



SUSTAINABILITY REPORT

2017



EGYÜTT. VELED



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6.1 COMMUNITY INVESTMENTS

Development of communities, consciousness forming

As a responsible corporation, we believe that we are not only here to provide services to our customers but also to educate them on the safe and responsible use of internet. Along these efforts we aim to close the digital divide in Hungary.



Last year we integrated certain elements of the Smart Digital Program into the Become an IT expert! career guidance program thus the enhanced curriculum offers a higher number of potential contacts.

Since November, 2017, the Deutsche Telekom's **Teachtoday** initiative is available with the objective to foster the safe and conscious use of the internet and to disseminate online education content to a broad audience. Teachtoday was established in 2008 upon the European Union's initiative, under the patronage of Viviane Reding, then member of the European Commission, within the frame of the European Schoolnet (EUN) program and was implemented by numerous leading European internet-, mobile telephone and telecommunication operators. In the spring of 2014 the Teachtoday initiative was taken over by Deutsche Telekom AG and since then the program has been maintained by the company. The content on the Teachtoday website is aligned to situations that we experience in our everyday lives; explaining how young generations use the internet, while taking into account potential differences in various needs and living conditions. The online interface offers practical tips and solutions to parents and children alike

on topics like data protection, big data, social networks, use of mobile phones or popular applications. Teachtoday helps the work of teachers with ready-made modules that can be immediately incorporated into the digital curriculum as well as best practices and examples.



Become an IT expert! – career guidance program

With Become an IT expert! program, Magyar Telekom and T-Systems Hungary has developed a concept that is in line with the Hungarian government's objectives to advance the digital skills. The program provides career guidance and contributes to the promotion of professional career development within the IT sector with the objective to mitigate the shortage of IT experts in the Hungarian and European labor market.



The most important objective of the program is to provide a scope of opportunities within the choice of an IT related career for the young, career entrant generation, using our expertise and volunteer initiatives. Our Become an IT expert! **website** is an organic part of the program offering useful information on the IT profession, expert competitions and new trainee

positions. Through the Become an IT expert! Facebook site we continuously provide information on the technological developments of our digital future.

In 2017 the program was elevated one level higher and Telekom - T-Systems announced a programmer competition for high school students under the name of "Challenge".



Teams from more than 100 schools enrolled into the Become an IT expert! online programmer Challenge. Due to the huge number of applications the organizers increased the original number of eligible high school teams from 20 to 40. The students from grade 9-12 could compete with each other under the mentoring of their teachers and could playfully compete in the field of computer coding. They had to solve various challenges that required algorithm based thinking and programmer knowledge, too. The Challenge was a great opportunity for students and their teachers to combine their knowledge in a team and take part in the competition together. One of the challenges was wrapped in the story of an intergalactic journey. The teams were "dropped" into an imaginary space mission where they could only travel from one place to the other if they completed the programmer challenge by the relevant deadline. Finally, the teams had to develop their own program while challenging another team in the process. While solving the tasks the participants had to use a programming language - freely accessible to anyone - thereby the students almost unconsciously acquired new skills that they can also use in the future in other areas of their lives.

The tasks in the Challenge helped students to look at programming not as a complicated and abstract knowledge, but rather as a skill that helps to pursue interesting and useful activities.



More than 150 students wrote 16,000 lines of program code at the Telekom Challenge - the programming game is publicly available at the **Become an IT expert!** website thus we encourage everyone to try if programming is to his or her taste.

As the member of the jury, Christopher Matthiesen, Magyar Telekom's CEO, said at the announcement of the results: Since the launch of the "Become an IT expert! program" the company's volunteers reached out to more than 21,000 students and with the organization of the game the initiative is enriched with true engagement and experience-based elements. The game proved that there is openness among students to develop digital skills which is getting more and more important because in our future world, built on the 5G network technology, digitally literate people will be the most successful."

The winner of the competition was the team from the Radnóti Miklós high school from Szeged. The main prize included - besides tangible items - that the winning program was built into a game that went public on the day of the award ceremony, as the last challenge within the game. The second place was given to the team from the dual language Széchenyi István vocational education and training school from Békéscsaba and the third to the team from the Neumann János Computer Technology High School from Budapest.

The special prize of T-Systems Hungary was given out by Zoltán Kaszás, CEO of the company, to the team from Batthyányi Lajos High School from Nagykanizsa. Their award was an invitation to the Y2017 first creative intellectual summer camp, organized at the T-Systems Idea Campus.

Our achievements in 2017:

- 10 400 art in our presentation sessions
- 504 presentations were delivered at schools
- 54 settlements and
- 382 schools were involved

The Become an IT expert! - Challenge campaign was awarded with the European Excellence Award, the Silver Effie in the Services/telecommunication category and the Two Gold Prisms both in the "Influencer PR campaign" and the "IT/Telecommunication" categories.

Our worlds are different. But we still understand each other

The strategic partnership cooperation between Magyar Telekom and the Autistic Art Foundation, established in 2016, has grown into a fully-fledged program in 2017 as the jointly realized programs helped to involve a broader audience on behalf of both partners and to launch initiatives that have tangible social impact.



Within the frame of the cooperation with the Autistic Art Foundation Telekom uses its best efforts to call public attention to autism, as a social problem, and exerts efforts to help people living with autism to communicate with others as much as possible thereby reducing the distance between autists and other people.



In relation to the world day of autism (April 2) Telekom donated a BOOKR Kids Tale Tablet to the Foundation after each Kids Tale Tablet purchased in April in Telekom shops. The donation helps the work of occupation workshops in autistic homes with digital tools.

However, the initiative extends far beyond the simple donation of tools. The associated social sensitization initiative also acquired the renown of the communication profession and was awarded in 2017 with the silver Prism Award.

Magyar Telekom, BOOKR Kids, Autistic Art and the Sustainability Media Club jointly announced a superhero drawing contest for children. A new tale was included in the Mesetár (Tale Book) application to show in what way an autistic child is different from the others and how we can accept this difference. The tale was written by a József Attila awardee writer, poet, János Lackfi, under the title of "Otter Love and Diamond Rain" and the book was illustrated by children, taking part in a drawing contest. The tale is available in the application free of charge and is narrated by Dorka Gryllus, actress, charity ambassador of the Autistic Art Foundation.

The Otter Love and Diamond Rain and the two games designed for autistic persons can be freely downloaded from the BOOKR Kids Mesetár ([Google Play](#), [App Store](#)):

"Almost 40% of young people with autism never speak and it is hard to find out what is going on in their closed world. For the majority of young people living in autistic homes it is not easy to understand the intentions of others or to decode emotions. The special applications installed on smart devices can help them in their everyday lives and can play an important role in the course of occupation workshops organized in autistic homes" - explained Viktória Bella, managing director of the Autistic Art Foundation.

Participants of the 32nd Telekom Vivicitá city run could join the charity run initiative, organized by Telekom and the Sustainability Media Club, whereby they could support Magyar Telekom's non-profit strategic partner, the Autistic Art Foundation, by completing the 2,5 km distance run. Members of the charity run team included Olympians and Paralympians, athletes of the Ferencvárosi Sports Club, Balázs Somogyi, ultramarathon runner and members of the Sustainability Media Club, too. The run was started by Dániel Gyurta, László Cseh, world-class swimmers. The objective of the team is to call public attention to autism which has an impact on an increasing number of persons.

The charity run could be virtually joined by anyone in the social space. Participants who wished to join the run through this channel only had to take a photo of themselves while running and wearing any of last year's Telekom Vivicitá official jerseys then post this photo on Instagram with the #egyekvagyunk hashtag. By joining the initiative the participants also raised donations as Telekom donates HUF 100 to the Autistic Art Foundation for each uploaded photo.

The total amount of the charity income, raised as a result of the kilometers run and the hashtag initiative, was a total of 2 million HUF.



Besides the education tale, the BOOKR Kids Mesetár Application was also enriched by two playful applications specifically developed for autistic persons.



He support of autistic persons is shown on the Y2017 official Telekom Vivicitá jersey: the back of the T-shirt features the graphical design of Máté Varga, autistic artist.



At the end of 2017, as part of Telekom's marketing communication campaign, even more people could familiarize with and support the Foundation. Within the frame of the campaign we raised donations through various means: Telekom donated 100 HUF for each photo posted on Instagram with #mindenkibelead hashtag, after devices sold in Telekom shops in the Christmas holiday season and greeting messages sent from Telekom's Christmas postcard and greeting microsite. The company's donations could be supplemented by Telekom employees and the members of the Sustainability Media Club. This way the stakeholders donated a total of 5,233,000 HUF to the Foundation, raised during the Christmas campaign.



The Autistic Art Foundation's mission is to improve the living conditions in autistic homes and to improve the autistic persons' social acceptance. In the frame of the art program autistic persons can take part in art therapy workshops in six autistic homes. Sometimes art is the only way to express themselves because in most cases their communication skills are limited and special. The exceptional pieces of art created in their workshops could be purchased under the Autistic Art brand, uniquely merging art, design, charity and raising funds to maintain autistic homes.

It is good to give! cookie campaign

On December 4, 2017 we organized our traditional charity cookie campaign with the members of the Sustainability Media Club on the International Volunteer Day. A new program was started last year in the spirit of "#mindenkibelead" ("everybody contributes"): some of our colleagues entertained the participants of events in Budapest and the countryside with live music. 60 volunteers helped in 16 locations with cookies made by 300 colleagues. In a few hours' time we raised HUF 1.7 million donation for our strategic civil partner, Autistic Art Foundation.



Civil and CivilNet Tariff Package

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

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

In 2017 we provided discount priced fixed line telephone and internet services to 35 organizations for 12 months in the value of HUF 4.4 million.

In 2017 T-Systems started to support organizations that fit into Magyar Telekom Group's sustainable strategy. The fulfillment of the objectives of these programs help to build a renewing society and environment. In cooperation with the Hungarian Interchurch Aid we donated a total of 5 million HUF to equip the social and developer center in Olaszliszka with digital tools and we also supported the purchase of a microvan to help offering equal opportunities for local children.

6.2 OUR EMPLOYEES AND SOCIAL RESPONSIBILITY

What does volunteering mean to us?

"It is a great honor to be a volunteer!" - said Zsuzsa Friedl, Magyar Telekom's Chief HR Officer in relation to the 2017 Volunteer Day, which is the biggest volunteer event of the year. On a single day 920 employees performed volunteer work in 15 cities, in 32 locations across the country, building a playground that can be used both by children with disability and their healthy peers as well, we built the first forest playground for people using wheelchair, decorated healthcare facilities, autistic homes and helped to preserve the nature in nature reserve areas.



"This is much more than simple work. The company offers the opportunity to help; it was priceless to see the joy of those who were helped. I do hope that there will be similar occasions!"

"We learned and received a lot, and did not only give. It was great to be a Telekom employee and to help others. We were very much needed."

"If you meet children with illness you reevaluate the gravity of your problems. I sincerely thank the company that I could take part."

These and similar feedback from our colleagues justify that our common work for others has a very strong community building effect, it helps to break away from the everyday routine and releases positive energies which can be used both at work and outside the company.

In 2017 the second Telekom Volunteer Day was a great success where almost one thousand employees took part in 32 locations.

As a responsible large enterprise, employing several thousands of employees, Magyar Telekom encourages its workforce to step up their social responsibility efforts by way of offering and supporting 14 different types of volunteer programs. We find it important that our colleagues may choose from various volunteer activities that best fit their preferences.

As a leading ICT company we take part in the digital development of Hungary and the promotion of digital literacy and the use of ICT devices. The long established "Digital Bridge", similarly to our "Become an IT expert!" career orientation program in its third year, is built on the education activities of our company's volunteers. Last year our colleagues delivered presentations to 10,400 students in 54 localities on the benefits of the IT profession as well as the responsible use of the internet. With our program we joined the "Mobidik" pilot program of the Digital Role Model School project initiated by the Hungarian Digital Education Strategy where the objective is to present the digital education methodology of future schools.



Magyar Telekom has been a key supporter of the "Vivicitta" city run since its beginning. In 2017 as many as 900 colleagues worked, helped and completed the run to make the event as popular and successful as in previous years. Besides offering the entry-fee to charities our company's volunteers helped to organize the event, too. Our charity runner team undertook to raise awareness for people living with autism.



Almost 100 Telekom employees had the opportunity to offer more than 500 hours of volunteer work to contribute to the successful organization of one of the biggest events of the previous year, the FINA water sports world championship.



The volunteers were not only active in the international event but also supported the company's internal events, like the "Move Telekom" sport day and helped to make it an entertaining and relaxing event.



The traditional "It is good to give!" cookie campaign was organized in December at the company's sites. Our volunteers offered 240 trays of cookies, organization work, donations - some by playing music - and raised 1,7 million HUF donation that was offered to improve the living conditions of people living with autism.



There are other popular forms of volunteer activities that help the customer service staff, the shops' staff and our customers' convenience at the busiest peak times. In 2017 there were two occasions where colleagues working in various departments helped Telekom experts in the technical connection of customers to our network, fault clearance activities, to respond to call center calls and to help the staff's work in crowded shops.

The new program was named "Supplemented Voluntary Donations" and its key concept is that in addition to financial donations employees are also expected to commit themselves to the supported NGO with offering voluntary work.

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

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

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

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

- The employee's own initiative - in this case the maximum amount of company support is HUF 50 000. Supplementary support is provided as follows:
 - employee donations up to HUF 15 000 the company is adding double of the amount;
 - employee donations between HUF 15 001 and HUF 50 000 the company donates an equal amount.
- Collective initiative of employee groups - in this case the maximum amount of company support is HUF 200 000. Supplementary support is provided as follows:
 - in case of the collective initiative of employee groups, where at least 4 Telekom employees are involved in the donation and the connected voluntary work, and the amount of the donation paid by the employees is at least HUF 50 000, the company supplement will be HUF 200 000;
 - in case of the collective initiative of employee groups, where fewer than 4 Telekom employees are involved in the donation and the connected voluntary work, and the amount of the donation paid by the employees is at least HUF 25 000, the company supplement will be HUF 100 000.

Magyar Telekom takes note of and appreciates voluntary work, helping its employees' to carry out their good intentions and encourages them to do so with the collection of hello holnap! points. The company's management is committed to support voluntary work and its active personal participation motivates employees to join these programs.

"It is important that from time to time we see the life of people who live with problems and disabilities and actively help their integration and the improvement of their living conditions. The work for the society and the community forms valuable communities from those who take part in it."

Chris Mattheisen, Magyar Telekom's CEO



In 2017, 14 such programs were organized. All together more than 1200 Magyar Telekom volunteers contributed their workforce in 13 641 hours. With these programs we provided HUF 58.7 million worth of theoretical contribution to society.

6.3 SPONSORSHIP

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

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

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

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

As the most loyal sponsor of the TELEKOM Veszprém handball team the company has been sponsoring the club for 20 years, thereby contributing to the success of the world-elite club, like playing in the Champion's League finals or winning the SEHA league. Magyar Telekom believes that such world-class achievements and accomplishments significantly help promoting sports and a healthy life style among young people.



From the view of sports the biggest event of 2017 was unquestionably the FINA water sports world championship where Magyar Telekom was the National Main Sponsor. The VB 88 event (morning and afternoon events in all 6 sports) were visited by 473,950 persons. Our company provided external sales points, hello holnap! photo activity,- and mobile telephone charging services at events with the participation of almost one hundred Telekom employees.



Telekom also finds it important to support mass sports and has been sponsoring for more than 20 years the Telekom Vivicittá city run where - besides professional sportsmen - a lot of amateurs and families take part to popularize sports and leading an active life style.



realized them together with the organizers in order to reduce our energy consumption both in terms of human resources (i.e. traveling and number of hostesses) and assets. As a result we mainly support the events with our info-communication devices and services while observing sustainability considerations. We called all our partners' attention that it is essential to perform their work in accordance with all three pillars of sustainability.



In 2017 we upgraded the Telekom Electronic Beats program through which the Gorillaz band gave a live concert. We also presented the The Lenz application, developed by Deutsche Telekom, that can transform any magenta interface into a virtual portal - with Gorillaz content in the background. In 2017 our festival activities were performed under the Electronic Beats initiative, including various university roadshows, like the "Travelling Electronic Beats" roadshow.



Magyar Telekom is also a sponsor of big summer music festivals in Hungary, like the VOLT in Sopron, the Balaton Sound, the Sziget Festival, the Campus and the EFFOTT. In relation to sponsoring festivals we revised some of our BTL activities and

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

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