



SUSTAINABILITY REPORT 2023



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LETTER FROM THE CEO

Dear Reader,

Green energy in the middle of the desert, pedestrian-friendly cities, solar trucks, urban forests. Just a few positive sustainability initiatives from around the world, all proving that wherever we live, we all need to do our part to save the planet. When it comes to sustainability, especially as a big business, we cannot point fingers at each other and say „as long as he doesn't do anything, I won't either". Magyar Telekom, as a responsible market player, knows that although there are many changes and uncertainties in the world, sustainability-related tasks should never slip to the bottom of the to-do list. We acted in this spirit in 2023 and will continue to do so in the years to come, and it is along this principle that I share with you now what steps Magyar Telekom is taking to assume responsibility for the protection of our environment and society.

In our constantly changing world, the key to success and sustainable operation is to react and adapt as quickly as possible. And in 2023, there was no shortage of changes and challenges. Just think of the dramatic rise in energy prices affecting all market players while meeting ever-increasing energy demands.

Continuous change therefore requires continuous adaptation. In this spirit, we renewed our sustainability strategy in 2023, but our three pillars - climate protection, digitalisation and an inclusive and diverse workplace - remain unchanged, as does our commitment to remaining one of the leading companies in Hungary in the field of sustainability.

We remain determined on climate action. All of our Group's electricity use, including in our data centres, has been sourced exclusively from renewable energy since 2021 and we are now in our ninth year of offsetting our scope 1 and 2 emissions. Our next step is to expand our own (onsite) renewable energy capacity.

We are also constantly looking for areas where we can do more to improve energy efficiency. To this end, in 2023, we tested a proprietary energy management solution at our headquarters in Budapest, which has helped us to achieve significant energy savings.

The circular economy is the second important element of our climate ambition, and in 2023 we made it a priority. As the first service provider in Hungary, we are now offering our customers not only new devices, but also fully refurbished ones, ensuring that we can meet the needs of our residential and business customers who are also striving for a more material-efficient and circular economy. However, we do not stop here. In line with our parent company's ambitions, we are exploring our opportunities to be at the forefront of the circular economy by 2030.

We also made significant progress in digitalisation over the past year. We continued our network modernisation programme, which brought the number of gigabit-enabled access points to more than 3.6 million across the country by the end of 2023. In the coming years, we will increase this even further: our goal is to provide gigabit-enabled access to 4.5 million households and businesses by 2027.

The fastest possible roll-out of 5G is essential for Hungary's digitalisation. We are committed to ensuring 99% population coverage of 5G by 2026. I am proud that, thanks to the dedicated and efficient work of our employees, this figure already exceeded 65% in 2023. At Magyar Telekom, we prioritise not only infrastructure but also the digital skills development of people, because we are convinced that everyone can benefit from digitalisation. It is in this spirit that we launched our Hello Business and Hello Parent platforms and Nettlevalók programme.

The employees of Magyar Telekom Group are the key to the implementation of our sustainability strategy, which is why it is of paramount importance for us to provide an inclusive and accepting work environment for all our colleagues.

We are continuously working to deliver our commitment to provide 100% accessible customer experience and services to our customers by 2030. As an important step towards this, in 2023, we made KONTAKT sign language interpretation services available free of charge in 29 of our designated stores and our call centre nationwide, in partnership with the Hungarian Association of the Deaf and Hard of Hearing.

Our work towards sustainability continues to be guided by the objectives of the UN Global Compact and the Sustainable Development Goals (SDGs). In order to provide investors and value chain partners with an accurate and detailed picture of Magyar Telekom Group's climate protection activities, we have been reporting annually to the CDP (formerly Carbon Disclosure Project) online platform since 2010. Thanks to the expertise and dedication of our staff, we achieved an A- rating again in 2023, despite the increasingly stringent requirements. The CDP's increasingly demanding requirements have played and continue to play a role in the development and continuous improvement of our new sustainability strategy, too.

I am proud that our sustainability activities and achievements in 2023 were also recognised by the Budapest Stock Exchange (BSE): Magyar Telekom Plc. won the Best of BSE Award in the category of Responsibility, Sustainability, Responsible Corporate Governance.

I firmly believe that our renewed sustainability strategy will enable us to provide real answers to real problems in this different and ever-changing environment. But one thing will certainly remain the same: our commitment to sustainability, to the continued improvement and progress on this path. I hope that Telekom can serve as an example and inspiration for others to take on this responsibility in their own areas.

Budapest, April 16 2024



RÉKASI TIBOR
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