



6.

CORPORATE CITIZENSHIP

6.1	Sponsoring	47
6.2	Community investments	48
6.3	Our employees and social responsibility	50

6.1 SPONSORING

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

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

Magyar Telekom has been the committed supporter of the Hungarian sport life for decades, and considers sport a cornerstone of its sponsoring strategy. The Company is proud to have contributed to many prominent international sport success as a sponsor. Part of its support was its sponsorship of the Hungarian team and the Hungarian Olympic Committee (HOC) in the 1996 Olympic Games in Atlanta, and later in Sydney, Athens, Beijing and London, too.



As another important element of the sport sponsoring strategy Magyar Telekom is the main sponsor of Ferencvárosi Torna Club's football team, one of the most prestigious and internationally successful Hungarian teams, but also supports the development of the Hungarian football player succession program.



Until 2016 Telekom, throwing in a broad array of its telecommunication services, promotes the attainment of the goals of the HOC and the preparation of Hungarian athletes for the Rio de Janeiro Olympic Games as platinum sponsor and supported the HOC's logo design contest for the bid for the organization of the Olympic Games in 2024 in Budapest.

As the most loyal sponsor of the MVM Veszprém handball team the company has been sponsoring the club for 18 years thereby contributing to the success of the world-elite club, like playing in the Champion's League finals or winning the SEHA league. In November, 2015 we extended the term of our cooperation agreement with the MVM Veszprém handball team. Magyar Telekom believes that such world-class achievements and accomplishments significantly help promoting sports and a healthy life style among young people.

Telekom also finds it important to support mass sports and has been sponsoring the Telekom Vivicitá city run where - besides professional sportsmen - a lot of amateurs and families take part to popularize sports and leading an active life style.



Magyar Telekom is also a sponsor of big summer festivals in Hungary, like the VOLT in Sopron, the Balaton Sound, the Sziget festival, the Campus and the EFOTT. In relation to sponsoring festivals we revised some of our BTL activities and realized them together with the organizers in order to reduce our energy consumption both in terms of human resources (i.e. traveling and number of hostesses) and assets. As a result we mainly support the events with our info-communi-



As the committed sponsor of the Hungarian Swimming Association, Magyar Telekom supported Hungary's successful application for the organization of the 2017 FINA world championship in Budapest.

cation devices and services while observing sustainability considerations. We called all our partners' attention that it is essential to perform their work in accordance with all three pillars of sustainability.

Similarly to the reduction of our trucks' mileage we successfully reduced the use of paper: the majority of our formerly printed documents (e.g. regulations, promotion material) was released in a digital form. Almost 80% of the furniture that we used in festivals were recycled items: they were built from old palettes and used interior-design elements of Telekom shops.

At **Makedonski Telekom** in 2015, music, sports and culture were our focus when it comes to sponsorship. With its support, Makedonski Telekom continued the cooperation with the best handball and football club of Macedonia „Vardar „ and became the general sponsor of the Business league in football – now called Telekom Business League. Furthermore, it traditionally supported the Ohrid Swimming Marathon, which has grown into a top sport

Our close cooperation with the organizers of festivals helped us to optimize the number of trucks used to manage the logistics of our BTL activities and transport of brand tools to festivals without unnecessary trips, thereby we managed to reduce carbon dioxide emission.

event, and it was also part of the Macedonian Distance Swimming Cup.

Besides sports, the Macedonian company also supports their most popular musicians as well as the most recognized music events. For many years they are partners with the one and only Skopje Jazz Festival and in 2015 we started our partnership with Karolina, Elena and Adrijan Gaxha – famous Macedonian music stars. In 2015, the company also supported the most important cultural events: Ohrid summer festival, Struga Poetry Evenings, Novel of the Year, Buskerfest, Skopje Street Festival, the children film festival „Giffoni“ and many others.

Crnogorski Telekom's sponsoring platform focuses on sports, music and culture – which is perfect for underlining our brand promise “Life is for sharing” and providing a wide range of memorable moments to share.

Within **Crnogorski Telekom's** sponsorship strategy, sports have a special place since this is an important area for developing a healthy, modern and advanced society. The company is the golden sponsor of the Montenegrin national football team and a general sponsor of the Telekom Montenegrin Football First League. Additionally, in 2015 Telekom supported and sponsored Budu nost Basketball Club.

Music is one of the main areas within Crnogorski Telekom's sponsorship strategy since music is considered to be the universal language for all generations. It sponsored numerous musical events and activities in 2015. The company partnered with organisations across Montenegro and supported the Southern Soul Festival in Ulcinj, Sea Dance in Budva and After Beach Parties along the Montenegrin coast. In September 2015, with the support of Deutsche Telekom, Crnogorski Telekom organised Electronic Beats, a festival of electronic music in Podgorica.

In the field of culture, Crnogorski Telekom was sponsor of FIAT, the festival of alternative theatre in Podgorica.



Festivalgoers at VOLT



Balaton Sound

6.2 COMMUNITY INVESTMENTS

Development of communities, consciousness forming

Telekom Smart Digital Program: digital education for children and adults

We do believe that as a responsible large corporation we do not only have to provide services but also help their use and bridge the digital gap between certain areas of Hungary. A way of fulfilling this mission is education: we convey our knowledge on the digital world by way of giving free lectures to children, adults, parents and teachers.

Within the frame of our Smart Digital Program 52 Telekom volunteers gave 485 lessons

in more than 300 schools across Hungary. Only last year 12,576 children attended our interactive presentations on the safe use of the internet and mobile communication.

Further information on Smart Digital Program is in 2.1 Closing the digital divide chapter.

Become an IT expert! – career guidance program

Currently more than 20,000 IT experts are missing from the Hungarian labor market and the lack of professionals has a serious impact on the performance of the national economy - generating a loss of several hundreds of billions of HUF per year - and at the same time we experience that not enough young career entrants see perspective in this profession. Magyar Telekom's Become an IT expert! program wishes to turnaround this trend and within the frame of the initiative IT experts



working at the company volunteer to meet young people and present them the advantages of an IT career. The most important objective of the Become an IT expert! Program is to bring down stereotypes and obstacles and make parents and children more open to the IT profession. An integral part of the Become an IT expert! program is the dedicated www.legyelteisinformatikus.hu website where visitors may find useful tips on the profession, competitions and trainee position advertisements.



Chris Mattheisen, Magyar Telekom's CEO at the Become an IT expert! training



ATTILA SZABÓ
TECHNICAL SERVICES SENIOR
SPECIALIST, MAGYAR TELEKOM

Corporate volunteer work is an integral part of the company's social strategy and the CSR as well. The term of CSR - Corporate Social Responsibility - means that companies voluntarily incorporate social and environmental considerations into their business activities and their relations with business partners. Within Telekom there are several voluntary programs out of which the professional knowledge based voluntary program was closest to me and this is where I wanted to test my skills. Within the frame of the program I can convey my knowledge and expertise to children. I find it important to teach this generation how to connect to the online world or safe and consciously. I would like to call their attention to risky areas

of the internet and teach young people how to properly communicate through online channels. This generation was raised in the online world and they might work in positions in the future that do not yet exist so they have to be careful about creating their own image in the online space. During the training sessions I try to call their attention to spend their online time useful and in a creative way and not just to "hang out" on the internet. If we show them what the web is good for they will spend less time on browsing harmful content. They need to consciously build their online personality and I would like to give them all the help that I can. The voluntary program for me is a dream that came true as I always wanted to be a teacher.



Volunteers of the Smart Digital Program



Secondary school students at the Become an IT expert! program

It is good to give! cookie campaign

Several hundreds of Telekom employees baked cookies over the weekend that were offered and sold in certain Telekom offices on December 7, Monday. The event was organized in 15 locations by 38 volunteers and as result 1.7 million HUF was raised for the Autistic Art - Smile Fund together with the members of the Sustainability Media Club - Origo, RTL Klub, CEMP, Class FM, Central Média csoport Zrt., TV2, AxelSpringer, Ringier, Metropol – who also put their heart and soul - and a lot of goodies - in the effort.

We had a professional food stylist and photographer to help us prepare e-postcards and with the sending of these postcards 100 HUF can be donated to the Fund.

In 2015 T-Systems supported numerous organizations that fit into Magyar Telekom Group's sustainable strategy. The fulfillment of the objectives of these programs gives us an opportunity to build a renewing society and environment. The company supported the Hungarian Interchurch Aid with 5 million HUF to purchase a new "Life Changing" house for the social and development center in Kastélyosdombó. We supported the building of an IT-room in a nursing home in Orosháza with 5 million HUF, which is available both for adults and children and also donated another 5 million HUF to modernize the heating system in a



It is good to give! cookie campaign postcard

In 2015 we organized the It is good to give! cookie campaign for the fifth time on the international volunteer day, together with the members of the Sustainability Media Club. The beneficiary of the initiative this year was the Autistic Art - Smile Fund that supports special homes for autistic young people and organizes art therapy sessions to help young autistic people, who mainly suffer from impaired social and communication skills, to express their thoughts and feelings through drawing, painting and visual arts. Within the frame of the event, organized in multiple company sites, the Fund raised almost 1.7 million HUF from selling homemade cookies and the company gave another 3 million HUF donation to supplement the proceeds.

transitional home built for families in Szolnok thereby supporting the sustainable operation of the facility.

Goals of the Montenegrin "Za svako dobro" project are support of socially responsible

projects that are contributing to the community welfare, engagement of important stakeholders and gaining their trust, and increase of transparency in the company's social engagement. In order to ensure transparency and the selection of the best projects, beside



It is good to give! cookie campaign

Telekom employees, representatives from the NGO area, media and the local UNDP office participated in the selection of the winning projects.

These are winning projects:

1. **"Website Star"** – development of website for elderly people
2. **"Accessibility and Montenegro"** – accessibility of public institutions for people with disabilities
3. **"We want to socialize"** – project supporting inclusion of children and youth with special needs
4. **"Calendar of child development"** – online application of calendar of child development from birth until 15 years old
5. **"Robotic laboratory for talented children and youth"** – laboratory for talented children and youth to practice robotics
6. **"This is my responsibility too"** – project supporting arise of awareness of environmental protection

At traditional Annual Award Ceremony for Philanthropy, Iskra, in December 2015, Telekom received recognition for our donation project "Za svako dobro".

Besides the donation contest Za svako dobro, in 2015 Crnogorski Telekom supported a number of initiatives dealing with problems of socially vulnerable groups or promoting good causes for our society. Some of those are donation for the purchase of a sterilizer for the Danilovgrad Primary Health Center and donation for the purchase of a telephone exchange for a Special Hospital in Risan. Both devices were urgently needed for the daily activities of the public medical institutions. National Breast Cancer Awareness Month Campaign in Montenegro was supported too.

The company also participated in disaster relief activities by supporting collection of aid for migrants in Southeast Europe, through a

In 2015 Crnogorski Telekom organized donation contest "Za svako dobro", which is supporting socially responsible projects of special importance for the community, for the second year in a row. Total amount of funding for this year's contest was 35,000 euros, which is an increase of 67% compared to the previous year. The contest was open to all non-governmental organisations from Montenegro that could apply their projects in the fields of education, arts and culture, environmental protection and the creation of equal opportunities for inclusion in digital society. From 50 NGOs that applied for grants, six projects were selected and awarded funds for implementation.

donation line. Donation line was opened in cooperation with Red Cross Montenegro, in order to enable our customers to give a contribution and help those in need.

In 2015 Crnogorski Telekom awarded all pupils that won on state competitions for elementary and high schools with access to internet free of charge for one year.

In 2015 Makedonski Telekom donated medical equipment to the Institute for Respiratory Diseases in Children in Kozle. The equipment is essential for faster and more effective diagnosis, as well as the treatment of children with respiratory diseases. The Institute for Respiratory Diseases in Children in Kozle treats 38,000 children per year, of which 4,000 are hospitalized and 35,000 are treated in the outpatients' ward.



Recognition of the Montenegrin „Za svako dobro“ („All the best“) donation project

Foundation e-Macedonia

In December 2015 the e-Engagement educational caravan project ended with the closing conference at the Telekom Innovation Center, an event organized by the NGO Youth Union with the support of the Foundation e-Macedonia set up by Makedonski Telekom. The aim of the project was to encourage young people to use digital tools for self-improvement and creating positive changes in society.

During 2015 12 one-day workshops were organized in 12 cities. In the two years of its existence, the educational caravan visited 16 cities around the country and over 1,500 young people were actively engaged. Through these workshops young people were encouraged to become leaders and creators of the future, both in the civil society and in youth cooperation, creating positive social change by applying the knowledge, skills and technological benefits generated.

The closing conference on December 12, which was attended by 15 lecturers and the most motivated and active young people, produced many useful conclusions and recommendations about how the young people's electronic engagement can support strategies for proactive involvement in all spheres of social life.

Foundation Telekom for Macedonia

The partnership between UNICEF and the Telekom for Macedonia Foundation aims to raise awareness of the importance of early education. After all, children develop most in the first five years of their lives, and children who attend high-quality pre-school programs are more successful in school and life in general. To this end, the partnership is striving to open early childhood development centers so that children from vulnerable environments enjoy the same opportunities for early education as their peers who go to kindergartens.

In order to close the gap between urban and rural areas, where kindergartens are underrepresented, the new early childhood development centers are being built in the communities that

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

need them most. Overall, nine centers have been opened by the end of 2015.

The Telekom for Macedonia Foundation made an initial cash donation of US\$ 50,000 (€ 46,000) to help pay for the new centers, and also donated some of the revenues from text messages sent on New Year's Eve.

Telekom New Media takes part in the donation efforts at company level each year. Our colleagues are strongly committed and involved in the support of disadvantaged children and those who live with Down syndrome.

Civil and CivilNet Tariff Package

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

In 2009 - responding to the demands of the NGOs - Magyar Telekom extended its Civil Tariff Package service to Internet access as well, by launching its CivilNet tariff package, which provides Internet access service without connection fee and monthly fee to public benefit organizations selected through applications. Applications can be submitted for the CivilNet tariff package along with the Civil tariff package.

In 2015 we provided discount priced fixed line telephone and internet services to 35 organizations for 12 months in the value of 3.5 million HUF.

6.3 OUR EMPLOYEES AND SOCIAL RESPONSIBILITY

The core element of the renewed program was the Supplemented Individual Donations in 2012. This name was given to the initiative because in addition to financial donation, employees are also expected to commit themselves to the supported NGO with voluntary work.

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

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

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

- The employee's own initiative - in this case the maximum amount of company support is 50,000 HUF. Supplementary support is provided as follows:
 - employee donations up to 15,000 HUF the company matches with twice this amount;
 - employee donations between 15,000 HUF

and 50,000 HUF the company donates an equal amount.

- Collective initiative of employee groups - in this case the maximum amount of company support is 200,000 HUF.
- Supplementary support is provided as follows:
 - in case of the collective initiative of employee groups, where minimum 4 Telekom employees are involved in the donation and the connected voluntary work, and the amount of the donation paid by the employees is minimum 50,000 HUF, the company supplement will be 200,000 HUF;
 - in case of the collective initiative of employee groups, where fewer than 4 Telekom employees are involved in the donation and the connected voluntary work, and the amount of the donation paid by the employees is minimum 25,000 HUF, the company supplement will be 100,000 HUF.

In December 2015 we organized a donation campaign for charitable purposes again, with the involvement of employees. We asked them to bring home-made cookies on that day: this is our traditional "It is the good to give! cookie campaign". The goodies were sold to each other based on the honor system: everybody paid an amount they wished to. The Company supplemented these donations adding up to more than 1.7 million HUF, and donated another sum of 3 million HUF to the Autistic Art - Smile Fund.

For the 13th year in succession, the Telekom for Macedonia Foundation organized a humanitarian New Year's Caravan for the most vulnerable groups of children in December 2015. The caravan visited more than 2,000 children without parental care, children with special needs, impaired hearing and vision or other physical disabilities, and children from socially vulnerable families. A special New Year's play was staged and gift bags handed out to the children. The caravan was made possible by about 50 volunteers from **Makedonski Telekom**, who visited 45 institutions. The Caravan

In 2015 10 such programs were organized and upon these occasions altogether 649 Magyar Telekom volunteers ✓ participated in 4412 hours ✓. With these programs we provided 21.8 million HUF ✓ worth of theoretical contribution to the society.

not only brightened the lives of these needy children but also raised awareness among the employees for the importance of corporate volunteering.

On the occasion of the Guiding principle day, which was celebrated on 24th of September, Makedonski Telekom called for humanitarian action among its employees so as to collect water and food for refugees. Between October 1 and October 10 employees collected 20 big boxes with canned food and bottled water. These donations were given to the Red Cross and then transported to the refugee shelters.

Crnogorski Telekom organized a voluntary blood donation in collaboration with the Centre for transfusion. Around 130 colleagues for 4 years have been registered as voluntary blood donors in the Company. Due to that reason, Crnogorski Telekom received in 2014

the Award for the promotion of voluntary blood donation

In 2015 two humanitarian actions of employees were organized in order to support people in need. Employees collected food and wardrobe on the occasion of the International Day for the Eradication of Poverty (October 17). Collected goods were given to the Red Cross in Podgorica, which distributed it to families in need. Also, in December 2015 employees participated in collection of candies, toys, children books, school items, then packed New Year's gifts for children from families in need or children with special needs. 230 New Year's gifts were donated to three NGOs supporting children with special needs and children from families in need, across Montenegro.

Guiding Principles Day in 2015 has been organized with the best participation rate ever.



Crnogorski Telekom's voluntary blood donors