous in their commitment that the Group will conduct all business activities in accordance with the highest legal and ethical standards. In support of this commitment the Magyar Telekom Corporate Compliance Program has been developed to create an internal culture where ‘Respect and Integrity’ is one of the most crucial values. The Compliance Program is enacted at all members companies of the Group where Magyar Telekom has effective control. The Compliance Program applies to all bodies, organizations, directors, officers and employees of the Magyar Telekom Group, as well as to consultants, agents, representatives, and all other persons or bodies who carry out work on behalf of any company within the Group. Additionally, we expect our business partners, suppliers and customers to aid us in this effort by acting in a similarly ethical manner. As such, certain aspects of the Compliance Program, apply not just to Magyar Telekom Group employees, but also to third parties with whom we do business. The Compliance Program has been designed to ensure that the Group conducts its business to the highest standards of awareness, transparency, accountability, commitment, and adherence to applicable laws and regulations. To do so requires the implementation of policies and procedures that address potential compliance risk areas together with identifiable mechanisms for reporting, investigating, monitoring, and correcting cases of suspected or actual non-compliance. The elements of Compliance Program is continuously tailored to the changes in the business sector, location of operation, business circumstances, culture and risks, international best practices. The Compliance Program is reflected in the Code of Conduct which is accepted internally by all employees, and by all suppliers through Magyar Telekom Procurement Intranet site. The Group Compliance Officer is responsible for operation and monitoring the Compliance Program.	Corporate compliance Regulatory compliance Addressing legal and ethical aspects of content service provision		
419–1	Non-compliance with laws and regulations in the social and economic area			Magyar Telekom uses its best efforts to fulfill its obligations in accordance with the effective laws. In order to prevent potential authority penalties and sanctions the Company always strives to ensure Magyar Telekom’s compliance with the effective laws and manage conflicts – besides harmonizing processes and IT systems with the amendment of laws - with continuous personal consultation, agreements concluded with the authorities and retroactive settlement plans set out in undertakings, made in the form of declarations. In 2022 the National Media and Info-Communications Authority (NMHH) conducted several individual complaint and general/overall market supervision proceedings against the Company. Within the frame of general market supervision proceedings the authority imposed 21,1 million HUF. The District Offices of the Government Offices, as the authorities responsible for consumer protection supervision, also conducted several investigations against Magyar Telekom in 2022, with fines totalling 4.6 million HUF. Our clients have used the services of alternative dispute resolution fora, in relation to which there were a total of 66 cases handled with the assistance of the Media and Communications Commissioner, and 337 cases in which dispute resolution plenums provided assistance.	Corporate compliance Regulatory compliance Addressing legal and ethical aspects of content service provision		

The Magyar Telekom has prepared Sustainability report in 2022 in accordance with the GRI Standards (Comprehensive) and in accordance of the SASB (Sustainable Accounting Standards Board) requirements. For each indicator, we have indicated which chapter(s) provide information

SASB indicators:		Activity metric:		
TC-TL-130	Environmental Footprint of Operations	TC-TL-000.A	Number of wireless subscribers	5 425 433
TC-TL-220	Data Privacy	TC-TL-000.B	Number of wireline subscribers	3 857 733
TC-TL-230	Data Security	TC-TL-000.C	Number of broadband subscribers	1 298 825
TC-TL-440	Product End-of-life Management	TC-TL-000.D	Network traffic (petabytes)	Our advanced network carries more than 16 petabytes of traffic on an average business day in 2022.
TC-TL-520	Competitive Behavior & Open Internet			Magyar Telekom Plc. is not able to provide further breakdown of this data as requested, as it is proprietary and confidential.
TC-TL-550a.1	Managing Systemic Risks from			
TC-TL-550a.2	Technology Disruptions			

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

COMPLIANCE WITH THE PRINCIPLES OF THE UN GLOBAL COMPACT

On May 6, 2009 the company joined the UN Global Compact Initiative and its 10 principles in the areas of human rights, labor, environment and anti-corruption.

The Report complies with the principles set forth by the UN Global Compact, and is also to be considered as Magyar Telekom Group’s Communication on Progress Report.

The following table shows the occurrence of information in the report relating to the principles.

GLOBAL COMPACT PRINCIPLES	CHAPTER
1. Support and respect the protection of internationally proclaimed human rights	Stakeholders - Suppliers Diversity and Equal Opportunities
2. Make sure that they are not complicit in human right abuses	Stakeholders - Suppliers Diversity and Equal Opportunities
3. The freedom of association and the effective recognition of rights to collect bargaining	GRI Content Index (GRI 407)
4. The elimination of all forms of forced and compulsory labour	GRI Content Index (GRI 409)
5. The effective abolition of child labour	GRI Content Index (GRI 408)
6. The elimination of discrimination in respect of employment and occupation	Our Approach Stakeholders - Suppliers Diversity and Equal Opportunities
7. Support a precautionary approach to environmental challenges	Our Approach Climate protection Stakeholders - Suppliers
8. Undertake initiatives to promote greater environmental responsibility	Our Approach, Stakeholders
9. Encourage the development and diffusion of environmentally friendly technologies	Our Approach Climate- and Environmental protection Digitalization
10. Work against corruption in all its forms, including extortion and bribery	Stakeholders - Suppliers GRI Content Index (GRI 205)

LIST OF ABBREVIATIONS

ABBREVIATION	FULL NAME	ABBREVIATION	FULL NAME
ACP	Act on Criminal Procedures	DT	Deutsche Telekom
AG	Aktiengesellschaft (Company limited by shares)	E2E	End-to-end testing
AGV	Automated Guided Vehicle	ÉFOÉSZ	Hungarian Association for Persons with Intellectual Disability
AIB	Allied Irish Banks	EHS	Environmental, Health és Safety
AOSZ	National Association of autism	EMF	Electromagnetic Fields
BCM	Business Continuity Management System	ÉOFÉSZ	National Association for the Protection of the Interests of People with Intellectual Disabilities and Their Assistants
BREEAM	Building Research Establishment Environmental Assesment Method	ERP	enterprise resource planning
CAPEX	Capital expenditures	ESG	Environmental Social Governance aspects
CDP	Carbon Disclosure Project	ESzCsM	Ministry of Health, Welfare and Family Affairs
CEERIUS	Central and Eastern European Responsible Investment Universe	ETNO	European Telecommunications Network Operators' Association
CEO	chief executive officer	EU	European Union
CER	Certified Emmission Reduction	FTSE4GOOD	Financial Times Stock Exchange sustainability index
CES	customer effort score	GB	Gigabyte
CEX	Complete Entertainment eXchange	GBit	gigabit (106 bit)
CO	carbon monoxide	GDPR	General Data Protection Regulation
CO ₂	carbon dioxide	GEI	Gender Equality Index
CO _{2e}	carbon dioxid equivalence	GeSI	Global e-Sustainability Initiative
CPE	Customer Premise Equipment	GHG	Green House Gases
CPEx	Customer Profile Exchange	GJ	giga Joule
CPO	Chief Financial Officer	GmbH	Gesellschaft mit beschränkter Haftung
CV	Curriculum Vitae	GoO	Guarantee of Origin
DE&I	Diversity, Equal Opportunity and Inclusion	GPON	Gigabit Passive Optical Network
DNFP	Digital National Development Program	GRI	Global Reporting Initiative

ABBREVIATION	FULL NAME	ABBREVIATION	FULL NAME
GSM	Global System for Mobile Communication	ITM	Ministry of Innovation and Technology
GTC	General Contract Terms and Conditions	ITU	International Telecommunication Union
GVH	Hungarian Competition Authority	IUCN	International Union of Conservation of Nature
GWh	gigawatt-hour	IVSZ	ICT Association of Hungary
GYED/GYES	Employees on maternity leave or childcare benefit	JAC	Joint Audit Cooperation
HLBF	Hungarian Business Leaders Forum	JVSZ	Joint Venture Association
HÉT	Telecommunication Reconciliation Council	Kft.	limited liability company
HGW	digital distribution device	kg	kilogramm
HQ	Headquarters	km	kilometer
HR	Human Resources	KPI	key performance indicators
HTE	Scientific Association for Infocommunications	kWh	kilowatt-hour
HUF	Hungarian Forints	L	litre
HUF M	million forints	LLC	limited liability company
ICCA	International Congress and Convention Association	LS	Leadership Squad
ICNIRP	International Commission on Non-Ionising Radiation Protection	Ltd.	private company limited by shares
ICT	Information and communication technology	LTE	long term evolution
ICS	Internal Control System	M	million
ID	identification card	m ³	cubic metre
ILO	International Labour Office	MASIT	Macedonian IT Chamber
IoT	internet of things	Mbit	Megabit
IPCC	Intergovernmental Panel on Climate Change	MEBIR	Occupational Health and Safety Management System
ISO	International Organization for Standardization	MEOSZ	National Federation of Disabled Persons' Associations
ISS	Institutional Shareholder Services	MHz	megahertz
IT	Information Technology	MNO	Mobile Network Operator

LIST OF ABBREVIATIONS

ABBREVIATION	FULL NAME	ABBREVIATION	FULL NAME
MSCI	Morgan Stanley Capital International	PSTN	Public Switched Telephone Network
MT	Magyar Telekom	Ptk.	Civil code / Polgári Törvénykönyv
MVGYOSZ	Hungarian Federation of the Blind and Partially Sighted	PV	photovoltaic system
MWh	megawatt-hour	Q&A	question and answer
NAIH	National Authority for Data Protection and Freedom of Information	R&D	Research and Development
NAV	National Tax and Customs Administration of Hungary	RADMAN	personal radiation detector
NG ICCA	Next Generation International Customer Contact Analysis	RPF	Reverse-path forwarding
NGO	Non Governmental organization	RTLS	Real Time Locating System
NMHH	National Media and Infocommunications Authority	SAR	Specific Absorption Rate
NOx	nitrogen-oxide	SAT	Satellite
NPS	Net Promoter Score	SBP	Share benefit program
NSS	Net Satisfaction Score	SBTi	Science Based Target initiative
ODS	ozone-depleting substances	SC	Sustainability Committee
OECD	Organisation for Economic Co-operation and Development	SDG	Sustainable Development Goals
OGYÉI	National Institute of Pharmacy and Nutrition	SI	System Integrator
OPEX	operating expenses	SLA	Service Level Agreement
OSS/BSS	Operations Support System / Business Support System	SMB	Small and medium-sized business
PDH	Pleziokron digitális hierarchia	SME	Small and medium-sized enterprises
Plc.	(Plc.) public limited company	SNOC	Service and Network Operations Center
PoC	Proof of Concept	SOHO	Small office home office
PSL system	Related on the network-based real estate assets and the tool area of the technology area	SOx	Sulfur oxide

ABBREVIATION	FULL NAME	ABBREVIATION	FULL NAME
STEM	Science, Technology, Engineering, Mathematics	UMTS	Universal Mobile Telecommunications System
SZIP	SuperFast Internet Program	UN	United Nations
T	ton	UNEP	United Nations Environmental Programme
T-Labs	Telekom Innovation Laboratories	UNFCCC	United Nations Framework Convention on Climate Change
TCFD	Task Force on Climate related Financial disclosure	UX/UI	User Experience / User Interface
tCO ₂	total carbon dioxide	WCAG	Web Content Accessibility Guidelines
TRI*M Index	a standardized indicator system to explore customer satisfaction and customer loyalty	WHO	World Health Organization
TSM	T-Systems Hungary	WHOIARC	International Agency for Research on Cancer

IMPRINT

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