In 2018, we organized the 19th Sustainability Roundtable hosting an open discussion platform for a better insight about the sustainability expectations of different stakeholder groups towards Magyar Telekom Group. We also use this opportunity to carry out fruitful discussions about the problems raised, and also to present our sustainability achievements and further goals. Organizers and participants have a free platform to share their thoughts and cooperate in building a sustainable future together.

In the course of the roundtable discussions participants received a wrapup of our sustainability strategy, goals and results, and in the second part of the event, our guests – Dr. Juhasz Andrea (Managing Partner Lee Hecht Harrison Hungary), Friedi Zsuzsanna (CHRO Magyar Telekom Plc.), Mautner Zsófia Juhos Andrea (Managing Partner Lee Hecht Harrison Hungary), Szentesi Éva (writer, anti-can) – discussed the achievements of our sustainability activities.

As part of the preparation process of Magyar Telekom’s Corporate Sustainability Report we rely on our preliminary research findings and regularly monitor the opinions of our stakeholders concerning the importance of our sustainability topics. We conduct an annual survey aiming to find out how different stakeholder groups evaluate the corporate sustainability practices of our company. Our questionnaire offers the rating of 37 topics on a 1-5 scale where 1 stands for the least important and 5 for the most important topic.

We wish to continue on joint thinking and cooperation with our stakeholders therefore we encourage everyone to share their comments, ideas and opinion with us by sending them to the fenntarthatosag@telekom.hu email address.
STAKEHOLDER INVOLVEMENT

Successful operations necessitate strong stakeholder relations. Below you will find a list of our key activities with our stakeholders:

- Investors – Investor (and responsible investor) assessment
- Customers – Sustainable products and services, hello holnap! mobile application
- Employees – community solar project pilot, corporate diversity culture survey, hello holnap! points
- Future generations – Become an IT expert!, sustainable innovation
- Local communities – Telekom Voluntary Day, Autistic Art strategic partnership, Telekom Community Gardens
- Nonprofit organizations – sustainability panel discussions, Sustainability Day
- Suppliers – sustainable supplier chain, Magyar Telekom TOP3 sustainable supplier award
- Media – Sustainability Media Club, Sustainability Press Award
- Regulators – conformity, regulatory relations
- Future generations – Become an IT expert!, sustainable innovation
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FREQUENCY OF THE INVOLVEMENT OF OUR STAKEHOLDERS AND KEY EVENTS IN 2018

CUSTOMERS

Within the frame of the Omnibusz survey we ask Telekom and non-Telekom customers about their consumption habits four times a year. We survey core services, such as TV, internet, telephone service as well as energy and insurance too. Four times a year we include questions on sustainability as well. We normally involve 750 persons in the survey.

The hello holnap! mobile application was downloaded more than 19,000 times by the end of 2018. Users may collect points through the application that can be exchanged into money then donated to non-profit organizations available in the application. In 2018 users collected thousands of points and donated HUF 3.5 million to the beneficiaries.

The purpose of the sustainability assessment is to identify the sustainability impacts of our products and services and determine whether the given product or service has favorable environmental and social impacts, or whether it contributes to long-term economic growth. Our revenue from sustainable products and services is increasing year by year. By 2018, the revenue from these products has reached a 35.6% ratio.

SHAREHOLDERS


On 10 April 2018 the Annual General Meeting was held, convened by the Board of Directors of Magyar Telekom Telecommunications Public Limited Company, at which the AGM approved the audited consolidated and standalone financial statements of the Company, as well as the Corporate Governance and Management Report of the Company for the business year of 2017, and decided on the use of the profit after tax earned in 2017.

In 2017 we participated at several investor conferences and roadshows around the world, the most significant were:

- 21 March 2018: Citi European & Emerging Markets Telecoms Conference – London
- 3 April 2018: Concord investor Meetup – Budapest
- 9-10 October 2018: Erste Group CEE investor conference – Stegersbach
- 12-13 November 2018: European roadshow organized by Raiffeisen – Frankfurt, Tallin, Stockholm
- 3-4 December 2018: US roadshow organized by Citi – New York, Boston

Magyar Telekom’s top management and staff from the Investor Relations department spend 10-15 days abroad every year at various roadshows and conferences in the main centers of the financial world, where the vast majority of fund managers and investors are active. Around 100-150 meetings take place annually with investors and analysts.

Magyar Telekom also gives space on its website to satisfy the information needs of interested parties. Up-to-date information can be found in the ‘Investor Relations’ section about the company’s financial situation (quarterly financial reports), general meetings, and dividend payments. The current listing of Magyar Telekom’s shares and all the information necessary to get in touch with the corporation are also available. The e-mail address and telephone number of the Investor Relations department can be found on the website, and members of the department respond to questions sent via e-mail as quickly as possible.

In addition to the above, the corporation assesses investor needs each year with the help of a questionnaire. An independent specialist firm is commissioned to prepare a so-called perception study, which assesses investors’ opinions, needs and expectations with the help of a series of detailed questions asked to a representative sample.

Magyar Telekom continues to be assessed by responsible investor ratings. Responsible investors are those who consider each company’s environmental and social performance in addition to financial and risk analysis during their investor’s assessment processes.

Magyar Telekom has been listed among the CEERIUS (Central Eastern European Responsible Investment Universe) Index companies of the Vienna Stock Exchange that offer outstanding performance, ISS-oekom responsible investment assessment agency published in April 2018 named Magyar Telekom as the ICT demonstrating the best sustainability performance in its sector. We also remained a member of the FTSE4Good Index in 2018, where the related assessment put the company among the top 10% of the sector. At the same time, we received an AA rating from MSCI ESG Research on their scale ranging from CCC to AAA. We have continued our participation in the Carbon Disclosure Project (CDP), in the framework of which the largest companies report on their climate protection measures, the related risks and opportunities and their CO2 emissions to the key investors.
In case of industry-specific draft strategies and draft legislations circulated by the lawmaker for public discussion Magyar Telekom harmonizes with authorities mainly by invitation.

Magyar Telekom regulatory contributes to harmonization with interest representation forums (in particular with the: Communications Reconciliation Council [HET], IVSZ Alliance for the Digital Economy) where the company’s key objective is to establish a common legal and professional opinion on the legislative process. HET is the dedicated consultation partner of the telecommunication industry in respect of the Digital Welfare Program (DWP) – the former Digital National Development Program (DNFP) – launched as a result of the Internet6Kon national consultation that determined the future of the domestic internet market. During the planning and implementation of the government decree, issued to ensure the implementation of the DWP, the HET represents the standpoint of the industry.

Social responsibility and a sustainability mindset are key elements of everyday life within the company. Individual commitment to these values is something that we pay attention to during our recruitment processes. Our employees engage in multiple events and activities that involve volunteer work, opportunities to donate and several other forms of taking part in corporate social giving.

In 2018 Magyar Telekom supported the 33-year-old Telekom Viccúta city run as a naming sponsor. The event was simultaneously held in Budapest, Győr, Miskolc, Szeged and Pécs. More than 30,000 people from 84 other countries came to participate in the big run. Our colleagues were encouraged to take part in the city run with preliminary internal campaigns and by an option of preferential admission. 1,100 employees – together with their families – took part in the biggest sport event of springtime, with a total of 1,200 race numbers for the city and supported the Autistic Art Foundation.

In 2018, Telekom launched its Civil Tariff Package service for NGOs in March, 2004 with beneficial rates and service packages. The company invited applications on one occasion and provided discount schemes to 31 organizations in an overall value of nearly 4 million HUF.

Volunteer work is an organic part of Magyar Telekom’s corporate culture. Our Sustainability Strategy sets the objective of putting in 50,000 volunteer work hours by 2020. In 2018, more than 1000 colleagues put in a total of 11,988 hours, thus generating value for the society in an amount equivalent to HUF 42 million. Digital education is one of the main areas of our volunteer efforts, which interns are also invited to take part in.

Local communities
The agreement fits into the Telekom general sponsorship objectives and aligns with the mother company’s international support system: Hungary’s leading telecommunication service provider supports the biggest and most successful clubs and their athletes - like the Hungarian Olympic Committee, Telekom Veszprém, the Hungarian Swimming Association, the FTC and the Hungarian Paralympic Committee.

Magyar Telekom and the Contemporary Architecture Center (KEK) continued operation and maintenance of the community gardens. The gardening works continued in the Csárdás Garden and Kerthátár Community Garden. The two gardens offer an opportunity for urban gardening for more than 150 families in the city.

In the framework of Telekom Volunteer Day 2018, traditional forms of volunteer work were performed at 25 locations nationwide. In the Budapest region, Telekom’s volunteers worked on the gardens of Heim Pál Pediatric Hospital and Tőzsdő Street Pediatric Hospital, among others. The Normafa and Széchenyi Hegy stations of the Hungarian State Railway Children’s Railway, as well as 18 kennels of Ebreény Association’s Strátasz Dog Shelter were also cleaned up and renewed in their appearance. Efforts to push back invasive species of plants that spread to the detriment of native ones took place at several nature reserves simultaneously, and volunteers also visited three boarding homes supported by Autistic Art Foundation (Kozármisleny, Szakáld, Miskolc) to help out in maintenance of the homes.

Non-profit organizations
Everyone had the opportunity to exchange ideas and experience with NGOs at the annual Sustainability Roundtable discussions, in Budapest. In 2018 the panel discussion was organized for the 19th time.

The Sustainability Day of Magyar Telekom has been organized for eleventh time on the last Saturday of September. In 2018 there were 6,000 people wanting to know more about the topics raised. They could visit more than 40 exhibiting stands at the event, and receive information about the work of non-profit organizations who were also present.

By 2018, the number of NGOs Telekom customers could support through the “hello holnap!” application had raised to eleven. In one year, users donated a total of HUF 3.5 million to the Foundation for Afrika, ArtMan Association, Autistic Art Foundation, Ekýek Animal Shelter, Responsible Gastro Hero, HAMuSz Alliance, Hungarian Food Bank Association, Hungarian National Society of Conservatives, Patronus House, SUHÁN! Foundation and Transparency International Hungary.
MEDIA

Magyar Telekom and Sustainability Media Club held an award ceremony in 2018, too, to recognize positive examples of sustainability initiatives, stories on solutions to social problems or changing public mindset, as well as content demonstrating the positive societal effects of digitalization and communication. In 2018 30 applications were submitted to Magyar Telekom’s Sustainability Media Award. Projects could be nominated in three categories: TV/radio/video content, written content (print, online) and “blog, vlog”. The projects were required to address environmental, social or economic phenomena. The awards were distributed among the winners on the ninth Sustainability Day.

SUPPLIERS

Magyar Telekom has invited his suppliers to fill out the Eco-Vadas assessment, which evaluates companies in terms of their economic, environmental, social and responsible procurement operations. As a result 8 suppliers have received direct and 11 suppliers indirect evaluation of social, environmental, economic and sustainable procurement aspects in 2018. Magyar Telekom Sustainability web audit is a series of questions on environmental, social and business ethics topics. 22 companies participated directly in the survey in 2018. Respondents were informed about their results, where they have received topic specific feedback on their performance.

The best rated suppliers in 2017 were awarded at the 11th Sustainability Roundtable Discussion event on June 18, 2018. At the event, the „Magyar Telekom’s TOP3 sustainable supplier 2017” title was given to: Cisco International Limited, Huawei Technologies Hungary Kft. and Cápogémni Magyarország Kft.

Deutsche Telekom provides significant support for the sustainable improvement of supplier relations through sectorial initiatives such as JAC – Joint Audit Cooperation. As part of the system, in 2018 a total of 12 indirect Magyar Telekom suppliers were audited.

FUTURE GENERATIONS

In 2018, we continued our “Become an…” digital educational and IT vocational program. In course of the year, we reached out to 5358 students countrywide with our 161 “Become an IT expert” training sessions held by Telekom volunteers. In the first half of the year, we invited high school students and their teachers to compete in our “Be a Creative Mind!” contest.

The Telekom Electronic Beats program series rocked on in 2018, too. In addition to the independently organized events, Telekom Electronic Beats also took part in organizing Creative Camp 15, where participants were invited to learn more about how to compose music on hardware and software. The Telekom Electronic Beats Festival, held on September 13, included a contemporary music lineup, lifestyle market, movies and other activities.

Music and festivals are among the main targets of Magyar Telekom’s sponsoring efforts. The company has been supporting the VOLT, the EFOTT and the Sziget Festival. Besides offering a great opportunity to present our brand these events are also important occasions for the event-specific presentation of our ICT products and services. By way of supporting festivals Magyar Telekom reached nearly 850 000 young adults in 2018: 152 000 persons partied at the VOLT, 125 000 at EFOTT and 565 000 at the Sziget Festival.

In addition to supporting the festivals, in 2018, Telekom worked on further improving the concert experience. In the framework of the cooperation with Budapester Park, 15 concerts were held where participants could try a VR solution, putting them on stage, among the performers, making them part of the main stage experience.

SUSTAINABILITY DAY

The Sustainability Day (FN1) was organized on the eleventh occasion on September 30th. The conference with the slogan “ELEVEN” (LIVELINESS in Hungarian) was organized in the Aquarum club and more than 6000 visitors were interested in. This time, it was András S. Talakó (On The Spot) who helped the audience get into an ELEVEN ("Lively") mood by his inspirational speech.

Experts on the environmental panel addressed issues concerning biodiversity, urban flora and fauna and “lively” environment protection and renewing energy sources. Afterwards, members of the social panel explored the “lively” society of the present and the future along generations, cultural diversity and cultural intelligence. Experts on the economic panel discussed micro and macro economy, trends, outlook, the operation of start-ups, as well as digital agriculture with the purpose of identifying what makes an economy “lively.” Panel +1 was organized around the theme of the individual in 2018, too, seeking, this time, an answer to the underlying question of what makes the individual “lively” in his or her everyday life, be the person in question a woman or a man, young or old, with or without handicap, or even a star athlete.

The attendees of the event could visit many of reputable organization who presented their sustainability activities. During the day more than 40 exhibitors waited visitors with interactive presentations, games and informational materials. The exhibitors informed people about sustainable transport, renewable energy using, urban gardening, waste management and recycling, sustainable food and conscious consumption, equal opportunities and accessibility, introduced digital solutions, but there were a lot of children’s program for the little ones.

Our Sustainability Day is an opportunity every year for Magyar Telekom to recognize the best. In addition to the Sustainability Press Awards founded jointly with Sustainability Media Club, we also recognized the winners of the „What makes you tick?” creative contest, which forms a part of the FN1 event. The jury handed out 3 prizes in the different categories of film, music/slam and creative projects, and visitors of FN1 voted for the winner of the audience award.

Within the frame of the Sustainability Press Award the applications were submitted in three categories. The winner "TV/radio/video content” category was a journalist from 24.hu, Dávid Czvick (Inforádió) with his "Ókosszigála” (’Smartworld’). In the “press (online/print)” category the members of the jury, delegated by Telekom and the Sustainability Media Club, gave the first prize to Bea Bellicza (24.hu) for the “Váskárga adott életcél az Angliában tanuló magyar fúrak” (Hungarian student studying in England builds his life’s purpose on being blind) article. In the “blog, vlog” category the first prize was given to Reka Nagy (Ökoanyu blog) for her article: “Személytől termel energiát a zsernóis magyar találmány” (“Ingenious Hungarian invention turns waste into energy”).

In line with our traditions acknowledgments were given to the three most popular exhibitors on the basis of the attendees’ votes. This year the acknowledgment was given to NEO Hungarian Helper Dog Public Benefit Association, Meiner School and Eco-generation of the Future Foundation.

The all-day event was closed by a huge party to the music of Anna and the Barbies band.
THE HELLO HOLNAP! APPLICATION


The hello holnap! application is available for iOS, Android and Windows phone. This is one of the most popular Magyar Telekom application and has been downloaded nearly 9,000 times.

DELFIN AWARD

In 2008 our company established the DELFIN Award. The award stands in Hungarian for a Committed, Sustainable, Innovative Generation. With the DELFIN Award Magyar Telekom wants to promote the idea of sustainable development among all companies in Hungary and recognize efforts made towards this goal. The award is given to suppliers offering outstanding performance in the field of sustainability, on the basis of applications judged by a board of professionals.

Any Hungarian enterprise could apply for the DELFIN award in 2018 - with implemented and running programs in 4 categories:

- sustainable innovation category,
- diversity category,
- climate protection category,
- sustainability awareness category

The award ceremony was held on June 14, 2018 at the 19th Sustainability Roundtable discussion. The roundtable discussion and the DELFIN Award ceremony was organized in the Tel- ekom HQ.

The professional jury of the event rewarded exemplary sustainability solutions and performance among the competing companies.

Winners of the DELFIN Award in 2018:

- In “Climate protection” category:
  - Budapest Airport Zrt.

- In “Sustainable awareness” category:
  - Jövő Öko-Nemzedéke Alapítvány
  - Kezes-lábas játszóház

The application materials can be found on this website (only HU).