



SUSTAINABILITY REPORT 2020



EGYÜTT. VELED



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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 applies to people who are viewed as equivalent to employees in functional terms, e. g. to temporary agency employees. It combines the joint requirements 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 behaviour manifested in this Code of Conduct and to endeavour to ensure that they are also obliged to abide by 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 recognises 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 a framework, for safeguarding human rights, diversity and inclusive corporate culture

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

- 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 utilise the 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 respecting and protecting human rights and it expects its suppliers to comply with these rules of behaviour. Prior to becoming authorised 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 behaviours 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 and improvement of the labour 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 report on the results of the Plan was accepted by the Central Workers Council at the end of 2020.

European Union Diversity Charter

Hungary joined the **Diversity Charter of the European Union** in 2016 and, among 50 signatory companies, Magyar Telekom also declared its dedication to safeguarding diversity as a fundamental value. Since then, Magyar Telekom has been among the signatory companies every year, including 2020.

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 behaviour manifested in this Code of Conduct and to endeavour to ensure that they are also obliged to abide to its regulation by contract.

Magyar Telekom Group's Corporate Compliance Program has been elaborated 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 Labour Inspectorate due to public interest complaints, inquiries or reports of concern. The institution supports employer compliance with the relevant laws and regulations with counselling 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 2020.

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.

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 a mandatory course in 2020.

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.

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, labour standards and human rights. All employees must understand and accept these guidelines as the fundamentals of their own professional behaviour 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 whistle-blower 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 behaviour 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

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. Based on the results of a survey repeated in early 2020, our colleagues consider Telekom to be a more open, safer and inclusive workplace. In 2020, Magyar Telekom's **public e-learning curriculum**, which supports the awareness of unconscious bias, was integrated into the cultural development process of many Hungarian companies, with the help of Telekom's experts. In May 2020, we introduced our colleagues on parental leave to their new contact and training/development opportunities. The expansion of the available supporting opportunities is being coordinated with the involvement of the affected employee group.

Employee expectations and equal opportunities

The human resources organisation of Magyar Telekom has been transformed into an even more efficient, agile, customer-focused People Unit in support of the corporate business strategy. In 2020, existing people strategy priorities were complemented by addressing the new challenges posed by the pandemic. A key priority was to react quickly and safely, protecting the health of our clients and employees, and support the new way of working for all.

Magyar Telekom, as a company committed to providing equal opportunities to its employees, deems it especially important to harmonise wages and to terminate unjust wage gaps.

BASE WAGE COMPARISON BY JOB GRADES AND GENDER, MAGYAR TELEKOM PLC., 2020 ✓

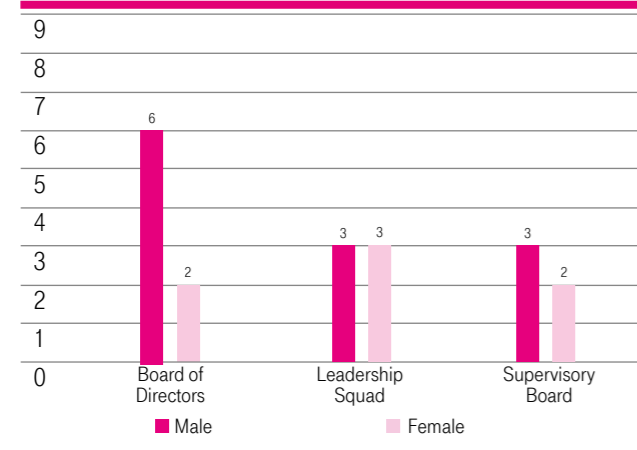


Our remuneration system is fully transparent thus our base wage tables and the relevant policies are available for all employees. We pay special attention to avoid the gender pay gap and any unjust discrepancies between the wages of colleagues doing similar jobs. and income ratios between those who do different types of work should indeed be based on 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.

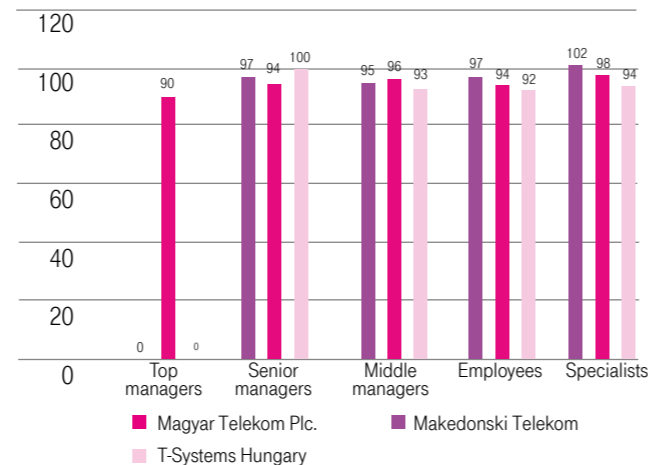
In July 2020, we conducted a complex gender pay gap analysis using 9 indicators. According to our findings, the ad hoc differences between female and male employee salaries on the same employment levels did not reach a significant limit.

Rise in the number of women in leadership positions

GENDER MIX OF MAGYAR TELEKOM GROUP MANAGEMENT BODIES IN 2020 ✓

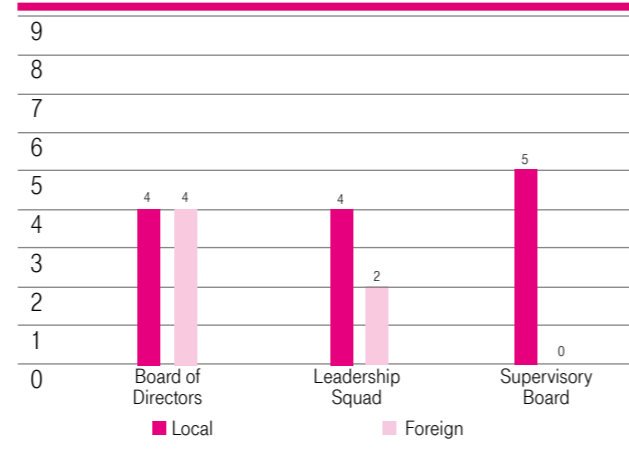


PROPORTION OF BASE WAGES OF FEMALE EMPLOYEES COMPARED TO THE BASE WAGES OF MALE EMPLOYEES (100%) BROKEN DOWN TO JOB CATEGORIES, MAGYAR TELEKOM GROUP, 2020 ✓



The detected proportion of pay gap can be attributed to the following factors: male employees outnumber female employees throughout the company, and especially in the technical/technological departments and in higher pay grades, while the long parental leave results in returning difficulties and career gap for female employees. To reduce these root causes, we have established an equal opportunities action plan to reduce the possibilities of inequalities such as the 'motherhood penalty' and the female career gap.

BREAKDOWN OF THE MEMBERS OF MAGYAR TELEKOM GROUP MANAGEMENT BODIES IN 2020 ✓



As an employer dedicated to diversity as a core value, Magyar Telekom deems it important to increase the number of women in leadership positions. From May 2020, for the first time in the company's history, we have achieved a balanced 50% gender ratio in our senior management. However female representation in overall management did not reach higher than 27% by the end of 2020. As we have not reached the 30% target for total management, we will continue to work towards the increase of female representation in management positions.

A way to achieve this is to further improve the gender equity basis of our succession planning processes. According to our action plan, we have introduced a quota of finding at least two suitable female candidates for executive position shortlists. 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 minimise the number of these areas by further stretching the scope of our succession management practices and by contributing to the de-gendered opening of all relevant fields. We have contributed 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 labour market knowledge up to date.

In our day-to-day operations that were transformed during the pandemic situation, almost 80% of our employees have switched to 100% telework. Our plan is to keep the possibility of entirely remote work in line with certain responsibilities and roles within the company even after the pandemic in line with our new 'hybrid'-operation model. This could be especially suitable for colleagues with small children, those living in distant parts of the country or colleagues with mobility disabilities.

With our family-friendly solutions and digital training development portfolio, we support the career planning of our colleagues

regardless of gender. Representing the responsible paternal commitment of our male colleagues and the sharing of caring responsibilities within the family also played a strong role in our corporate culture in 2020. During International Women's Day week, we held an expert roundtable discussion on home care, emotional housework, and family roles with the active participation of our staff.

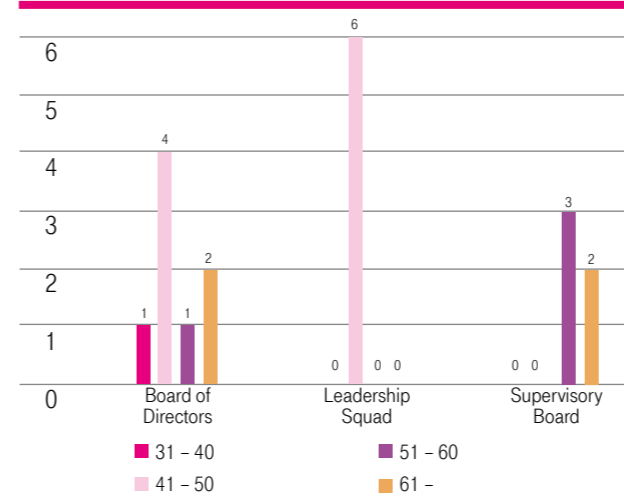
In 2020, as a company committed to equal opportunities for women in the labour market, Magyar Telekom joined the Forbes Women's Summit in the autumn as the main sponsor of the event. Melinda Szabó, Telekom's Deputy Chief Commercial Officer, participated in a panel discussion of female senior executives. Telekom had its own workshop room by the main conference stage, where we held a workshop for company executives on corporate culture development and raising awareness of unconscious bias, sharing our free e-learning. In November, we joined „Szabadság? Másképp (Eng. trans „Liberty? In other words..“) TEDxLiberty-BridgeWomen Budapest as a gold sponsor.

As a 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) in 2020.

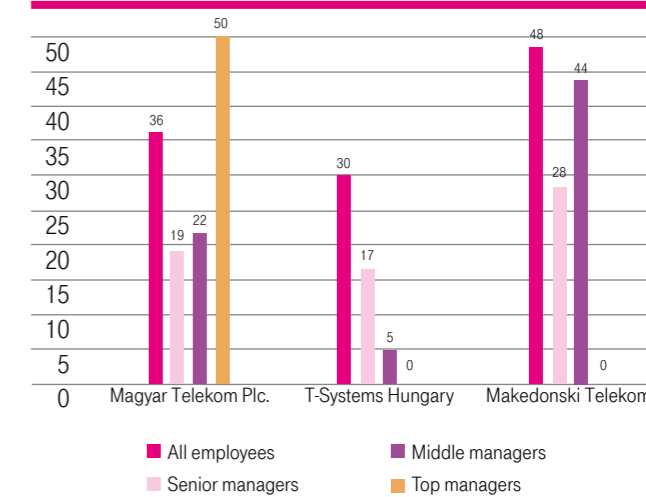
Our policies, charters and initiatives do not only aim to ensure equal opportunities for employees but also to strengthen our engagement in this field, in line with our corporate sustainability strategy. The Equal Opportunities Principles (2016–2020) of Magyar Telekom Plc. and T-Systems Hungary are:

1. Enforcement of requirements pertaining to equal treatment and the prohibition of discrimination
2. Equitable and flexible treatment, diversity
3. Respect for human dignity, securing a healthy and safe working environment

AGE BREAKDOWN OF MAGYAR TELEKOM GROUP MANAGEMENT BODIES IN 2020 ✓



RATIO OF WOMEN IN MEMBER COMPANIES IN 2020 (%) ✓



4. Partnership, cooperation
5. Social Solidarity

During the implementation of the Equal Opportunities Plan, employers plan measures to improve the situation of the following target groups of employees in particular:

- 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 chronically-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 50
- 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, labour, 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-

Telekom also promoted Deutsche Telekom's Women in STEM Award 2020 extensively on its public and on social media 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.

Labour force inclusion of underprivileged groups

As an employer, Magyar Telekom has issued the following actions in 2020 to improve the conditions of the employee target 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 equal labour market opportunities. The program participants are being supported with job application counselling, job interview rehearsals, 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.

In parallel with the Budapest Pride Festival, Telekom created its LGBTQ+ Safe Space employee community, having its first event online. During the Festival Telekom Video Library offered a selection of thematic motion pictures, honouring the equal rights movement and struggles of LGBTQ+ history.

Our Unconscious bias e-learning was published in 2019 as a free training material available for public use to all Hungarian language businesses and entities. In 2020 we participated in online events and conferences and offered public lectures showing the background of the development of the course, providing tools and sharing best practices with other companies on how they could implement this training to their own culture development processes towards the promotion of a discrimination-free corporate culture. Events included Telekom hosting events at HBLF Diversity Week, at MEF Working group, The Equator Foundation, Forbes Women's Summit and HR Fest.

Disability-friendly Workplace

In 2020, Magyar Telekom continued to be a proud holder of the Disability-Friendly Workplace award. The company participated in the application and audit process for the renewal of the award in September 2020. This recognition is being awarded by Salva Vita Foundation, the advocating organisation aiming to bring disability-friendly employers and job-seeking people with disabilities together. Employers may apply for 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 behavioural principles of working together with wheelchair-bound professionals, or those with visual or hearing impairment or living with autistic spectrum disorder.

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 2020 employee survey on diversity culture, the accessibility of our physical and digital work infrastructure has further increased compared to 2018. 81% 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 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 into the new building we 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 centre of Hungary also became the real estate with the highest BREEAM certification in the country.

In 2020, as a result of the COVID-19 pandemic crisis, the call centre department of Magyar Telekom was also forced to transform its day-to-day operations to 100% remote work for the first time in its history. The entire call centre workforce team managed to adjust to the new circumstances in an exemplary way maintaining remote work until the end of the state of emergency. While they were out of office another accessibility audit was conducted in their office spaces in May 2020, in line with which, further infrastructure developments were implemented in designated office spaces of our HQ building to develop a more disability-friendly working environment for our affected call centre staff, beyond the legislative norms. The infrastructure developments that involve the instalment of motorised doors in frequently used areas contribute to more independent mobility within the building.

Sensitisation and promotion of involvement is an important part of the company culture. Our goal is to further improve the accessible UX (user experience) for both our employees and customers. To this end as a responsible service provider and member company of the Communications Conciliation Board ('Hírközlési Érdekegyeztető Tanács') we are already making efforts to ensure that our digital accessibility complies with the 2025 Accessibility Act of the European Union. In 2020, we completed the barrier-free audit of our digital interfaces and integrated development needs in line with the technology priorities into our website and webshop development process

Workforce reduction

Magyar Telekom continued its cost-cutting programme, laying off around 100 colleagues (at parent company level) in 2021, based on an agreement with the stakeholders in 2020 (the number of redundancies was kept low, at 450 in 2020 and 400 in 2019). It was also possible for employees to voluntarily indicate their intention to leave to their manager. The majority of the employees concerned left the Company as of 1 January 2021.

Magyar Telekom supports the reintegration of departing employees through active job search, labour market training and personal counselling within the framework of the well-established Opportunity programme, trusting that these tools will contribute to the early reintegration of the departing qualified employees with modern skills.

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.

Our family-friendly office spaces, the Kid's Hut, our HQ's professional childcare facility and the tax-free cafeteria element of nursery-kindergarten support contribute to the maintenance of work-life balance of our employees with children and helps them reduce childcare-related costs. Depending on their personal and family circumstances (e.g. caring for a sick or elderly relative at home), our employees may receive long-term unpaid leave. In the changed situation caused by the COVID-19 pandemic, we also supported the preservation of the physical and mental health of our employees by providing a range of online GYM training and coaching opportunities.

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 in finding the most suitable manner 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. It is strategically important for the company to build teleworking into the company's culture. The success of the process of dealing with the COVID-19 pandemic in 2020 was largely determined by Telekom's long-standing telework culture and the availability of high-quality digital workplace tools for remote collaborative work. In 2020, due to the pandemic, 100% teleworking transformation of the entire call centre area also took place.

Alongside our general operations, irrespective of the epidemic situation, 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.

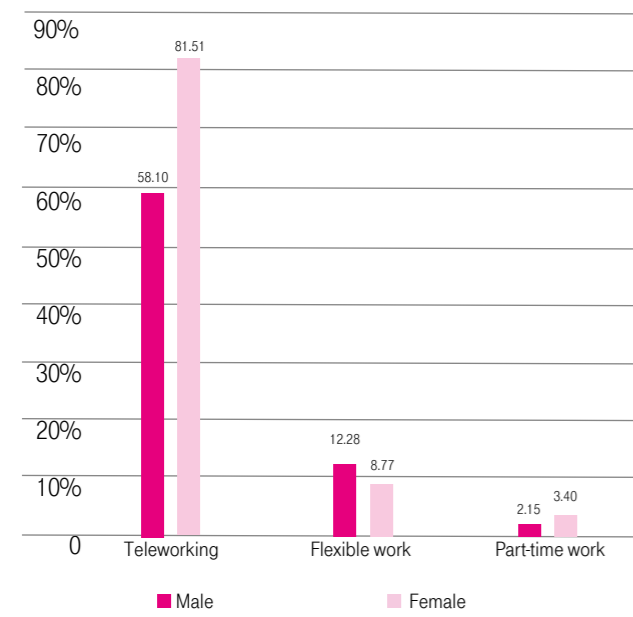
Teleworking is also supported by the continuous maintenance and development of solid digital office network access, which received even higher-level maintenance to sufficiently support our remote collaboration and teamwork during the pandemic. Employees receive mandatory courses to manage potential accessibility and/or data privacy risks related to teleworking. In 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 2020 our employees worked a total of 610,269 days remotely, saving nearly 20 million kilometres or 108 years of travel.

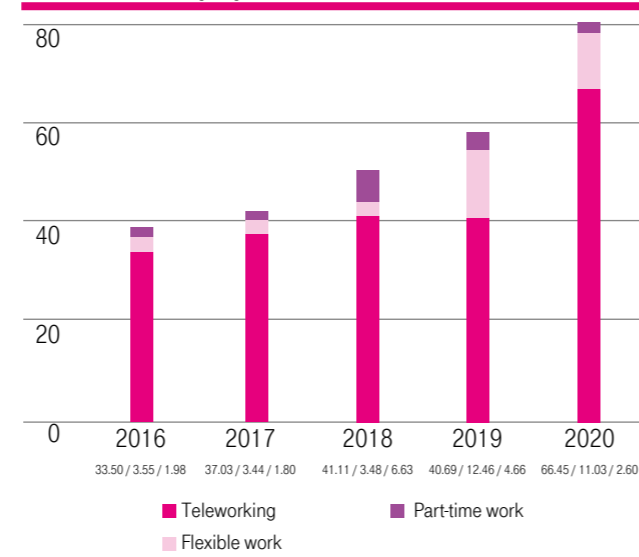
With regards to our employees' private and family circumstances (e.g. necessity of homecare of an elderly or chronically ill close relative), our colleagues may go on a permanent leave without pay as regulated by the Labour Code. The facts justifying the leave are to be verified to the employer and the period of leave must not exceed 2 years. In accordance with Hungarian labour legislations we provide our employees with extra days off according to how many children they have, and for donating blood. In cases of more than 40% damage to health, employees have the right to an additional 5 days off for rehabilitation, annually. 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 has been offering the partly-financed opportunity of a "sabbatical" leave for a period of 1-6 months, since 2016.

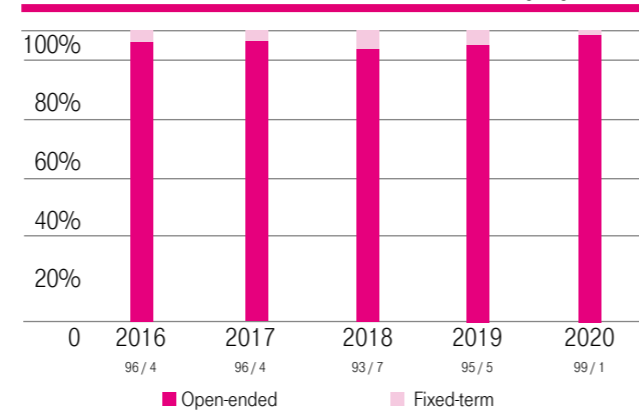
GENDER MIX OF ATYPICAL FORMS OF EMPLOYMENT AT MAGYAR TELEKOM PLC. IN 2020 (%) ✓



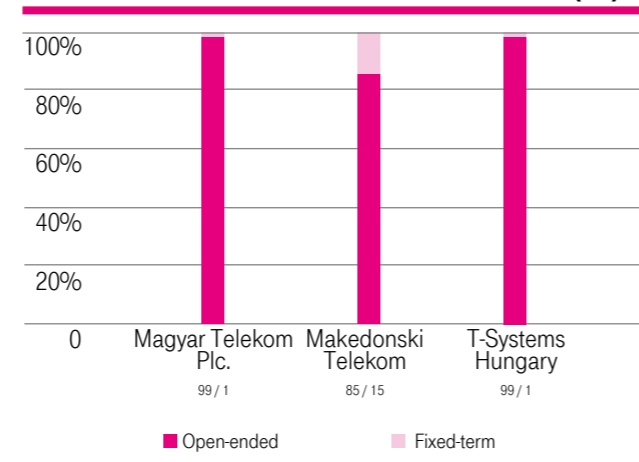
ATYPICAL FORMS OF EMPLOYMENT AT MAGYAR TELEKOM PLC. IN PERCENTAGE OF THE TOTAL HEADCOUNT (%) ✓



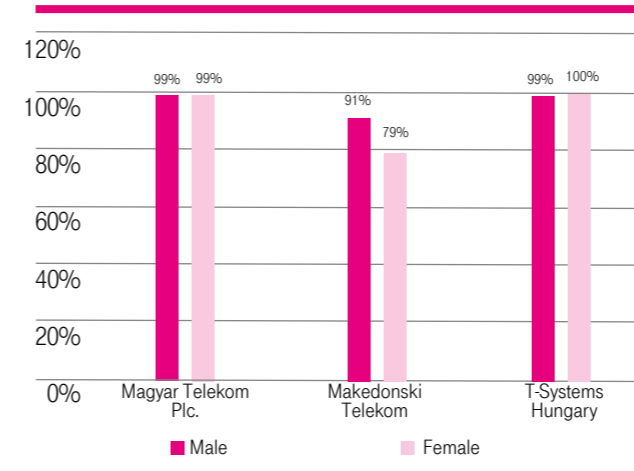
RATIO OF FIXED-TERM TO OPEN-ENDED EMPLOYMENT AT MAGYAR TELEKOM PLC. (%) ✓



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



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



Family-friendly Telekom and T-Systems Hungary

In 2020 one of the most important elements of Telekom's Diversity & Inclusion concept remained the improvement of our entire parental leave process from planning to staying in touch during leave, all the way to reintegration support. In 2020 we informed our affected employees about the new opportunities introduced as part of the 2019 renewed process of parental leave and return support scheme and we have received and processed their contact requests. The new process offers support in career planning and new ways of staying in touch during the leave period. Preparation for the long-term parental leave is being supported by an 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 between 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 retain 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.

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

	Male	Female	Total
Employees on long-term leave	3	87	90
Employees returning after long-term leave		123	123
Employees returning from long-term leave, after having been employed at least for 12 months upon joining the company		79	79
Employees returning from long-term leave with continued employment	N/A	64%	64%

From 2018, we have employed 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.



We support 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 in touch through our traditional channels of correspondence, in our closed Facebook group „Telekom Families” and in person at our family and sports activities, where all our employees and families are invited to spend a day outdoors. As a result of our efforts, we witness a steadily improving trajectory of the re-employment rate of our employees returning from parental leave..



In order to support a healthy balance between work and private life, it is necessary to reorganise the workload within families. The „Daddy, it's starting!“ program tries to raise awareness of the father's role within the family. The internal communication portal of the company has published and 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. During International Women's Day week in 2020, we held an expert roundtable discussion on home care, emotional housework, and family roles with the active participation of our staff.

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. We have been recognised as a Family-Friendly Mentor Company since 2016 raising our partnership with the movement on a strategic level for an indefinite period. As part of our partnership, 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 also received the audited „Family-Friendly Place“ qualification, which was launched in bronze in 2019 and was proud to wear it in 2020 as well.

In 2019 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 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 provides family friendly office spaces. We opened our very first Telekom HQ 'Kid's Hut' in July 2019 where we offer professional childcare assistance for a couple of office hours during the school holidays most difficult to arrange babysitting, 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. Unfortunately, due to the 2020 COVID-19 pandemic the 'Kid's Hut' was forced to remain out of service throughout the year.

Hundreds of Telekom children took over the headquarters on the Bring Your Kids to Work #shomewhereyouwork ('#mutiholdolgozol') day, which was held with great success in 2019. Usually held on the first day of the spring school holiday, colleagues are invited to bring their children to work showing them what is it their parents are working on. In addition to announcing the results of our drawing competition, we also treated them with gifts and children's menus from our restaurants.

We didn't want to give up the opportunity to involve our children in 2020 either, despite our circumstances, so in April we launched an unusual #showushowyoustudy (#mutihogytanultok) creative competition, during which our children could apply and show how their families cope with the challenges of working from home and distance learning in drawing or multimedia art categories. In early December 2020, we organised an online Santa Claus celebration for the little ones with the participation of performer Vilmos Gryllus.

A considerable proportion of employees in the company group take advantage of teleworking thus actively-working parents and still actively-working grandparents can successfully harmonise their family lives and professional duties. Regulated by the Labour Act employees are entitled to unpaid leave to take care of ill close relatives, the timeframe and methodology are subject to the labour 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 chronically-ill relative care institutional system and private facilities throughout the country to help plan and re-organise life and care in their demanding situations.

Since the beginning of the first wave of the epidemic, about 80% of our employees have switched to 100% telework. In positions that did not allow remote working, such as network establishment or troubleshooting technology unit colleagues and front-end customer service professionals, we have secured uninterrupted service providing our employees with equipment and working conditions that meet the requirements of the imposed health and safety rules.

Working parent colleagues with children under 14, who were unable to provide sufficient day-care after the closing of education institutions were provided an absence fee, and we speeded up the processing of corporate emergency assistance and salary advance request applications. At the beginning of April 2020, with the initiative, personal responsibility and financial contributions of the Leadership Squad, Tibor Rékasi, CEO funded the Magenta Alliance Foundation in support of employees facing financial insecurities due to the pandemic crisis. The Foundation is open to applications and accepts donations from all Magyar Telekom and T-Systems employees. By the end of 2020, nearly HUF 5.7 million in donations had been raised through employee donations.

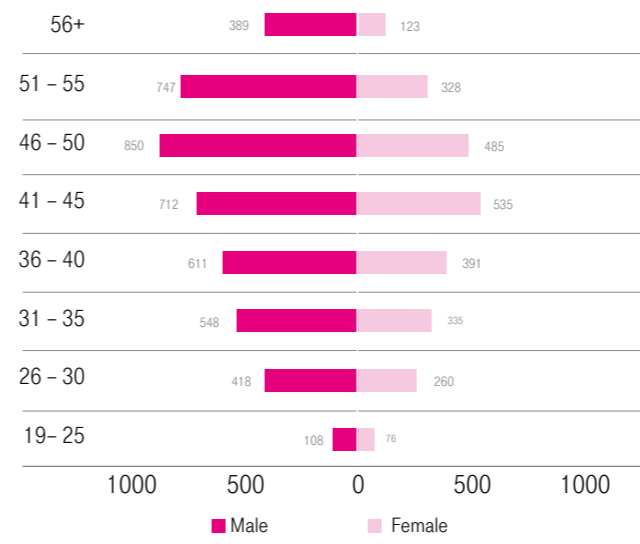
Generations at Magyar Telekom

The company employs various generations simultaneously thus personal fulfilment and the realisation 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 methods 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 for 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 middle-aged category of experienced professionals.

AGE TREE OF MAGYAR TELEKOM GROUP, DECEMBER 31, 2020 ✓



DISTRIBUTION OF EMPLOYEES BY REGION(%) ✓

