



**SUSTAINABILITY  
REPORT  
2019**



EGYÜTT. VELED



# 4.

## DIVERSITY & INCLUSION

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GENDER  
EQUALITY

## HUMAN RIGHTS AND EQUAL OPPORTUNITIES

### 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 applies to people to who are viewed as equivalent to employees in functional terms, e. g. to temporary agency employees. It combines the joint 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 to endeavor them to ensure that they are also obliged to abide to its regulation by contract.

#### Code of Human Rights and Social Principles

The **Code of Human Rights and Social Principles** and the Equal Opportunities Plan of Magyar Telekom set the general human rights principles of the group and guidance to their group-wide implementation. Magyar Telekom Group recognizes and respects the fact that the cultural, social and legal diversity of its employees provide the foundations of operations based on equal opportunities. It is also a competitive advantage that leads to business success. The Code of Human Rights & Social Principles has replaced the former Social Charter in November, 2017 and it now serves as the framework of the protection of human rights, diversity and inclusive corporate culture.

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

- International Bill of Human Rights,
- the ILO Core Conventions,
- the OECD Guidelines,
- the Global Compact,
- the Tripartite Declaration of Principles concerning Multinational Enterprises, and Social Policy (MNE Declaration),
- and Guiding Principles on Business and Human Rights.

#### Diversity Policy

The **Diversity Policy** of Magyar Telekom Group underscores our commitment to consistently identify and utilize potential for improvement. We embrace, respect and acknowledge the diversity of our employees, the markets we serve, the suppliers we work with, our shareholders and the entire society we live in. We consider diversity to be our strength and this is the quality we strive to encourage in our approach to business as well.

### 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 authorized suppliers of Magyar Telekom and T-Systems our suppliers must register their enterprises at our vendors' **registration site**.

As an obligatory part of the registration process vendors are obliged to understand and accept our Suppliers Code of Conduct that among other policies, entails our Code of Conduct, Code of Human Rights and Social Principles and Diversity Policy. Our suppliers must understand and accept these policies and obligatory frameworks for their behaviors as well.

#### Employee Relations Policy of Magyar Telekom Group and Deutsche Telekom Group

The **policy**, valid since 2011 as an internal regulation and available as a public policy since 2018 defines and regulates the framework of relationships between employees and the company throughout the entire employee lifecycle contributing to a corporate environment in which employees are empowered to contribute individually to business performance and increase shareholder value.

#### Equal Opportunities Plan

Anti-discrimination and the safeguarding of equal opportunities is a key priority to Magyar Telekom Group. According to the act CXXV of 2003 on Equal Treatment and Promotion of Equal Opportunities, and the corporate protocol in place since 2010 Magyar Telekom Group has accepted its 4th **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 particular disadvantaged employee groups. The Equal Opportunities plan currently in force is valid between 2016 and 2020 and has been developed in close cooperation with the employee representative bodies.

#### The Diversity Charter of the European Union

Hungary has joined the Diversity Charter of the European Union in 2016 and, among 50 signatory companies Magyar Telekom has also declared its dedication to safeguard diversity as a fundamental value in the forthcoming years as well as in 2019

#### Monitoring and auditing practices

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 involves the Group Compliance Manager and compliance representatives of particular functional areas of operation, who are working together as members of the Group Compliance Committee. 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. External audits or inspections could be initiated towards any employer in Hungary by the Hungarian Labor Inspectorate due to public interest complaints, inquiries or reports of concern. The institution supports employer-compliance with the relevant laws and regulations with counseling and supervision. The Equal Treatment Authority is the relevant authority responsible for issues concerning equal opportunities. The authority accepts direct appeals from employees. There were no equal opportunity proceedings initiated on account of Magyar Telekom in 2019.

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 Human Resources Officer, by way of providing the annual Human Rights and Social Performance Report.

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, 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 to be a mandatory course in 2019.

Deutsche Telekom Group introduced a regular monitoring process in which specific parameters of compliance with the Group Employee Relations Policy are being periodically evaluated in all Group Units. The monitored key elements are being evaluated with the local companies, followed by a dedicated on-site review. Magyar Telekom hosted this on-site review in June, 2018.

New employees of Magyar Telekom Group as part of their orien-

tation process in their first two months receive 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. 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 whistleblower channels, operated by the Corporate Compliance Department. "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!" whistleblower portal has been established. Esélyegyenlőséget érintő kérdéseikkel a vállalat esélyegyenlőségi referenséhez fordulhatnak. The main principles and the detailed description of the internal inspection process is detailed in employee directives available on all employees on the shared intranet platform. Throughout the inspection process the whistleblowers' anonymity, personal and data privacy are guaranteed and handled with utmost discretion.

#### Diversity and Equal Opportunities

In 2018 our 2016-2020 Sustainability strategy was supplemented with a Diversity and Inclusion plan the strategic steps, targets and result indicators of which have been defined based on employee feedback. Our employee survey on the perceptions of corporate D&I culture is being repeated biannually to support the revision of the key targets of the D&I action plan. One of the top priorities in 2019 was the development of our diversity culture along which we were the first Hungarian company to develop a Hungarian language e-learning material on 'unconscious bias', adapting the term and its context to local language and understanding. 92% of Telekom employees did this course by the end of October 2019. In order to support the anti-discrimination efforts of our society in general, we have made the e-learning material publicly available and free to use for all.

We have also restructured our parental leave and back-to work scheme, and we have furthered and expanded our family-friendly solutions and care work scheme. Thorough and detailed intranet sites have been developed in 2019 in order to inform and guide our employees through our D&I topics and summaries of these topics are to be found on **our public website** as well.

#### Employee expectations and equal opportunities

The business strategy of Magyar Telekom is centered around the realization of a digital business model that is based on utilizing new technologies in service of consumer relationship management in order to build trust and drive value creation. In support of reaching this goal the operating model and the organization of HR has been transformed to an even more efficient and client-oriented body backing up the corporate business strategy goals.

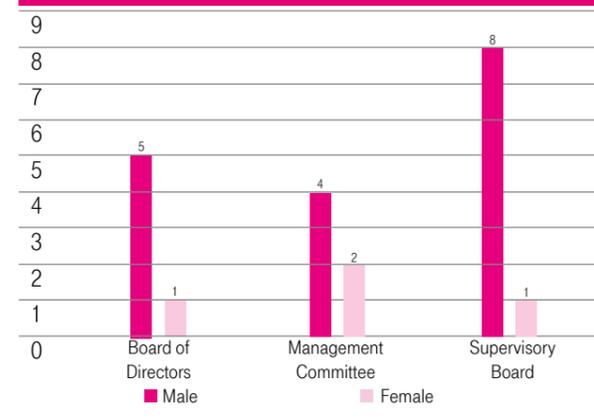
**BASE WAGE COMPARISON BY JOB GRADES AND GENDER (%), MAGYAR TELEKOM PLC., 2019 ✓**



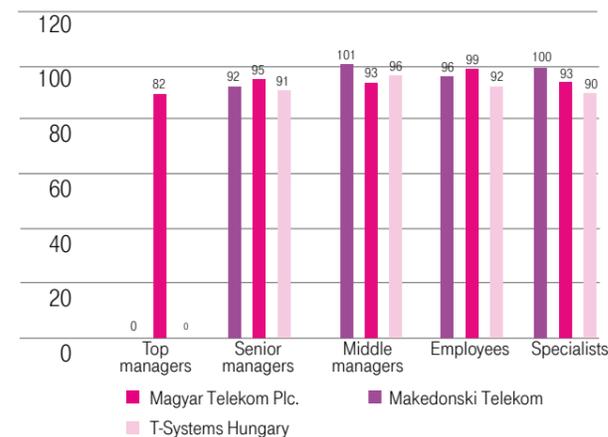
Magyar Telekom, as a company committed to provide equal opportunities to its employees, finds it especially important to harmonize wages and to terminate unjust wage gaps. Our tiered wage system, built on the Hay methodology, serves the above purpose. Our remuneration system is fully transparent thus our base wage tables and the relevant policies are available for all employees. We pay special attention to avoid gender pay gap and any unjust discrepancies between the wages of colleagues doing similar jobs. We and that potential differences should solely be based on their performance and achievements

**Raise in the amount of women in leadership positions**

**GENDER MIX OF MAGYAR TELEKOM GROUP MANAGEMENT BODIES IN 2019 ✓**



**PROPORTION OF BASE WAGES OF FEMALE EMPLOYEES COMPARED TO THE BASE WAGES OF MALE EMPLOYEES (100%) BROKEN DOWN TO JOB CATEGORIES, MAGYAR TELEKOM GROUP, 2019 ✓**



**BREAKDOWN OF THE MEMBERS OF MAGYAR TELEKOM GROUP MANAGEMENT BODIES IN 2019 ✓**



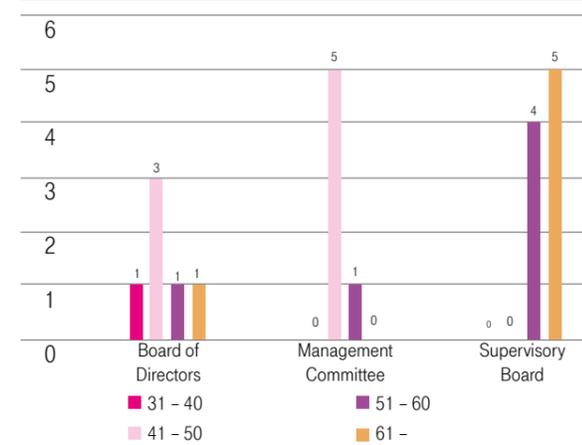
As an employer dedicated to diversity as a core value, Magyar Telekom finds it important to raise the number of women in leadership positions. As a member of Deutsche Telekom Group, the objective in 2010 was to increase the proportion of female managers to 30% by 2020. Along the aim to contribute to reaching the defined target, the company strives to utilize the actual business benefits inherent to the advancement of corporate diversity culture.

2019 witnessed an increase in the number of women in leadership resulting in a 40% ratio in the management committee. There was also an increase in the proportion of female senior management of Magyar Telekom Plc. to 28%. By the end of 2019 the female ratio of overall management workforce was 26%. Our aim is to bridge the divide between different leadership levels and contribute to the promotion of more talented female leaders in the company. A way to achieve this is to further improve the gender equity basis of our succession planning processes. In executive succession planning we work on finding suitable highly qualified female candidates to all positions possible. There are some areas of company operations affected by prevalent social stereotypes in which this is not possible at the moment but we aim to minimize the number of these areas by further stretching the scopes of our succession management practices and by contributing to the de-gendered opening of all relevant fields.

Our policies, charters and initiatives do not only aim to ensure equal opportunities for employees but also to strengthen our engagement in this field, in line with our corporate sustainability strategy. The Equal Opportunities Principles (2016-2020) of Magyar Telekom Plc. and T-Systems Hungary Plc. are:

1. Enforcement of requirements pertaining to equal treatment and the prohibition of differentiation
2. Equitable and flexible treatment, diversity
3. Respect for human dignity, securing healthy and safe working environment
4. Partnership, cooperation
5. Social Solidarity

**AGE BREAKDOWN OF MAGYAR TELEKOM GROUP MANAGEMENT BODIES IN 2019 ✓**



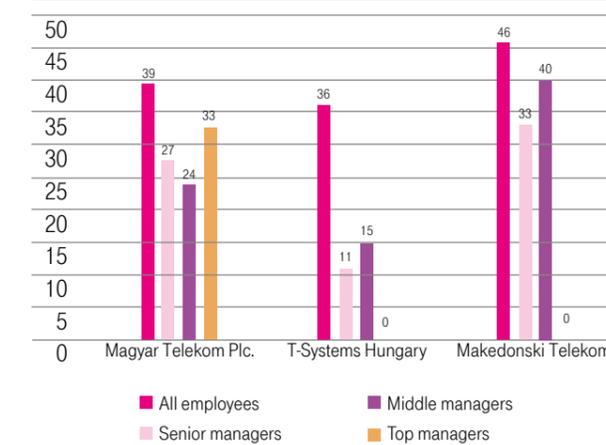
Plan for the period of 2016-2020 the employers especially plan to take measures to improve the situation of the following employee target groups:

- a. Women
- b. Employees with families in particular those who:
  - Raise three or more children under 18 years of age
  - Raise their children alone
  - Raise disabled children, and
  - Employees who care for a permanently ill family member
- c. Employees on maternity leave or childcare benefit (GYES/GYED)
- d. Disabled employees or whose ability to work has deteriorated
- e. Career entrants
- f. Employees above the age of 5
- g. Female employees in leadership positions

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. 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. Make sure that they are not complicit in human rights abuses
4. The elimination of all forms of forced and compulsory labour
6. The elimination of discrimination in respect of employment and occupation

**RATIO OF WOMEN IN MEMBER COMPANIES IN 2019 (%) ✓**



Magyar Telekom joined 'Girls Day' in 2019 as well. We have offered an insight to our company life and professional challenges to 95 student girls from all over the country. We also introduced them to some female professionals who shared their success stories and career paths in STEM at Magyar Telekom Group. Welcoming the young talents in the joint HQ building of Telekom and T-Systems resulted in a reassuring 85% satisfaction rating with 75% of the participants declaring that they became interested in applying to STEM subjects when choosing university.

'Girls Day' is an interactive, open day organized on the same day in all countries of the European Union, where high school girls interested in technical sciences can spend a day at a leading technical company or a university laboratory. Participants get the chance to meet successful women in STEM, research or engineering sciences.

In 2019 Telekom has cooperated with FMN student association supporting women in conscious career planning at Budapest Corvinus University. Along our collaboration student girls participated at a career training. They could try out the innovative telepresence software Telekom is using, to have a first-hand experience with the common job interview situation, where they have to attend a video interview session before a live meeting for the role. Telekom has also provided a speaker to FMN's „Successful Life Stories” lecture series, presenting the career stories of successful women and role models.

Telekom also promoted Deutsche Telekom's Women in STEM Award 2019 extensively on its public and social channels. The aim of the competition is to promote a variety of STEM careers among female talents and to motivate talented candidates in their aspiration towards STEM education. The competition was open to all women, who wrote their final theses in any STEM subjects and the face of our campaign was an IT trainee at Telekom.

#### Labor force inclusion of underprivileged groups

As an employer, Magyar Telekom has issued the following actions in 2019 to improve the conditions of the employee groups marked in the 2016–2020 Equal Opportunities plan.

As a mentor company Telekom supports roma workforce integration programs Integrom and HRom to contribute to the equal labor market opportunities. The program participants are being supported with job application counselling, job interview practices, CV writing and editing skill practices. Our inclusive recruitment practices include dedicated recruiter tracking support for program participants throughout their application process, providing detailed evaluation and feedback, and company mentoring upon request.

As members of the Hungarian Employers Forum on Equal Opportunities (MEF) in 2019 Telekom has participated in the working group for LGBTQ open and inclusive working environments under the professional supervision of Háttér Society.

In order to secure the equal opportunities of our current and future colleagues living with disabilities, we are using a special module on our online **job-application site** 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.

#### Disability-friendly Workplace

The 2017 Disability-Friendly Workplace Recognition awards were distributed at "The World is Better with Us" Gala the Gala Event organized on the International Day of Persons with Disabilities. There are already 50 Hungarian that have been found eligible to receive the award, and Magyar Telekom is proud to be one of them. The regular bi-annual application process was not announced in 2019, thus according to the decision of the awarding body, eligible companies were entitled to use the logo for a prolonged period in 2019. The new application period is going to be in 2020.



The award was being given by Salva Vita Foundation, the advocating organization aiming to bring disability-friendly employers and job seeking people with disabilities together. Employers may apply to this title by expressing their commitment to the conscious improvement of their inclusive recruitment, employment and staff retention practices concerning people with disabilities.

To ensure equal opportunities for our future employees with reduced capacity to work or disability (since 2010) applicants with disabilities using Magyar Telekom's electronic **recruitment interface** are invited to state if they have any special request based on their needs or circumstances in order to secure full accessibility of our career selection process. We support the integration of our affected employees and the development of a smooth working routine within their teams by offering education material and on-demand workshops to the teams on the basic behavioral principles of working together with wheelchair-bound professionals, or those with visual or hearing impairment or living with autistic spectrum disorder.

In order to contribute to our aim in building an accessible and safe workplace for all we drew conclusions from the accessibility-related answers of our corporate Diversity Culture Survey from January 2018. There were also specific questions directed towards

our employees living and working with disabilities that served as valuable feedback evaluating our work towards this goal.

The Budapest based offices of Magyar Telekom group have moved in together in our new HQ building in the fall of 2018. The building is thoroughly wheelchair-accessible, and the rest of the accessible infrastructure development is being carried out in compliance with the BREEAM Standard. In November, after moving in the new building we have conducted an internal accessibility audit with the help of our visually impaired and disabled employees to define the most important points for improvement. The Telekom HQ building obtained its final BREEAM Excellent certification in July 2019 in the category of newly built real estate. Thus, the largest business center of Hungary also became the real estate with the highest BREEAM certification in the country.

Sensitization and promotion of involvement is an important part of the company culture. The annual 'Have you ever tried?...' sensitization program organized with the help of NGOs and associations was available at the Lets Move It! Telekom family and sports day where our colleagues could gain personal experiences about the everyday challenges of people living with disabilities in an able-bodied environment.

Besides these activities – following the tradition of past years – the company organized very successful thematic employee fairs (Christmas Fair, „It Is Good To Give” cookie event) at various company sites. Magyar Telekom employees could give donations and buy items manufactured by persons with disabilities through the involvement of NGOs that support employment of people with autism.

#### Become an IT expert – Accessible training

In 2019 almost 1300 students from 20 locations and 42 high schools have visited the HQ of Telekom and T-Systems, among whom we have welcomed 35 students living with autistic spectrum disorder or with different levels of disabilities.

The aim of Become an IT expert career orientation program is to bring engineering and IT science closer to students about to make their further education choices. They could have a closer look at a variety of IT related professions and experience the everyday work at a large corporation.

According to the feedback of the students the HQ tour was the most exciting feature of the event, with the career orientation talks and the meetings of IT professionals, who presented their individual career stories. In association with 'Közterem' the students also participated in skills development trainings where they focused on agile and adaptive ways of work and development. They were also introduced to the work of Kitchen Budapest, the innovations lab of T-Systems.

Almost 70% of the students gave the highest rate to the expediency of the event and 76% of the respondents became more in-

terested in choosing engineering or IT in higher education.

#### Workforce Reduction and Redeployment

Magyar Telekom – in order to ensure the resources related to the Company's strategic objectives - has reached an agreement with the trade unions in 2019 on headcount reduction and wage increase measures for 2020.

According to the terms of the agreement, the Company plans to make ca. 450 parent company employees redundant. The majority of the employees to be made redundant are expected to have left the Company by March 1st, 2020. The company shall provide active job search, labor market training and one-on-one counselling to the colleagues laid off, in the framework of Program Chance, which has proven its success in the past years, and trusts that the above support these highly-trained employees of up-to-date professional expertise in finding employment elsewhere as soon as possible.

It is planned to reinvest a significant proportion of the expected employee cost savings in resources related to the Company's strategic objectives.

As from July 1st, 2020, employee salaries at the Company will expectedly rise by an average of 5%.

#### 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 that help in the advancement of their task-management skills.

Through the implementation of particular forms of non-regular employment, the company aims to provide support to maintain a healthy work-life balance and is also dedicated to reducing the possibilities of working overtime. While offering flexible working hours through part-time (4- or 6-hour workdays), our internal regulations and methodologies support employees to find the most suitable way of work. The schedule options (e.g. flexi-time, banking of hours, compressed workweek) are being 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. Flexible-time and unrestrained employment it is strategically important for the company to build teleworking into the company's culture.

The workspace design of the new HQ building of Magyar Telekom is based on 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

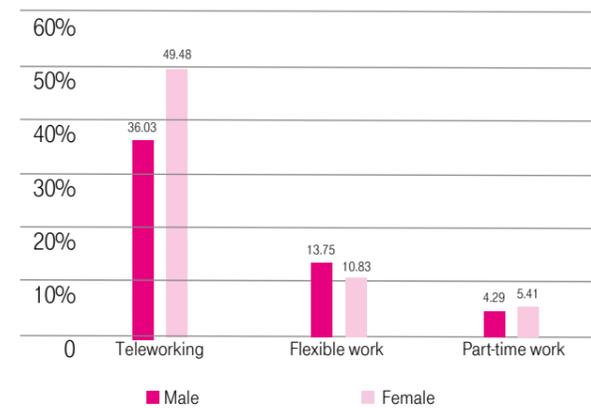
also supported by the continuous maintenance and development of a solid digital office network access. Employees receive mandatory courses to manage potential accessibility and/or data privacy risks related to teleworking. In front-end roles, where employees are working in shifts, teleworking is not an option, but their private life responsibilities are being taken into account when arranging schedules.

In 2019 our employees have worked a total of 169 161 days remotely, saving nearly 5 million kilometers or 25 years of travel.

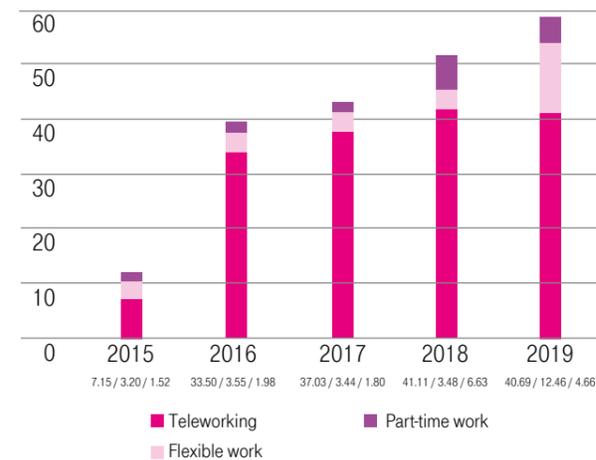
With regards on our employees' private and family circumstances (e.g. necessity of homecare of a permanently ill or elderly close relative) our colleagues may go on a permanent leave without pay as regulated by the Labor Code. The facts justifying the leave are to be verified to the employer and the 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 being precisely regulated in internal corporate directives.

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

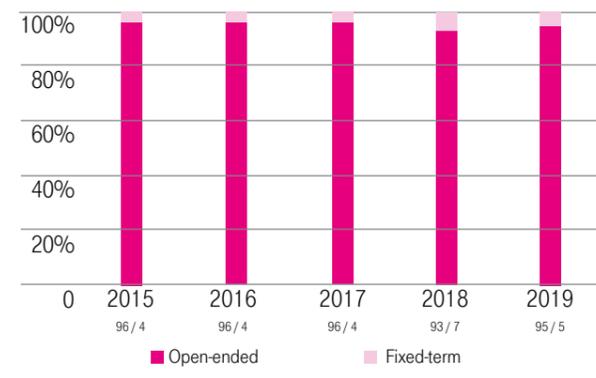
### GENDER MIX OF NON-TYPICAL FORMS OF EMPLOYMENT AT MAGYAR TELEKOM PLC. IN 2019 (%) ✓



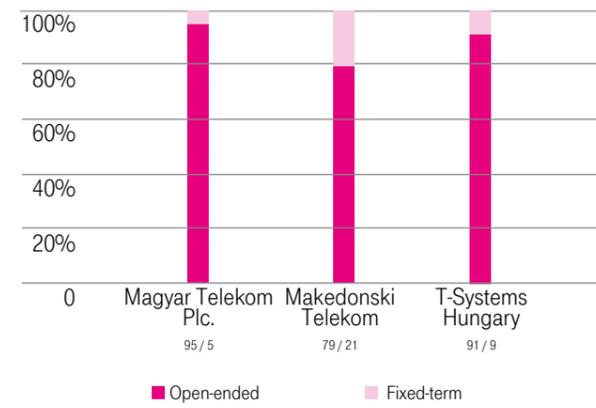
### NON-TYPICAL FORMS OF EMPLOYMENT AT MAGYAR TELEKOM PLC. IN PERCENTAGE OF THE TOTAL HEADCOUNT (%) ✓



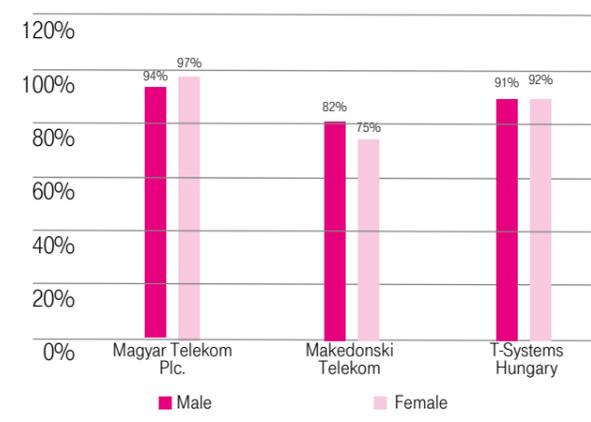
### RATIO OF FIXED-TERM TO OPEN-ENDED EMPLOYMENT AT MAGYAR TELEKOM PLC (%) ✓



### RATIO OF OPEN-ENDED EMPLOYMENT CONTRACTS BY GENDER AT MAGYAR TELEKOM GROUP IN 2019 (%) ✓



### RATIO OF OPEN-ENDED EMPLOYMENT CONTRACTS BY GENDER AT MAGYAR TELEKOM GROUP IN 2019 ✓



### Family friendly Telekom and T-Systems Hungary

In 2019 and 2020 one of the most important elements of Telekom's Diversity & Inclusion concept was the improvement of our entire parental leave process from planning to staying in touch during leave to reintegration support. In the second half of 2019 we have renewed our processes concerning the support of career-conscious and informed parental leave planning and we have introduced ways of keeping in touch while on leave. There is an internal process supporting the employee, the direct report manager and the team, 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 to be 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

### Long-term leave and return to work from maternity leave ✓

	Male	Female	Total
Employees on long-term leave	2	201	203
Employees returning after long-term leave	2	96	98
Employees returning from long-term leave, after having been employed at least for 12 months upon joining the company	1	52	53
Employees retraining from long-term leave with continued employment	50%	54%	54%

In order to support a healthy balance between work and private life it is necessary to reorganize the workload within families. The „Daddy, it begins!” program tries to raise awareness of the father's role within the family. The internal communication portal of the company has published an information kit for young fathers („Daddy News”) since 2010, collecting useful information

and tips for young fathers. All new-Fathers of our company receive a congratulating e-mail and are informed about the extra holiday available for newborn-care.



From 2018, we employ our trainees in the status of employees. Internship contracts are either part-time or fixed-term ones, so this change is reflected in charts showing atypical forms of employment and contract types.

during their parental leave. Easy access support is being granted both through desktop services and mobile application.

We support of the reintegration of employees returning to work beyond our regulatory obligations with a direct recruitment channel dedicated to this employee group, providing additional support in cases when after several years of leave it might be difficult to return to a previous role.

We also remain being in touch through our traditional channels of correspondence, in our closed Facebook 'Telekom Families' and in person at our family and sports activities, where all our employees and families are invited to spend a day outdoors.



Both in 2014 and 2015 Magyar Telekom and T-Systems jointly and successfully applied for the Family Friendly Company award

and the Three Princes and Three Princesses Movement gave a special "Family Friendly" award to the company as an acknowledgement of its family-friendly initiatives and efforts. The Group elevated the qualification into a higher level and concluded a strategic frame agreement with the Movement. As a result, we have shared our best practices on the Family Friendly Workplace Gala and Award Ceremony in November 2019. Magyar Telekom has been awarded with the audited Family Friendly Workplace certification which was launched this year with a bronze degree.

In 2019 Dimenzió Mutual Insurance and Self-help Association's Family Support initiative provided assistance to the 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 on parents with young children.

In order to support the needs of employees who need to manage childcare situations during their office related duties Magyar Telekom provided 1 family friendly office space in Debrecen and 3 offices on its Budapest sites. The later 3 have been closed down due to moving together from all Budapest office sites to one shared HQ building in the fall of 2018, but the Debrecen-office is still available. In order to support the smooth re-organization of family related duties and obligations we have provided a thorough list of available nurseries, kindergartens and schools in the neighborhood of the HQ building. We have opened our very first Telekom HQ 'Kid's Hut' in July, 2019 where we offer professional child-assistance for a couple of office hours during the most difficult 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 with a thorough needs assessment, and our children and grandchildren were also invited to participate in a drawing contest, where they could imagine the future design, furniture and equipment of their own space within the Telekom HQ. We have announced the winners of the contest at our first #mutiholdolgozol, #showmewhereyouwork day. Scheduled on the first day of the spring vacation in schools, we had 150 of our children and grandchildren visiting us on a day at work in our new building.

A considerate 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.

The company employs various generations simultaneously thus personal fulfillment and the realization of the full potential of our colleagues is an important goal for Telekom.

#### Generations at Magyar Telekom

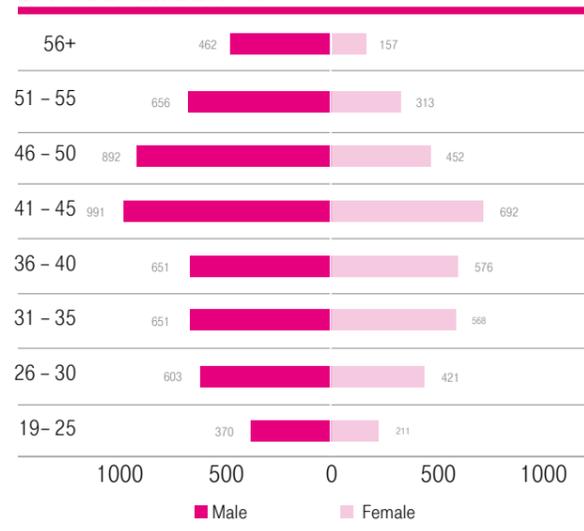
As a next step of the well-designed internship program, the Group offers jobs to many young people starting their career.

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 for colleagues taking care of a baby, but it also offers a flexible way to manage work and life to our single colleagues as well, who can thus be more successful while managing their time in a flexible way.

The majority of our employees fall into the mid-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 Loyalty Award and the Lifetime Achievement Award.

In certain cases those who approach retirement age (50+) may choose to enter the company's standby pool. With this initiative, among others, Telekom would like to take care of its employees and provide an interim solution for the period between work and retirement. Thus the employee could be reactivated from the standby pool if their extended employment is of mutual benefit for both parties.

#### AGE TREE OF MAGYAR TELEKOM GROUP, 2019. DECEMBER 31. ✓



#### DISTRIBUTION OF EMPLOYEES BY REGION (%) ✓

