



**SUSTAINABILITY
REPORT
2020**



EGYÜTT. VELED

OUR APPROACH

Sustainability approach

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

Sustainable development is not a challenge for any single individual. It affects everyone across the whole corporate Group. Therefore, it cannot be approached as a task dedicated to one organisational unit. The different entities of the Group learn about and then apply the sustainable practices applicable in their respective areas through the policies governing internal operating procedures. Our newly-hired employees familiarise themselves with and start to apply the sustainable operating principles that govern the whole Group and are present as an organic part of our corporate culture. The specific tasks often involve totally different entities within the Group, and require the cooperation of organizations far away from each other. Magyar Telekom's sustainable corporate governance practice is described in the **Chapter on Corporate Governance**.

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

Economic dimension

- Business venture, integrity, transparency
- Vision, innovation
- Employees, team, dynamism
- Our clients

Social dimension

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

Környezeti dimenzió

- The Earth
- A viable and wholesome environment
- Nature, biological diversity
- Natural resources

BE SMARTER! – 4th Sustainability Strategy (2016-2020)

Magyar Telekom's 4th Sustainability Strategy was compiled with the main objective to make sustainability an integral part of Magyar Telekom's business. To achieve this, the company has strived to fully achieve the goals of all three pillars of sustainability, to be credible and innovative. The four focus areas of the strategy until the end of 2020 included, climate protection, training and awareness-raising, promoting sustainability through digitalisation, and making Magyar Telekom an open and safe workplace for everyone.

Climate protection

Our goal was to make our customers climate-conscious, too, and to be an authentic and responsible company that helps them along that journey. It was our ambitious objective to generate revenue from our climate protection activities, as the ICT world offers especially great potential for that, at the same time to push Magyar Telekom Group's actual CO₂ emissions below 100,000 tons. In order to achieve the above, in addition to the emission-decreasing initiatives, we also needed to work on elaborating "green" services specifically.

By the end of 2020, the Magyar Telekom Group managed to reduce its actual emissions to below the target of 100,000 tons of CO₂ (85,400 t CO₂), and in parallel, in 2019 we introduced the ExtraNet Green 1 GB data extension option, the first explicitly-green service on the market.

Education

We wanted to assume a role in educating the public and our customers. Our goal was to directly or indirectly reach 1 million people in Hungary with our training by the end of the period covered by the strategy. We should primarily focus these digitisation and responsibility related trainings on three areas: programs aimed at eliminating the digital gap, the succession pool of the industry and awareness raising edutainment/inspiration activities.

Although the pandemic that hit our country in March 2020 complicated the processes in several areas, during the strategic period, Magyar Telekom's education programmes reached more than 2.5 million people in Hungary.

Digitally enabled sustainability

Being a sustainable digital company, it was our clear expectation that our customers should also use sustainable digital services. To that end, we strove to pursue responsible marketing and activities that enable and inspire others, as well as those based on sharing. In this context, our goal was that awareness about Magyar Telekom, as a sustainable company should reach 50%.

In 2020, 35.6% of Magyar Telekom's revenue came from products and services assessed as sustainability indicators, and we are proud that nearly 100% of our innovation spending last year was socially and/or environmentally beneficial. Even though the company's sustainability awareness did not reach 50% by the end of the strategy period, along the milestones defined within the objective, Magyar Telekom Group employees volunteered more than 45,000 hours nationwide, making a contribution in principle to Hungarian society worth more than HUF 140 million over the 5-year period, and the company supported the widespread use of digitalisation opportunities in Hungary with more than 50 smart city and smart agriculture solutions.



Diversity and inclusion

As a responsible employer we have paid special attention to the elimination of discrimination from the workplace environment, ensuring that all voices be heard and all perspectives respected. Our equity and inclusion efforts implied a special focus on the diverse needs of employees coming from underrepresented social groups when it comes to the comfort of well-being, sense of belonging or career aspirations.




The Y2020 report has been structured along the above-mentioned focus areas to present the sustainability performance of the company.

SUSTAINABILITY STRATEGY STATUS BY SUBTASKS



Climate protection

- Operational emission decrease 
- Customer greening solutions 






Education

- Digital competencies 
- Industry succession 
- Edutainment/Inspitainment 

Digitally Enabled Sustainability

- Responsible marketing 
- Enabling, inspiring sharing activities 

Diversity & Inclusion

- Corporate governance 
- Diversity and inclusion 
- Workforce diversity 
- Workplace flexibility 
- Accessibility 

Sustainable Development Goals (SDGs)

In 2015, the UN adopted its sustainable development blueprint to be implemented by 2030. These 17 goals and 169 targets determine the main direction towards resolving the most urgent problems posing a threat to humanity and the planet. Magyar Telekom elaborated its Sustainability Strategy encompassing the period from 2016 through 2020 in line with these SDGs.



**SUSTAINABILITY STRATEGY 2016–2020
OF MAGYAR TELEKOM GROUP**



In each chapter of the Sustainability Report, we indicate which SDG the specific chapter is relevant to, and we also compiled a **separate report** that includes which goals we consider as priorities throughout our activities, and how we contribute to the achievement of specific targets.