



SUSTAINABILITY REPORT

2017



EGYÜTT. VELED

GRI CONTENT INDEX

GRI STANDARDS USED:

GRI 101: FOUNDATION 2016

GRI 102: GENERAL DISCLOSURES 2016

GRI 103: MANAGEMENT APPROACH 2016

GRI 200: ECONOMIC 2016

GRI 300: ENVIRONMENTAL 2016

GRI 400: SOCIAL 2016

GRI TELECOMMUNICATION SECTOR SPECIFIC INDICATORS

GRI (Global Reporting Initiative) is an international organization the purpose of which is to provide a standard framework of guidelines and indicators for preparing sustainability reports, thus ensuring comparability and promoting transparency among companies. The following table helps the reader to find the information attached to specific GRI indicators. You can read more about the guidelines and the indicators on the following website
<https://www.globalreporting.org/standards/>

Disclosure Number	Disclosure Title	Chapter in Sustainability Report 2017	Page Number	Website	Direct answer	Omission	External Assurance																								
GRI 102: GENERAL DISCLOSURES 2016																															
1. ORGANIZATIONAL PROFILE																															
102-1	Name of the organization				The registered company name of Magyar Telekom is Magyar Telekom Telecommunications Public Limited Company, and its abbreviated name is Magyar Telekom Plc.		✓																								
102-2	Activities, brands, products, and services			http://www.telekom.hu/lakossagi/english/plans http://www.telekom.hu/about_us/about_magyar_telekom http://www.telekom.hu/uzletj/main http://www.telekom.hu/about_us/about_magyar_telekom/magyar_telekom_group	<p>The activities of Magyar Telekom Group cover three main business areas:</p> <ul style="list-style-type: none"> - fixed-line and mobile telecommunication services to residential customers (under the Telekom brand), - services to small- and medium-sized businesses (under the T-Systems brand), - and services to large businesses (under the T-Systems brand). <p>Magyar Telekom's employer and HR activities, business and investor relations, legal and corporate affairs, sustainability and corporate social responsibility, non-core business development, technical and network development activities also go under the corporate Telekom brand. The Magyar Telekom Group's member companies operating in Hungary are managing content, media and other, non-access services provided under various brands. The Group's international member companies are operating in the markets of the South-East European region as integrated and alternative telecommunications service providers. Magyar Telekom does not sell debated or prohibited products.</p>		✓																								
102-3	Location of headquarters				The headquarters of the Group are located in Budapest (I., Krisztina krt 55.).		✓																								
102-4	Location of operations				The Group's area of operation: Hungary, Macedonia, Bulgaria and Romania.		✓																								
102-5	Ownership and legal form			http://www.telekom.hu/about_us/investor_relations/magyar_telekom_shares/ownership_structure	<table border="1"> <thead> <tr> <th>Shareholders</th> <th>Ownership %</th> </tr> </thead> <tbody> <tr> <td>Deutsche Telekom Europe B.V.</td> <td>59,21%</td> </tr> <tr> <td>Other foreign institutions</td> <td>21,69%</td> </tr> <tr> <td>Domestic individuals</td> <td>7,17%</td> </tr> <tr> <td>Domestic institutions</td> <td>5,26%</td> </tr> <tr> <td>Nominee</td> <td>2,99%</td> </tr> <tr> <td>Employee share ownership</td> <td>0,14%</td> </tr> <tr> <td>Foreign individuals</td> <td>0,06%</td> </tr> <tr> <td>Treasury shares</td> <td>0,01%</td> </tr> <tr> <td>Government institutions</td> <td>0,01%</td> </tr> <tr> <td>Other</td> <td>3,46%</td> </tr> <tr> <td>Total</td> <td>100,00%</td> </tr> </tbody> </table>	Shareholders	Ownership %	Deutsche Telekom Europe B.V.	59,21%	Other foreign institutions	21,69%	Domestic individuals	7,17%	Domestic institutions	5,26%	Nominee	2,99%	Employee share ownership	0,14%	Foreign individuals	0,06%	Treasury shares	0,01%	Government institutions	0,01%	Other	3,46%	Total	100,00%		✓
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<p>Magyar Telekom, founded in 1991 (under the name of Matáv) was privatized in 1993. Magyar Telekom's shares were introduced at the Budapest and at the New York Stock Exchange in 1997. Magyar Telekom delisted in 2010 and deregistered in 2012 from the New York Stock Exchange maintaining an American Depositary Receipt program on a Level I basis with American Depositary Shares ("ADSs") traded on OTC markets. The majority shareholder of Magyar Telekom (59.21%) is Deutsche Telekom Europe B.V., which is indirectly owned exclusively by Deutsche Telekom AG. Deutsche Telekom Europe B.V. (formerly called CMobil B.V.) is 100%-os owned by Deutsche Telekom Europe Holding B.V., whose 100%-os owner is Deutsche Telekom Europe Holding GmbH (formerly called T-Mobile Global Holding Nr. 2 GmbH) and Deutsche Telekom Europe Holding GmbH is 100% owned by Deutsche Telekom AG, as a result Deutsche Telekom AG has 59,21% indirect ownership and voting rights in Magyar Telekom Plc. In 2017 Deutsche Telekom AD is the only shareholder of Magyar Telekom Group with ownership of more than 5% of shares. All other shareholders hold shares below 5%.</p>																															

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102-6	Markets served			http://www.telekom.hu/about_us/about_magyar_telekom/magyar_telekom_group http://www.telekom.hu/lakossagi/english/plans http://www.telekom.hu/lakossagi/english http://www.telekom.hu/uzleti/main	The activities of Magyar Telekom Group cover three main business areas: - fixed-line and mobile telecommunication services to residential customers (under the Telekom brand), - services to small- and medium-sized businesses (under the Telekom brand), - and services to large businesses (under the T-Systems brand). Magyar Telekom's employer and HR activities, business and investor relations, legal and corporate affairs, sustainability and corporate social responsibility, non-core business development, technical and network development activities also go under the corporate Telekom brand. The Magyar Telekom Group's member companies operating in Hungary are managing content, media and other, non-access services provided under various brands. The Group's international member companies are operating in the markets of the South-East European region as integrated and alternative telecommunications service providers.		✓																																																												
102-7	Scale of the organization			https://www.telekom.hu/static-tr/sw/file/IFRS_Group_2017_1.0_financial_alair_nyilatkozzattal.pdf	Number of employees of Magyar Telekom Group: 9,154 persons (as of December 31, 2017)		✓																																																												
102-8	Information on employees and other workers	5. Employees	37	https://www.telekom.hu/about_us/career/telekom_internship_program	The company uses external workforce in all major areas of its operations. The decisions are made by the relevant directorates. Generally we rely on external workforce in special areas, rare skillsets and qualities contracting them to fill in temporary vacancies in different areas of our operations. The positions as well as the levels of expertise may vary and thus they are hard to specify. In 2017 Magyar Telekom had 253 interns, and T-Systems had 195 interns. Throughout our internship program these 448 interns were provided with opportunities to gain real workforce experience in various areas of our operations. The diverse team of our 2017 interns included students from the fields of IT, business, economy, architecture, horticultural sciences and many other areas. Admission to the internship program of the company is not limited to any scholarly areas, we are eager to find out more about the applicants main drives and personality as well. We believe that thinking together with a diverse set of great people can lead to great solutions.		✓																																																												
102-9	Supply chain	3. Suppliers	29	http://www.telekom.hu/about_us/about_magyar_telekom/procurement https://beszerzes.telekom.hu/beszerzes/portal_en?appid=beszerzes&page=english/main.vm	The total number of suppliers that Magyar Telekom Plc. contacted with procurement orders in 2017 was 1636. The GRI 102-10 table lists the types of supplier by procurement areas. If suppliers are involved in the procurement processes of multiple areas than the above table lists them in all areas concerned. Therefore the sum of the above numbers does not reflect to the total number of suppliers engaged in our corporate procurement processes. The proportion of local suppliers is 77.8%. There is a corporate intranet site providing internal information for employees on the Procurement and Logistics Directorate's areas of concern, representatives and the related rules and regulations.		✓																																																												
102-10	Significant changes to the organization and its supply chain	3. Suppliers	29		<p>CHANGE IN THE COMPOSITION OF MAGYAR TELEKOM GROUP OVER THE PAST YEARS ✓</p> <table border="1"> <thead> <tr> <th>2013</th> <th>2014</th> <th>2015</th> <th>2016</th> <th>2017</th> </tr> </thead> <tbody> <tr> <td>Magyar Telekom Plc.</td> <td>Magyar Telekom Plc.</td> <td>Magyar Telekom Plc.</td> <td>Magyar Telekom Plc.</td> <td>Magyar Telekom Plc.</td> </tr> <tr> <td>T-Systems Hungary</td> <td>T-Systems Hungary</td> <td>T-Systems Hungary</td> <td>T-Systems Hungary</td> <td>T-Systems Hungary</td> </tr> <tr> <td>Origo</td> <td>Origo</td> <td>Origo</td> <td>Origo¹⁹</td> <td>/</td> </tr> <tr> <td>Budakalász Kábel TV²⁰</td> <td>Kalásznét</td> <td>Kalásznét</td> <td>Kalásznét</td> <td>Kalásznét</td> </tr> <tr> <td>TCG²¹</td> <td>TCG</td> <td>TCG</td> <td>TCG</td> <td>TCG²²</td> </tr> <tr> <td>MakTel²³</td> <td>MakTel</td> <td>MakTel</td> <td>MakTel</td> <td>MakTel²⁴</td> </tr> <tr> <td></td> <td></td> <td>GTS²⁵</td> <td>GTS</td> <td>GTS²⁶</td> </tr> </tbody> </table> <p>NUMBER OF SUPPLIERS AT DIFFERENT PROCUREMENT AREAS</p> <table border="1"> <thead> <tr> <th>Procurement area</th> <th>Description</th> <th>Number of suppliers in 2016</th> <th>Number of suppliers in 2017</th> </tr> </thead> <tbody> <tr> <td>Network</td> <td>wire and wireless network, transmission technology, backbone network</td> <td>347</td> <td>333</td> </tr> <tr> <td>IT</td> <td>hardware, software procurement, IT Consulting & Contracting, IT-operations and desk-top-services, OSS, BSS</td> <td>347</td> <td>346</td> </tr> <tr> <td>CPE & Noncore</td> <td>special projects and terminals, functional area</td> <td>80</td> <td>79</td> </tr> <tr> <td>Indirekt</td> <td>marketing, low cost suppliers, fleet management, real estate management, related services, consultancy, labor force and HR services</td> <td>1035</td> <td>878</td> </tr> </tbody> </table>	2013	2014	2015	2016	2017	Magyar Telekom Plc.	Magyar Telekom Plc.	Magyar Telekom Plc.	Magyar Telekom Plc.	Magyar Telekom Plc.	T-Systems Hungary	T-Systems Hungary	T-Systems Hungary	T-Systems Hungary	T-Systems Hungary	Origo	Origo	Origo	Origo ¹⁹	/	Budakalász Kábel TV ²⁰	Kalásznét	Kalásznét	Kalásznét	Kalásznét	TCG ²¹	TCG	TCG	TCG	TCG ²²	MakTel ²³	MakTel	MakTel	MakTel	MakTel ²⁴			GTS ²⁵	GTS	GTS ²⁶	Procurement area	Description	Number of suppliers in 2016	Number of suppliers in 2017	Network	wire and wireless network, transmission technology, backbone network	347	333	IT	hardware, software procurement, IT Consulting & Contracting, IT-operations and desk-top-services, OSS, BSS	347	346	CPE & Noncore	special projects and terminals, functional area	80	79	Indirekt	marketing, low cost suppliers, fleet management, real estate management, related services, consultancy, labor force and HR services	1035	878		✓
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(19) In 2016 100% of Origo shares sold to the New Wave Media Hirdetésszervező és Reklámértékesítő Szolgáltató Korlátolt Felelősségű Társaság.

(20) From 27.03.2013 Budakalász Kábel TV provides its services under the name of Kalásznét.

(21) The data of Cmogorski Telekom is quoted under the name of TCG.

(22) In 2017 the 76.53% shareholding in Cmogorski Telekom AD Podgorica has been transferred to Hrvatski Telekom d.d.

(23) The data of Makedonski Telekom AD and T-Mobile Macedonia AD are quoted under the name of MakTel.

(24) T-Mobile Macedonia AD merged into Makedonski Telekom AD (with effect 01.07.2015). Thereafter, only the data of Makedonski Telekom AD is quoted under the name of MakTel.

(25) In 2015 GTS Hungary appeared as new data provider.

(26) GTS merges into T-Systems Magyarország Zrt. (with effect 30.09.2017).

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102-11	Precautionary Principle or approach	Our Approach (Sustainability strategy) 1. Climate- and environmental protection 3. Suppliers	5 15 29	http://www.telekom.hu/about_us/society_and_environment/approach_strategy_and_goals https://www.telekom.hu/static-tr/sw/file/20160224_Risk_management_guideline_ENG.pdf	As a result of the corporate environment becoming more risky, in more and more European countries it was made compulsory for listed companies to operate a risk management system and to make risk reports for the information of their investors. Establishing a comprehensive risk management system the Company complies with the relevant requirements such as the recommendations of Budapest Stock Exchange, as well as with international standards. It is Magyar Telekom's policy that all disclosures made by the company to the shareholders and the investment community be accurate and complete, and fairly present Telekom's financial condition and results of operations in all material respects. Such disclosures are made on a timely basis as required by the applicable laws, rules and regulations. To achieve these objectives, Magyar Telekom developed and have continuously enhanced its risk management policies. The Company's risk management includes identification, assessment and evaluation of risks, development of necessary action plans, as well as monitoring of performance and results. For risk management to be effective, Telekom must ensure that the management takes business decisions with full understanding of all relevant risks. In 1999 Telekom established a formal risk management system. This system has been operating in an integrated way with the risk management system of Deutsche Telekom since 2002. All risks related to material internal and external operations, financial and legal compliance and certain other risks are evaluated and managed by a well-defined internal mechanism. A risk management handbook and an internal regulation on risk management were issued. A risk management course was developed for employees responsible for risk management in all organizational areas. Risk items affecting our operations are reviewed quarterly throughout the Company. All of Telekom's subsidiaries, business units, divisions and entities are obliged to identify and report their operational risks on a quarterly basis. After evaluation of these risks, results are reported to the Company's management, to the Board of Directors and to the Audit Committee. For the sake of prompt disclosure of all risk items influencing investors' decisions, Telekom enhanced its risk management procedures with a new element, complemented the quarterly risk reporting system with a continuous reporting procedure which requires all departments and subsidiaries to report on a real-time basis any new material fact, information or risk that comes to their knowledge. Information thus submitted is monitored and evaluated by the risk management area and the CFO is notified when a new material risk or information is identified. An internal regulation has been issued to define responsibilities of each employee in risk monitoring and management.		✓
102-12	External initiatives	Our approach Stakeholders 3. Suppliers 5. Employees	5 10 29 37				✓
102-13	Membership of associations	Stakeholders					✓
2. STRATEGY							
102-14	Statement from senior decision-maker	Letter from the CEO	3				✓
102-15	Key impacts, risks, and opportunities	Our approach (Sustainability strategy)	5	https://www.telekom.hu/about_us/society_and_environment https://www.telekom.hu/static-tr/sw/file/Magyar_Telekom_environmental_policy.pdf https://www.telekom.hu/about_us/society_and_environment/approach_strategy_and_goals			✓
3. ETHICS AND INTEGRITY							
102-16	Values, principles, standards, and norms of behavior	Our approach 3. Suppliers 5.1. Human rights, equal opportunities	5 29 38	https://www.telekom.hu/static-tr/sw/file/mt-code-of-conduct.pdf https://www.telekom.hu/static-tr/sw/file/code-of-human-rights-social-principles-eng.pdf http://www.telekom.hu/about_us/about_magyar_telekom/principles/quality_guarantees https://beszerzes.telekom.hu/beszerzes/portal/objects-beszerzes/doc/mukodesi_kodex_en.pdf	Magyar Telekom Group's Code of Conduct is a summary of the corporate compliance requirements; this document sets out the common values of the Group and it is also the token of the strong position, reputation and successful future of Telekom. Everyone at Magyar Telekom Group must comply with the Code of Conduct from staff employees to the Board members. In addition to the employees the contracted partners of Magyar Telekom Group are also required to learn and accept these values when registering on the Company's procurement site.		✓
102-17	Mechanisms for advice and concerns about ethics			http://www.telekom.hu/about_us/about_magyar_telekom/principles/compliance	Magyar Telekom Group takes the Code of Conduct and its detailed regulation seriously and considers its enforcement to be among the highest priorities, but it is also acknowledged that it is sometimes difficult to know right from wrong. That's why the employees are encouraged to initiate open communication through an internally available Ask me! portal. Complaints and concerns about possible non-compliance with ethics are to be issued through the dedicated Tell Me! secure internal employee site.		✓
4. GOVERNANCE							
102-18	Governance structure	7.1. Sustainability coordination	50	http://www.telekom.hu/about_us/investor_relations/corporate_governance	In accordance with the Company's Articles of Association and the rules of procedure of the Board of Directors, in 2000 the Board of Directors established the Management Committee (MC) with powers to pursue its activities in compliance with the annual business plan. The Supervisory Board (SB) supervises the management of the Company in order to protect its interests. In this role it supervises the governance, management of the company, its finances and controls compliance with the regulations and the Company's Articles of Association. The Audit Committee is a permanent committee, established by the General Meeting from the independent members of the Supervisory Board. The objective of the Committee is to assist the Supervisory Board (1) in supervising the financial report regime, (2) in selecting the statutory auditor (3) in working with the statutory auditor. The Committee acts within its competence as defined in the Hungarian Civil Code, the Articles of Association and the Supervisory Board's Rules of Procedure. The Board of Directors established the Remuneration and Nomination Committee to function as supporting body of the Board of Directors of the Company regarding the remuneration and certain nomination related issues of the members of the corporate bodies and the top executives of the Company in accordance with its Rules of Procedure. The reason for combining certain tasks regarding the remuneration and nomination is to make the decision making procedure of the Board of Directors more efficient in personnel matters, and to ensure the complex handling thereof.		✓

Disclosure Number	Disclosure Title	Chapter in Sustainability Report 2017	Page Number	Website	Direct answer	Omission	External Assurance
102-19	Delegating authority	7.1. Sustainability coordination	50				✓
102-20	Executive-level responsibility for economic, environmental, and social topics	7.1. Sustainability coordination	50				✓
102-21	Consulting stakeholders on economic, environmental, and social topics	Stakeholders 3. Suppliers 4.3. Involvement of our customers 5. Employees 7.1. Sustainability coordination	10 29 35 37 50				✓
102-22	Composition of the highest governance body and its committees	5.1. Human rights and equal opportunities	38	http://www.telekom.hu/about_us/investor_relations/corporate_governance https://www.telekom.hu/static-tr/sw/file/20180410_Corporate_Governance_Report_2017.pdf https://www.telekom.hu/static-tr/sw/file/BoD_self-evaluation_2017_20180220_eng.pdf https://www.telekom.hu/static-tr/sw/file/IFRS_Group_2017_1.0_final_alairt_nyilatkozattal.pdf	As at December 31, 2017 the Board of Directors had 8 members, with one executive and seven non-executive members. 3 members are considered independent and 5 members are not considered independent. Members of the Board of Directors on December 31, 2017: Dr. Robert Hauber Chairman of the Board of Directors, Senior Vice President Finance & Performance Management Europe, Deutsche Telekom AG; Christopher Mattheisen CEO, Magyar Telekom Plc.; Guido Menzel Senior Vice President Technology Europe, Deutsche Telekom AG; György Mosonyi, Chairman of the Supervisory Board, MOL (independent); Ralf Nejedl, Senior Vice President B2B Europe Deutsche Telekom AG; Mardia Niehaus Senior Vice President International Carrier Sales and Solutions, Deutsche Telekom AG; Frank Odzuck CEO, Zwack Unikum Plc. (independent); Dr. Mihály Patai Chairman-CEO of UniCredit Bank Hungary Zrt. (independent); Members of the Management Committee on December 31, 2017: Christopher Mattheisen Chief Executive Officer; Friedl Zsuzsanna Chief Human Resources Officer; Tibor Rékasi Chief Commercial Officer Residential; Balázs Máthé, Chief Legal and Corporate Affairs Officer; Dr. Kim Kylesbech Larsen Chief Technology and IT Officer; Zoltán Kaszás Chief Commercial Officer Enterprise; János Szabó Chief Financial Officer. Members of the Supervisory Board on December 31, 2017: Dr. László Pap, Chairman of the Supervisory Board, Budapest University of Technology and Economics, Professor emeritus (independent), Dr. János Illéssy, Managing Director, Lebona Kft. (independent), Dr. Sándor Kerekes (independent), Director of Institute of Environmental Sciences, Corvinus University Budapest, Dr. Károly Salamon, General Director, MIS Kft. (independent), Dr. János Bitó, Chairman of the Thesis and Final Examination Board at Pázmány Péter Catholic University, Information Technology Faculty (independent), Konrad Kreuzer, Managing Director, EUTOP Vienna, Budapest, Prague (independent), Martin Meffert, Responsible for Corporate Governance issues of Magyar Telekom, Makedonski Telekom and Slovak Telekom at the Group Headquarters, Deutsche Telekom AG, Sándor Hartai, TU Wholesale Directorate Expert, Member of the Central Workers' Council, Tamás Lichnovszky, Chairman of the Central Workers' Council, Magyar Telekom Plc., Zsoltné Varga, Quality manager, Magyar Telekom, Dr. Konrad Wetzker, Chairman, Corvinus School of Management (independent), Éva Óz, Controlling Manager of Controlling Directorate, Chairwoman of the Workers' Council of Central Functions, Magyar Telekom Plc. Members of the Audit Committee on December 31, 2017: Dr. János Illéssy Chairman of the Audit Committee, Managing Director of Lebona Kft., Dr. László Pap, Budapest University of Technology and Economics, Professor emeritus, Dr. Sándor Kerekes, Director of Institute of Environmental Sciences, Corvinus University, Dr. Károly Salamon, General Director, MIS Kft., Dr. János Bitó, Chairman of the Thesis and Final Examination Board at Pázmány Péter Catholic University, Information Technology Faculty. Members of the Remuneration and Nomination Committee on December 31, 2017: Dr. Robert Hauber Chairman of the Remuneration and Nomination Committee, Senior Vice President Finance & Performance Management Europe, Deutsche Telekom AG; Frank Odzuck Chief Executive Officer of Zwack Unicum Plc., Ralf Nejedl, Senior Vice President B2B Europe Deutsche Telekom AG.		✓
102-23	Chair of the highest governance body			https://www.telekom.hu/about_us/investor_relations/corporate_governance/board_of_directors/_members_of_the_board_of_directors	The Chief Executive Officer does not fill the position of the Chairman of the Board of Directors.		✓
102-24	Nominating and selecting the highest governance body			http://www.telekom.hu/about_us/investor_relations/corporate_governance/compensation http://www.telekom.hu/about_us/investor_relations/corporate_governance/corporate_governance_documents https://www.telekom.hu/static-tr/sw/file/20160321_kgy_eloterjesztések_eng.pdf https://www.telekom.hu/static-tr/sw/file/Resolutions_of_the_AGM_12april2016.pdf https://www.telekom.hu/static-tr/sw/file/AGM_2017_combined_file_EN_v04.pdf https://www.telekom.hu/static-tr/sw/file/20170407_kozgyulesi_hatarozatok_ENG.pdf	The current job grading system is transparent and the structure is reflecting the actual value of the particular positions rather than representing a hierarchical model. Each employee is placed in the respective job category on the basis of the responsibility, professional knowledge required by the given position which is taken by the employee. The individual positions are therefore comparable and the entire system is transparent and clear. The Remuneration and Nomination Committee held its Annual General Meeting on April 21, 2016, where the members have agreed on the acceptance and compliance with the following statement: „In the nomination process diversity and complementary competencies are taken into consideration.” Representatives of the Annual General Meeting held on April 21, 2016 have voted about the new members of the Board of Directors and shareholders could express their opinions. Representatives of the Annual General Meeting held on April 7, 2017 have elected 3 new members of the Board of Directors and shareholders were invited to express their opinions.		✓
102-25	Conflicts of interest			https://www.telekom.hu/static-tr/sw/file/20171101-mt-bod-rop-eng.pdf https://www.telekom.hu/static-tr/sw/file/BoD_self-evaluation_2017_20180220_eng.pdf https://www.telekom.hu/static-tr/sw/file/20180410_Corporate_Governance_Report_2017.pdf	Members of the Board of Directors shall inform the Board of Directors and the Supervisory Board if he/she (or any other person in a close relationship to him/her) has a significant, personal interest in a transaction of the Company (or of any of the Company's subsidiaries). Transactions between members of the Board of Directors (or persons in a close relationship to them) and the Company (or the Company's subsidiaries) shall be conducted according to the general rules of practice of the Company, but, with stricter transparency rules in place. In the case such a transaction is outside the normal course of the Company's business, the transaction and its terms should be approved by the Supervisory Board. In the event of accepting a new executive office, within fifteen days of accepting such executive office, the member of the Board of Directors shall notify about this fact in writing those companies, where he/she already serves as an executive officer or a supervisory board member. The member of the Board of Directors shall inform the Supervisory Board, if he/she receives an offer of Board of Directors or Supervisory Board membership or an offer of an executive management position in a company which is not part of the Company group and also if he/she accepted the offer.		✓
102-26	Role of highest governance body in setting purpose, values, and strategy	7.1. Sustainability coordination	50				✓

Disclosure Number	Disclosure Title	Chapter in Sustainability Report 2017	Page Number	Website	Direct answer	Omission	External Assurance
102-27	Collective knowledge of highest governance body	7.1. Sustainability coordination	50				✓
102-28	Evaluating the highest governance body's performance	7.1. Sustainability coordination	50		Top management decisions have a direct impact on the entire Magyar Telekom Group's activity and future priorities. The performance of the top management (Chief Executive Officer, Chief Officers) is incentivized through the Lead to Win motivation system. The incentive system has a short-term incentive (bonus), a long-term, cash-based incentive (LTI) and a long-term, share-based incentive (share benefit program - SBP) element. The Remuneration and Nomination Committee of Magyar Telekom Group's Board of Directors makes proposals both for the annual targets and the evaluation of their implementation. The Committee Member, independent from the majority owner, shall provide for the representation of the minority owners' interests. Upon consideration of the proposals made by the Remuneration Committee, the Board of Directors adopts decisions regarding the targets and evaluation of top executives' performance. The Board of Directors evaluates the performance of the previous year and finalizes the targets of the current year in the first meeting of the year. In general, 55% of top executives' salary is fixed, while 45% is variable pay (bonus). The annual bonus is payable prorated to the evaluated performance of the partly collective, partly individual targets set at the beginning of the year and derived from Magyar Telekom Group's strategic targets. In the case of the collective targets no bonus is payable, if performance is below a certain minimum limit, defined in advance. In case of over-achieving the targets, additional bonus is paid, the extent of which cannot exceed 50% of the bonus payable upon 100% performance. The framework of bonus target setting (bonus amount, structure and maximal amount of additional bonus) is defined by the strategic investor's compensation guidelines (Deutsche Telekom Global Compensation Guidelines). In addition to the annual target-setting, evaluation and bonus payment used as short term incentive, the Company also lays emphasis on long-term performance stimulation. The first package of the LTI-program - as part of the Lead to Win system - was introduced in 2015 so as to stimulate the contribution of the top management to the achievement of the strategic objectives even more effectively. With the 4 year term Telekom focuses on the increase of sustainable performance. It is the competence of the General Meeting to approve the "Remuneration Guidelines" that sets forth the remuneration principles and components for the top management and the members of corporate bodies. Besides, as part of the Corporate Governance Report, Telekom each year discloses the previous year's remuneration for the top management and corporate bodies in the Remuneration Statement. The conditions of selecting the members of Magyar Telekom's Board of Directors, Supervisory Board and Audit Committee were amended by the Remuneration and Nomination Committee in April 2016: as new elements diversity and the reciprocal supplementation of competences are also taken into account. In order to fulfill the sustainability objectives the responsible middle managers and experts are incentivized directly through the TM system.		✓
102-29	Identifying and managing economic, environmental, and social impacts	7.1. Sustainability coordination	50				✓
102-30	Effectiveness of risk management processes	7.1. Sustainability coordination	50		The potential risk segments concerning the operations of Magyar Telekom are being revisioned on a quarterly basis. All of our subsidiaries, business segments and other corporate bodies are obliged to identify and report on the potential risks of their operations on a quarterly basis. The results of assessment and evaluation of these threats are being forwarded to the Board of Directors and the Audit Committee. In order to enable the immediate release of threats that might effect shareholder decisions we have introduced a supplementary element to the risk management process. Our quarterly risk reporting system has been supplemented by a continuous risk reporting obligation. Thus all subsidiaries and business segments of the company are obliged to immediately report on all relevant, news, facts, changes and threats. All transmitted information is being evaluated by the Risk management area, and in case of identifying new and relevant information and/or threat, the representative of the area immediately reports them to the Chief Financial Officer. There is an internal regulation in operation that secures and defines the levels of responsibility of employees in relation to risk management.		
102-31	Review of economic, environmental, and social topics	7.1. Sustainability coordination	50				✓
102-32	Highest governance body's role in sustainability reporting	7.1. Sustainability coordination	50				✓
102-33	Communicating critical concerns	7.1. Sustainability coordination	50				✓
102-34	Nature and total number of critical concerns	7.1. Sustainability coordination	50				✓
102-35	Remuneration policies	5.1. Human rights and equal opportunities	38	http://www.telekom.hu/about_us/investor_relations/corporate_governance/compensation https://www.telekom.hu/static-tr/sw/file/20180410_Corporate_Governance_Report_2017.pdf https://www.telekom.hu/static-tr/sw/file/IFRS_Group_2017_1.0_fi-nal_alairt_nyilatkozattal.pdf	Top management decisions have a direct impact on the entire Magyar Telekom Group's activity and future priorities. The performance of the top management (Chief Executive Officer, Chief Officers) is incentivized through the Lead to Win motivation system. The incentive system has a short-term incentive (bonus), a long-term, cash-based incentive (LTI) and a long-term, share-based incentive (share benefit program - SBP) element. The Remuneration and Nomination Committee of Magyar Telekom Group's Board of Directors makes proposals both for the annual targets and the evaluation of their implementation. The Committee Member, independent from the majority owner, shall provide for the representation of the minority owners' interests. Upon consideration of the proposals made by the Remuneration Committee, the Board of Directors adopts decisions regarding the targets and evaluation of top executives' performance. The Board of Directors evaluates the performance of the previous year and finalizes the targets of the current year in the first meeting of the year. In general, 55% of top executives' salary is fixed, while 45% is variable pay (bonus). The annual bonus is payable prorated to the evaluated performance of the partly collective, partly individual targets set at the beginning of the year and derived from Magyar Telekom Group's strategic targets. In the case of the collective targets no bonus is payable, if performance is below a certain minimum limit, defined in advance. In case of over-achieving the targets, additional bonus is paid, the extent of which cannot exceed 50% of the bonus payable upon 100% performance. The framework of bonus target setting (bonus amount, structure and maximal amount of additional bonus) is defined by the strategic investor's compensation guidelines (Deutsche Telekom Global Compensation Guidelines). In addition to the annual target-setting, evaluation and bonus payment used as short term incentive, the Company also lays emphasis on long-term performance stimulation. The first package of the LTI-program - as part of the Lead to Win system - was introduced in 2015 so as to stimulate the contribution of the top management to the achievement of the strategic objectives even more effectively. With the 4 year term Telekom focuses on the increase of sustainable performance. It is the competence of the General Meeting to approve the "Remuneration Guidelines" that sets forth the remuneration principles and components for the top management and the members of corporate bodies. Besides, as part of the Corporate Governance Report, Telekom each year discloses the previous year's remuneration for the top management and corporate bodies in the Remuneration Statement. The conditions of selecting the members of Magyar Telekom's Board of Directors, Supervisory Board and Audit Committee were amended by the Remuneration and Nomination Committee in April 2016: as new elements diversity and the reciprocal supplementation of competences are also taken into account. In order to fulfill the sustainability objectives the responsible middle managers and experts are incentivized directly through the TM system.		✓

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102-36	Process for determining remuneration			http://www.telekom.hu/static-tr/sw/file/20150324_AGM_submission_Javadalmazasi_iranyelvek_ENG.pdf http://www.telekom.hu/about_us/investor_relations/corporate_governance/compensation https://www.telekom.hu/static-tr/sw/file/Rules_of_Procedure_of_the_Remuneration_and_Nomination_Committee_ENG_20130920.pdf	Members of the Committee may request presence of external invitees (e.g. experts) who can attend parts or the entire meeting related to the agenda item.		✓
102-37	Stakeholders' involvement in remuneration			http://www.telekom.hu/static-tr/sw/file/8_javadalmazas_19March2014_eng.pdf http://www.telekom.hu/static-tr/sw/file/kozgyulesi_hatarozatok_2014AGM_14April2014_eng.pdf http://www.telekom.hu/static-tr/sw/file/20150324_AGM_submission_Javadalmazasi_iranyelvek_ENG.pdf http://www.telekom.hu/static-tr/sw/file/kozgyulesi_hatarozatok_2015AGM_ENG.pdf	The Annual General Meeting, held on April 11, 2014, determined the remuneration of the members of the Board of Directors, the Supervisory Board and the Audit Committee, where stakeholders could express their opinions. The Annual General Meeting, held on April 15, 2015 approved the amendments of the Remuneration Guidelines, where stakeholders could express their opinions. The guidelines of remuneration accepted in 2015 were still in effect in 2017.		✓
102-38	Annual total compensation ratio			https://www.telekom.hu/static-tr/sw/file/20180410_Corporate_Governance_Report_2017.pdf	Information disclosed on remuneration of Board of Directors, Supervisory Board, Audit Committee and Management (the members of the Management Committee of the Company) is available in Corporate Governance and Management Report (prepared on the basis of the provisions of the Civil Code and the Corporate Governance Recommendations of the Budapest Stock Exchange (BSE)).	Partial disclosure	✓
102-39	Percentage increase in annual total compensation ratio			https://www.telekom.hu/static-tr/sw/file/20180410_Corporate_Governance_Report_2017.pdf	Information disclosed on remuneration of Board of Directors, Supervisory Board, Audit Committee and Management (the members of the Management Committee of the Company) is available in Corporate Governance and Management Report (prepared on the basis of the provisions of the Civil Code and the Corporate Governance Recommendations of the Budapest Stock Exchange (BSE)).	Partial disclosure	✓
5. STAKEHOLDER ENGAGEMENT							
102-40	List of stakeholder groups	Stakeholders	10				✓
102-41	Collective bargaining agreements	5.1. Human rights, equal opportunities	38				✓
102-42	Identifying and selecting stakeholders	Stakeholders	10				✓
102-43	Approach to stakeholder engagement	Stakeholders 2.1. Closing the digital divide 2.4. Protection of our children in the digital age 3. Suppliers 4.1. Customer satisfaction 4.3. Involvement of our customers 5.2. Involvement of our employees 6.2. Our employees as corporate citizens	10 23 26 29 34 35 42 46				✓
102-44	Key topics and concerns raised	Stakeholders	10				✓
6. REPORTING PRACTICE							
102-45	Entities included in the consolidated financial statements				The report covers Hungary and Macedonia and all activities of the Group are included. Telekom uses its best efforts to ensure completeness of the report therefore includes all member companies that are of key importance from a sustainability point of view. The data disclosed the report are comparable to the changes of the composition of the Group which is supported by the table in the direct answers to the 102-10 indicator.		✓
102-46	Defining report content and topic Boundaries	Our approach (Materiality)	5				✓
102-47	List of material topics	Our approach (Materiality)	5				✓
102-48	Restatements of information				The report does not contain any restatements.		✓
102-49	Changes in reporting				As of Y2017 Crnogorski Telekom is not part of Magyar Telekom Group sustainability reporting due to the transfer of 76.53% shareholding in Crnogorski Telekom d.d. to Hrvatski Telekom AD Podgorica. Nevertheless, we continue to reference the previous years' data of Crnogorski Telekom included in group level datasections of previous years in order to maintain transparency and historic trackability. The structure and key topics of this report remain unchanged.		✓
102-50	Reporting period				All data and information presented in this current report references the year 2017.		✓
102-51	Date of most recent report			https://www.telekom.hu/static-tr/sw/file/Sustainability_report_2016.pdf	The most recent report was published in 2017 of the year 2016.		✓
102-52	Reporting cycle			https://www.telekom.hu/about_us/society_and_environment/sustainability_reports/?token=1468592762386	Magyar Telekom releases the sustainability report on an annual basis.		✓
102-53	Contact point for questions regarding the report				Should you have any questions or queries on the report, please do not hesitate to write to the following e-mail address: fenntarthatosag@telekom.hu		✓

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102-54	Claims of reporting in accordance with the GRI Standards				This report has been prepared in accordance with the GRI Standards: Comprehensive option		✓																																																																																																																																		
102-55	GRI content index	GRI content index	55				✓																																																																																																																																		
102-56	External assurance	Assurance statement	54		In order to ensure credibility and transparency, the Company continued to rely upon the support of an experienced and respected, external, independent third party. The purpose of the assurance procedure that they conducted is to determine the compliance, authenticity, comprehensiveness, structural integrity, justifiability and verifiability of the Sustainability Report. The report has been audited by PricewaterhouseCoopers Könyvvizsgáló Kft. and they assure the information contained therein to be reliable. The assurance process has been designed and conducted in accordance with the ISAE3000 standard, defined by the International Federation of Accountants. The respective limited assurance engagement report can be found in the 'Assurance Statement' chapter. Data and information audited are indicated by a ✓ symbol in the report and in the GRI content index. Sources of the data included in the report: - The business data are from the Group's year-2017 Annual Report and Quarterly Reports and data collection conducted within the Group. - The data of social nature are collected within the Group partly with the support of an online reporting tool, while the rest was supplied by the affiliates and organizational units. - The environmental protection data are partly from a process-wise transparent, online data provision system, as well as data collection conducted within the Group.		✓																																																																																																																																		
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103-1 2 3	Management approach	Our approach (Corporate strategy)	5				✓																																																																																																																																		
201-1	Direct economic value generated and distributed				<table border="1"> <thead> <tr> <th colspan="12">CREATING VALUE FOR OUR STAKEHOLDERS ✓</th> </tr> <tr> <th rowspan="2">Stakeholder</th> <th rowspan="2">Produces economic value</th> <th colspan="5">Group</th> <th>Hungary</th> <th>Macedonia</th> <th>Bulgaria</th> <th>Romania</th> <th>Montenegro (finished activity)⁽²⁷⁾</th> </tr> <tr> <th>2013</th> <th>2014</th> <th>2015</th> <th>2016</th> <th>2017</th> <th>2017</th> <th>2017</th> <th>2017</th> <th>2017</th> <th>2017</th> </tr> </thead> <tbody> <tr> <td></td> <td>Revenues (total revenue + share from the after-tax profit of the affiliates)</td> <td>637 521 HUF million</td> <td>626 442 HUF million</td> <td>656 342 HUF million</td> <td>602 729 HUF million</td> <td>611 194 HUF million</td> <td>555 174 milliő Ft</td> <td>51 730 HUF million</td> <td>1 983 HUF million</td> <td>2 307 HUF million</td> <td>2 027 HUF million</td> </tr> <tr> <td></td> <td>Distributed economic value:</td> 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201-2	Financial implications and other risks and opportunities due to climate change	Our approach (Corporate strategy) 1. Climate- and environmental protection	5 15									✓																																																																																																																													
201-3	Defined benefit plan obligations and other retirement plans				Next to legal obligations of employer's contributions to the national healthcare system, i.e. pension and unemployment support systems we also contribute to our employees' savings through voluntary pension funds, healthcare and compined funds that supplement the national pension and medical care services while offering private pension and social security services and social benefits. However, we do not guarantee that members of these funds receive payment. On December 31, 2017 approximately 59% of Magyar Telekom Plc.'s employees were members of the private pension fund, 36% of the mutual fund and 65% of the healthcare fund.		✓																																																																																																																																		

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201-4	Financial assistance received from government				<table border="1"> <thead> <tr> <th colspan="8">SUBSTANTIAL FINANCIAL SUPPORT FROM STATE</th> </tr> <tr> <th></th> <th>2011</th> <th>2012</th> <th>2013</th> <th>2014</th> <th>2015</th> <th>2016</th> <th>2017</th> </tr> </thead> <tbody> <tr> <td>tax credit utilization</td> <td>1628 HUF million</td> <td>3011 HUF million</td> <td>4946 HUF million</td> <td>3323 HUF million</td> <td>5493 HUF million</td> <td>1914 HUF million</td> <td>3208 HUF million</td> </tr> <tr> <td>film- and sport subsidies</td> <td>285 HUF million</td> <td>723 HUF million</td> <td>409 HUF million</td> <td>584 HUF million</td> <td>664 HUF million</td> <td>395 HUF million</td> <td>546 HUF million</td> </tr> <tr> <td>tax benefit on wage cost of software developers</td> <td>20 HUF million</td> <td>20 HUF million</td> <td>20 HUF million</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>tax impact of tax base decreasing item on donations</td> <td>4 HUF million</td> <td>8 HUF million</td> <td>8 HUF million</td> <td>400 HUF thousand</td> <td>300 HUF thousand</td> <td>114 HUF thousand</td> <td>189 HUF thousand</td> </tr> <tr> <td>tax impact of tax base decreasing item on R&D</td> <td>48 HUF million</td> <td>2 HUF million</td> <td>58 HUF million</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> </tr> </tbody> </table>	SUBSTANTIAL FINANCIAL SUPPORT FROM STATE									2011	2012	2013	2014	2015	2016	2017	tax credit utilization	1628 HUF million	3011 HUF million	4946 HUF million	3323 HUF million	5493 HUF million	1914 HUF million	3208 HUF million	film- and sport subsidies	285 HUF million	723 HUF million	409 HUF million	584 HUF million	664 HUF million	395 HUF million	546 HUF million	tax benefit on wage cost of software developers	20 HUF million	20 HUF million	20 HUF million	0	0	0	0	tax impact of tax base decreasing item on donations	4 HUF million	8 HUF million	8 HUF million	400 HUF thousand	300 HUF thousand	114 HUF thousand	189 HUF thousand	tax impact of tax base decreasing item on R&D	48 HUF million	2 HUF million	58 HUF million	0	0	0	0		✓
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GRI 202: MARKET PRESENCE 2016																																																															
103-1 2 3	Management approach	Our approach 5. Employees	5 37				✓																																																								
202-1	Ratios of standard entry level wage by gender compared to local minimum wage				Magyar Telekom Group always pays at least the minimum wage as required in the relevant legislation of its nations of operation. In addition the salary of new entrants is exclusively determined by the value of the advertised position. Magyar Telekom is an equal opportunity employer. The salary brackets are determined on the basis of the actual market benchmark regardless of the gender of the employees. The lowest base wage as stated in the Collective Agreement is 100% of the minimum wage.		✓																																																								
202-2	Proportion of senior management hired from the local community	5. Employees	37				✓																																																								
GRI 203: INDIRECT ECONOMIC IMPACTS 2016																																																															
103-1 2 3	Management Approach	Our approach 2.1. Closing the digital divide	5 23				✓																																																								
203-1	Infrastructure investments and services supported	2.1. Closing the digital divide 6. Social engagement	23 43				✓																																																								
203-2	Significant indirect economic impacts	2.1. Closing the digital divide 2.3. Innovation for sustainability 3. Suppliers 6. Social engagement	23 25 29 43				✓																																																								
GRI 204: PROCUREMENT PRACTICES 2016																																																															
103-1 2 3	Management Approach	Our approach (Sustainability strategy) 3. Suppliers	5 29				✓																																																								
204-1	Proportion of spending on local suppliers	3. Suppliers	29				✓																																																								
GRI 205: ANTI-CORRUPTION 2016																																																															
103-1 2 3	Management Approach			http://www.telekom.hu/about_us/about_magyar_telekom/principles/compliance https://www.telekom.hu/static-tr/sw/file/mt-code-of-conduct.pdf http://www.telekom.hu/static-tr/sw/file/Anti_corruption_clause_en.pdf http://www.telekom.hu/static-tr/sw/file/corporate_governance_declarations_ICCS_eng.pdf	<p>Magyar Telekom does not tolerate intention or transaction on corruption; therefore several internal policies and procedures have been developed to prohibit and prevent bribery (including making facilitation payments).</p> <p>Magyar Telekom intention is to comply with the anti-corruption rules relevant to the Group and it expects its business partners that they will not use money or other consideration paid by Magyar Telekom Group for unlawful purposes, including purposes violating anti-corruption laws, such as make or cause to be made direct or indirect payments to any public official or private person in order to assist Magyar Telekom or anyone acting on its behalf in obtaining or retaining business with, or directing business to, any person, or securing any improper advantage.</p> <p>Telekom prohibits any form of corruption or bribery including but not limited to providing or accepting or promising personal advantage, kick-backs or facilitation payments.</p> <p>The Group also prohibits its employees to make decisions for the employees' benefit or that of the employees' family, friends, associates and acquaintances.</p> <p>No gift or invitation to events can be granted to a third-party where they could affect or be perceived to affect the outcome of a business transaction.</p> <p>The Magyar Telekom Group does not financially or morally support political parties, political organizations or their representatives. Its charitable contribution activities are disclosed on its internet site .</p> <p>Magyar Telekom does not intend to conduct any business with third parties who violate the anti-corruption regulations or the guiding principles of the Compliance Program.</p>		✓																																																								

Disclosure Number	Disclosure Title	Chapter in Sustainability Report 2017	Page Number	Website	Direct answer	Omission	External Assurance
205-1	Operations assessed for risks related to corruption			https://www.telekom.hu/about_us/about_magyar_telekom/principles/compliance	Our yearly Compliance Risk Assessment (CRA) addresses active and passive corruption separately. It always includes Magyar Telekom, T-Systems, Makedonski Telekom. Other subsidiaries may be included on an ad-hoc basis based on inputs coming from compliance investigations. The CRA covers the before mentioned companies entirely (100%). During the risk assessment we formulate remedial actions concerning the risks identified. We also monitor the fulfillment of these measures.		✓
205-2	Communication and training about anti-corruption policies and procedures			https://www.telekom.hu/about_us/about_magyar_telekom/principles/compliance	a. number and proportion of the members of management bodies to which the organization's anticorruption policy and processes have been communicated, broken down to regions: 100%, all regions, Magyar Telekom: 7 persons (Management Committee) b. number and proportion of employees to whom the organization's anticorruption policy and processes have been communicated, broken down to employee categories and regions: 100%, all regions c. number and proportion of business partners to which the organization's anticorruption policy and processes have been communicated, broken down to business partner type and region: 100%, Magyar Telekom's current business partners. There was no external communication on this topic. d. number and proportion of management organizations that were trained on anticorruption, broken down to regions: 100%, all regions, Magyar Telekom: 7 persons e. number and proportion of employees who were trained on anticorruption, broken down to employee a category and region: Magyar Telekom Plc.: 201 persons, in 2017 66% of new entrants completed the course successfully.		✓
205-3	Confirmed incidents of corruption and actions taken				Number of confirmed incidents: 0		✓
GRI 206: ANTI-COMPETITIVE BEHAVIOR 2016							
103-1 2 3	Management Approach			http://www.telekom.hu/about_us/about_magyar_telekom/principles/compliance	Magyar Telekom uses its best efforts to fulfill its obligations in accordance with the effective laws. In order to prevent potential authority penalties and sanctions the Company always strive to ensure Magyar Telekom's compliance with the effective laws and manage conflicts - besides harmonizing our processes and IT systems with the amendment of laws - with continuous personal consultation, agreements concluded with the authorities and retroactive settlement plans set out in undertakings, made in the form of declarations. The antitrust policy covers: price fixing, bid rigging, market allocation scheme. The antitrust policy applies to: employees, contractors, suppliers. The company publicly report on breaches of its antitrust policy. Measures are taken to promote and ensure antitrust compliance.		✓
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices				In 2017 no fines were imposed due to anti-competitive conduct or violation of anti-trust or anti-monopoly statutes. The proceeding that has been opened in 2015 is still pending, and another case has been opened by the Hungarian Competition Authority, none of which have been closed in 2017.		✓
GRI 300: ENVIRONMENTAL 2016							
GRI 301: MATERIALS 2016							
103-1 2 3	Management Approach	Our approach (Sustainability strategy, Environmental policy) 1. Climate and environmental protection	5 15	http://www.telekom.hu/about_us/society_and_environment http://www.telekom.hu/static-tr/sw/file/Magyar_Telekom_environmental_policy.pdf http://www.telekom.hu/about_us/society_and_environment/environment/management_systems			✓
301-1	Materials used by weight or volume	Our approach 1.2.5. Paper consumption 1.3.1. Waste 1.3.2. Producer's responsibility	5 19 20 20	http://www.telekom.hu/about_us/society_and_environment http://www.telekom.hu/about_us/society_and_environment/environment/equipment_management http://www.t-systems.hu/a-t-systemsrol/iranyelveink/gyartoi-tajekoztato (only HU)			✓
301-2	Recycled input materials used	1.2.5. Paper consumption 1.3.2. Producer's responsibility 1.3.3. Effects of transport and logistics	19 20 20	http://www.telekom.hu/about_us/society_and_environment https://www.telekom.hu/rolunk/fenntarthatosag/ugyfeleinknek (only HU)			✓
301-3	Reclaimed products and their packaging materials	1.3.2. Producer's responsibility	20	https://beszerzes.telekom.hu/beszerzes/portal_en?appid=beszerzes&page=english/vendors/information/main.vm http://www.t-systems.hu/a-t-systemsrol/iranyelveink/gyartoi-tajekoztato (only HU) http://www.telekom.hu/about_us/society_and_environment/environment/equipment_management https://www.telekom.hu/rolunk/fenntarthatosag/ugyfeleinknek (only HU)			✓
GRI 302: ENERGY 2016							
103-1 2 3	Management Approach	Our approach (Sustainability strategy, Environmental policy, Management systems) 1. Climate and environmental protection	5 15	http://www.telekom.hu/about_us/society_and_environment http://www.telekom.hu/about_us/about_magyar_telekom/principles/quality_guarantees http://www.telekom.hu/static-tr/sw/file/Magyar_Telekom_environmental_policy.pdf			✓
302-1	Energy consumption within the organization	1.1. Climate protection and energy efficiency 1.2. Resources management	16 17				✓
302-2	Energy consumption outside of the organization	1.1.3. Equipment in customers' premises 1.2.2. Fleet management, fuel consumption	17 17	http://www.telekom.hu/about_us/society_and_environment/environment/equipment_management			✓

Disclosure Number	Disclosure Title	Chapter in Sustainability Report 2017	Page Number	Website	Direct answer	Omission	External Assurance
302-3	Energy intensity	1.1.2. Energy efficiency	17				✓
302-4	Reduction of energy consumption	1.1. Climate protection and energy efficiency 1.2. Resources management	16 17	http://www.telekom.hu/about_us/society_and_environment			✓
302-5	Reductions in energy requirements of products and services	1.1.2. Energy efficiency 1.2.1. Electricity consumption	17 17				✓
GRI 303: WATER 2016							
103-1 2 3	Management Approach	Our approach (Environmental policy, Management systems) 1. Climate and environmental protection	5 15	http://www.telekom.hu/about_us/society_and_environment http://www.telekom.hu/about_us/about_magyar_telekom/principles/quality_guarantees http://www.telekom.hu/static-tr/sw/file/Magyar_Telekom_environmental_policy.pdf			✓
303-1	Water withdrawal by source	1.2.6. Biodiversity (Water consumption)	19				✓
303-2	Water sources significantly affected by withdrawal of water	1.2.6. Biodiversity (Water consumption)	19		The usage of groundwater is only a minor part of the total water consumption, the wells are not located in protected areas therefore we only report quantitative data.		✓
303-3	Water recycled and reused	1.2.6. Biodiversity (Water consumption)	19		There is no water-recycling or reuse during our operations.		✓
GRI 304: BIODIVERSITY 2016							
103-1 2 3	Management Approach	Our approach (Environmental policy, Management systems) 1.2.6. Biodiversity	5 19	http://www.telekom.hu/static-tr/sw/file/Magyar_Telekom_environmental_policy.pdf http://www.telekom.hu/about_us/about_magyar_telekom/principles/quality_guarantees http://www.telekom.hu/about_us/society_and_environment			✓
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	1.2.6. Biodiversity	19	http://www.telekom.hu/static-tr/sw/file/Magyar_Telekom_environmental_policy.pdf			✓
304-2	Significant impacts of activities, products, and services on biodiversity				Our company avoids operations on protected and Natura 2000 areas.		✓
304-3	Habitats protected or restored				We do not conduct operations on protected or restored habitats.		✓
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations				Our operations do not affect habitats of endangered and/or IUCN Red List species.		✓
GRI 305: EMISSIONS 2016							
103-1 2 3	Management Approach	Our approach (Sustainability strategy, Environmental policy) 1. Climate and environmental protection	5 15	http://www.telekom.hu/about_us/society_and_environment http://www.telekom.hu/about_us/about_magyar_telekom/principles/quality_guarantees http://www.telekom.hu/static-tr/sw/file/Magyar_Telekom_environmental_policy.pdf			✓
305-1	Direct (Scope 1) GHG emissions	1.1. Climate protection and energy efficiency 1.2. Resources management	16 17				✓
305-2	Energy indirect (Scope 2) GHG emissions	1.1. Climate protection and energy efficiency 1.2. Resources management	16 17		All emissions are location based.		✓
305-3	Other indirect (Scope 3) GHG emissions	1.1. Climate protection and energy efficiency 1.1.3. Equipment in customers' premises 1.2.5. Paper consumption	16 17 19				✓
305-4	GHG emissions intensity	1.1.2. Energy efficiency 1.1.3. Equipment in customers' premises	17 17		We have conducted the following measurements: Scope 1: g/CO2/km, Scope: 2 Gbit/kWh, energy intensity: GJ/HUF M, Scope 3: we measure the emissions related to CPE energy consumption.		✓
305-5	Reduction of GHG emissions	1.1. Climate protection and energy efficiency 1.2. Resources management	16 17		The quoted emission data refer to Scope 1 and Scope 2 emissions.		✓
305-6	Emissions of ozone-depleting substances (ODS)				Magyar Telekom does not produce, export or import substances that damage the ozone layer. No leakage was detected from air-conditioning equipment. Due to the very low number of occurrences Telekom does not report this item.		✓
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	1.3.3. Emissions into the air	21				✓

Disclosure Number	Disclosure Title	Chapter in Sustainability Report 2017	Page Number	Website	Direct answer	Omission	External Assurance
GRI 306: EFFLUENTS AND WASTE 2016							
103-1 2 3	Management Approach	Our approach (Sustainability strategy, Environmental policy) 1. Climate and environmental protection	5 15	http://www.telekom.hu/about_us/society_and_environment http://www.telekom.hu/about_us/about_magyar_telekom/principles/quality_guarantees http://www.telekom.hu/static-tr/sw/file/Magyar_Telekom_environmental_policy.pdf			✓
306-1	Water discharge by quality and destination	1.2.6. Biodiversity (Water consumption)	19		Magyar Telekom Group only uses potable water for social purposes (we do not use water for technology purposes) therefore the quantity of sewage water output is the same as the potable water consumption		✓
306-2	Waste by type and disposal method	1.3.1. Waste 1.3.2. Producer's responsibility	20 20				✓
306-3	Significant spills				There was no significant leakage or unsupervised output.		✓
306-4	Transport of hazardous waste				Magyar Telekom does not import or export or manage hazardous waste.		✓
306-5	Water bodies affected by water discharges and/or runoff				Our operations do not directly affect water bodies, water discharges and/or freshwater habitat.		✓
GRI 307: ENVIRONMENTAL COMPLIANCE 2016							
103-1 2 3	Management Approach	Our approach (Environmental policy, Management systems) 1. Climate and environmental protection	5 15	http://www.telekom.hu/about_us/society_and_environment http://www.telekom.hu/static-tr/sw/file/Magyar_Telekom_environmental_policy.pdf http://www.telekom.hu/about_us/society_and_environment/environment/management_systems			✓
307-1	Non-compliance with environmental laws and regulations	1.4. Environmental objectives, costs and compliance	21				✓
GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT 2016							
103-1 2 3	Management Approach	Our approach (Sustainability strategy) 3. Suppliers	5 29				✓
308-1	New suppliers that were screened using environmental criteria	3. Suppliers	29				✓
308-2	Negative environmental impacts in the supply chain and actions taken	3. Suppliers	29				✓
GRI 400: SOCIAL 2016							
GRI 401: EMPLOYMENT 2016							
103-1 2 3	Management Approach	Our approach (People strategy) 3. Suppliers 5. Employees	5 29 37				✓
401-1	New employee hires and employee turnover						✓

FLUCTUATION AT MAGYAR TELEKOM GROUP ✓					
	2013 (Plc./Group)	2014 (Plc./Group)	2015 (Plc./Group)	2016 (Plc./Group)	2017 (Plc./Group)
Total fluctuation	13,4%/13,5%	16,8%/15,4%	14,97%/13,7%	15,85%/15,63%	10,81%/12,26%
Termination initiated by the employee	3,9%/3,4%	4,4%/4,7%	5,5%/6,9%	5,00%/7,75%	4,84%/16,20%

FLUCTUATION AT MAGYAR TELEKOM GROUP IN 2017				
	Magyar Telekom Group	Magyar Telekom Plc.	T-Systems Hungary	Makedonski Telekom
Total fluctuation	12,26%	10,81%	21,00%	8,96%
Termination initiated by the employee	16,20%	4,84%	6,00%	92,15%

AGE GROUPS AND GENDER DISTRIBUTION OF NEW HIRES AT MAGYAR TELEKOM PLC. IN 2017									
Age group	19-25	26-30	31-35	36-40	41-45	46-50	51-55	56+	Total
Male	64	81	63	23	41	17	9	6	304
Female	48	63	37	19	23	6	6	6	208
Total headcount	112	144	100	42	64	23	15	12	512

Disclosure Number	Disclosure Title	Chapter in Sustainability Report 2017	Page Number	Website	Direct answer	Omission	External Assurance									
401-1	New employee hires and employee turnover				<p>FLUCTUATION AT MAGYAR TELEKOM PLC. IN 2017</p> <table border="1"> <thead> <tr> <th></th> <th>Female</th> <th>Male</th> </tr> </thead> <tbody> <tr> <td>Total fluctuation</td> <td>6,00%</td> <td>5,00%</td> </tr> <tr> <td>Termination initiated by the employee</td> <td>2,00%</td> <td>3,00%</td> </tr> </tbody> </table>		Female	Male	Total fluctuation	6,00%	5,00%	Termination initiated by the employee	2,00%	3,00%		✓
	Female	Male														
Total fluctuation	6,00%	5,00%														
Termination initiated by the employee	2,00%	3,00%														
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Our approach (Human resources strategy) 5.1. Human rights, equal opportunities	5 38		<p>Magyar Telekom provides a broad range of welfare and social benefits. Some of them are provided automatically whereas others can be obtained upon satisfying certain conditions while there are insurance types of benefits, too. The provision of certain benefits is subject to the employee's own contribution. The provision of social benefits and benefits that are not provided automatically is regulated in the Collective Agreement and the relevant policies.</p> <p>We also provide telecommunication discounts, meal allowances, interest free housing loans (such loans are not offered or provided to the members of the Board of Directors), discount priced holiday opportunities as well as various other benefits. Besides our legally required contributions to the state owned healthcare, pension and unemployment support systems we also contribute to our employees' savings in voluntary pension, healthcare and mutual funds that supplement the pension and medical care services provided by the state while providing entitlement to private pension and social security services and social benefits. However, we do not guarantee that members of these funds receive payment. On December 31, 2017 approximately 59% of Magyar Telekom Plc.'s employees were members of the private pension fund, 36% of the mutual fund and 65% of the healthcare fund.</p>		✓									
401-3	Parental leave	5.1. Human rights, equal opportunities	38				✓									
GRI 402: LABOR/MANAGEMENT RELATIONS 2016																
103-1 2 3	Management Approach				<p>Magyar Telekom has long traditions of negotiation with employee representative bodies. Employee representation bodies are treated as partners in the operation of the company. At present two unions and workers council operate at Magyar Telekom, communication with them runs on two levels. Central decisions concerning the whole Company, when the employee representation bodies need to be consulted, are deliberated with the Central Workers Council and the representatives delegated by the trade unions, either in the frame of joint consultation (Interest Reconciliation Council), or separately, depending on the nature of the matter discussed. Central communication is managed both verbally (negotiation) and in writing. The Chief HR Officer and the HR Strategic Director are responsible for central-level communication with the employee representation bodies. Interest enforcement issues concerning a given governance area are also discussed locally with the representatives of the trade unions and the local workers council. The HR Business Partners of the governance area are responsible for communication with the local employee representation bodies.</p> <p>In line with the provisions of Act V of 2013 on the Hungarian Civil Code one third of Supervisory Board members are employee representatives. The employee representatives of the Supervisory Board are nominated by the Central Works Council, in consideration of the opinion of trade unions operating at the Company. The General Meeting is obliged to elect persons nominated by the Central Works Council to the Supervisory Board unless there are underlying circumstances that serve as grounds for exclusion. On December 31, 2017 the Supervisory Board had four employee representatives: Tamás Lichnovszky, Zsoltné Varga, Éva Óz and Sándor Hartai.</p>		✓									
402-1	Minimum notice periods regarding operational changes				<p>Trade union and the workers council (Central Workers Council) must be consulted and their opinion solicited on significant decisions resulting in organizational changes or changes affecting a large group of employees. In organization restructuring decisions the collective bargaining bodies have 7 days to submit their comments, in other cases 15 days. The measure in question may not be implemented during this 15-day period. Trade unions and workers councils (Central Workers Council) must be consulted with regard to draft resolutions, aiming at organizational changes without regard to the number of employees concerned.</p>		✓									
GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2016																
103-1 2 3	Management Approach	Our approach (People strategy) 3. Suppliers	5 29	http://www.telekom.hu/about_us/about_magyar_telekom/principles/quality_guarantees	<p>Magyar Telekom looks at health and safety as a precondition of the success of the company that play an important role in the satisfaction of our employees as well as in the quality of work and corporate culture. That is the reason why the company is committed to operate the Workplace Healthcare and Occupational Safety Management System that ensures the successful fulfillment of the objectives. The results justify Telekom's work, i.e. as a result of the year 2016 audit the Company successfully renewed the MEBIR certification. Magyar Telekom together with all of its national and international subsidiaries have the DECRA Certification OHSAS 18001:2007.</p>		✓									
403-1	Workers representation in formal joint management-worker health and safety committees				<p>Workers representation in formal joint management-worker health and safety committees:</p> <p>a. Depending of the risk category of the respective areas the occupational safety risks - and interests - are weighted. In general the technical areas have the highest representation rate in the weighted structure.</p> <p>b. Magyar Telekom Plc. 1.1 % (72 persons), T-Systems: 1.68% (25 persons).</p>		✓									

Disclosure Number	Disclosure Title	Chapter in Sustainability Report 2017	Page Number	Website	Direct answer	Omission	External Assurance
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities				<p>ACCIDENT RATIO FOR ONE THOUSAND EMPLOYEE AT MAGYAR TELEKOM GROUP ✓</p> <p>WORKPLACE ACCIDENTS AT MAGYAR TELEKOM GROUP ✓</p>		✓
403-3	Workers with high incidence or high risk of diseases related to their occupation				<p>Prevention and screening examinations are important part of Magyar Telekom's prevention system. Within the frame of the system the Company requires the vaccination of employees who are exposed to thick bites. It is also important that within aptitude tests Telekom performs hearing and eye examinations. The company pays special attention to locomotor screening examinations too. Independently from the activities performed Telekom provides opportunities for heart and cardiovascular examinations as well. The Company elaborates technological processes to avoid electric shock accidents and to ensure the safety of work performed in heights. In the case of business trips abroad - if necessary - the relevant vaccination is determined.</p> <p>We provide special, extended healthcare examination packages to our managers (77 managers) to help them maintaining their health. We regularly distribute healthcare newsletters to our employees providing information on how to keep a healthy diet, to prevent diseases and avoid harmful environmental impacts. Similarly to other member companies of the Group we provide special trainings to those employees who are exposed to dangers and perform strict examinations of the work tools used by employees working at heights in the entire territory of Macedonia.</p>		✓

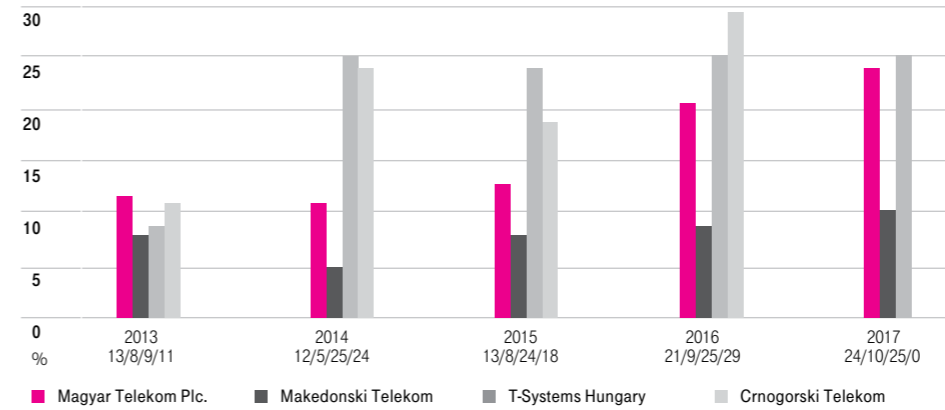
Disclosure Number	Disclosure Title	Chapter in Sustainability Report 2017	Page Number	Website	Direct answer	Omission	External Assurance
403-4	Health and safety topics covered in formal agreements with trade unions				Besides determining the tasks and responsibilities of occupational safety representatives in the Occupational Safety Rules and Regulations, the competences of the Central Works Council also includes participation in measures to provide healthy and safe workplaces and to avoid accidents and occupational diseases. The regulatory function of the Central Works Council (Occupational Safety Rules and Regulations) guarantees that employees may work in a healthy and safe environment and the Council also has the right to express its opinion in such matters. The Occupational Safety Rules and Regulations determines the scope of personal protective equipment, the environment to provide healthy and safe workplaces that also ensures compliance with the effective legislation as well as the MSZ 280001 MEBIR safety standards.		✓

GRI 404: TRAINING AND EDUCATION 2016

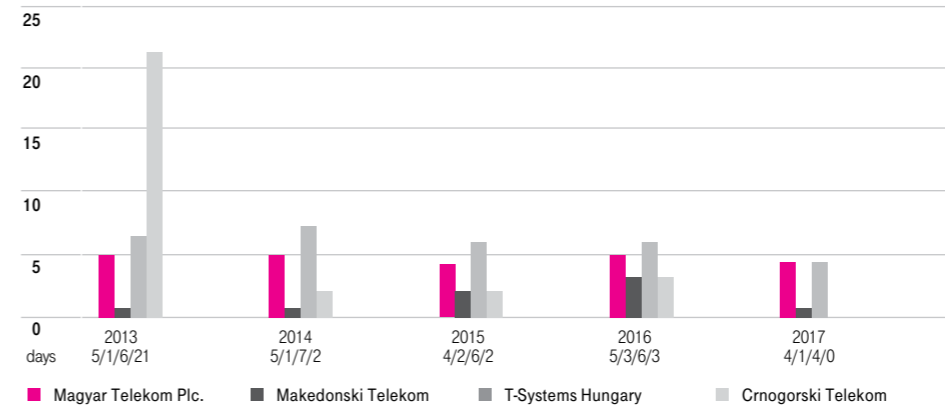
103-1 2 3	Management Approach	Our approach (People strategy)	5		Magyar Telekom Group lays much emphasis on constant training, development of its employees and supports the use of the acquired knowledge. Magyar Telekom Group is a key organization of Hungary's ICT sector. In this industry it is imperative to know and apply new trends, research results both at employee and managerial levels. Our training-development strategy, in line with that of Deutsche Telekom, has been established in accordance with predefined business objectives. Upon definition of the training requirements for our business goals we also specify the most suitable training programs for the employee target groups. The Group Learning Synergies are those joint-focused training areas that are specified and made available at group level. At specific times of the year we monitor the success of these programs with a predefined methodology, and if necessary, we fine-tune them to more effectively fulfill our business and individual development objectives. After this trainings we perform satisfaction measurements and - where possible - we measure the ROI, too. A key effectiveness improvement component of our training strategy is the promotion of e-learning courses thus we strive to increase the overall proportion of digital training material. In order to support effective work we provide various online and classroom trainings in our training portfolio (e.g. time management, assertivity, conflict management, etc.). As a caring company Magyar Telekom offers activities for employees affected by downsizing within the frame of the outplacement program that supports their reintegration into the labor market.		✓
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404-1	Average hours of training per year per employee						✓
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RATIO OF DISTANCE LEARNING AT MAGYAR TELEKOM GROUP ✓



TRAINING DAYS PER CAPITA AT MAGYAR TELEKOM GROUP ✓



Disclosure Number	Disclosure Title	Chapter in Sustainability Report 2017	Page Number	Website	Direct answer	Omission	External Assurance																								
404-1	Average hours of training per year per employee				<p>ANNUAL AVERAGE TRAINING HOURS PER CAPITA, BROKEN DOWN TO EMPLOYEE GROUPS, MAGYAR TELEKOM GROUP 2017 ✓</p> <table border="1"> <caption>Annual Average Training Hours per Capita, Broken Down to Employee Groups, Magyar Telekom Group 2017</caption> <thead> <tr> <th>Employee Group</th> <th>Magyar Telekom Plc.</th> <th>Makedonski Telekom</th> <th>T-Systems Hungary</th> </tr> </thead> <tbody> <tr> <td>Top managers (14/33/51)</td> <td>~18</td> <td>~35</td> <td>~55</td> </tr> <tr> <td>Senior Managers (24/13/18)</td> <td>~28</td> <td>~18</td> <td>~22</td> </tr> <tr> <td>Middle Managers (31/0/14)</td> <td>~35</td> <td>~0</td> <td>~18</td> </tr> <tr> <td>Other Employees (28/49/6)</td> <td>~30</td> <td>~52</td> <td>~10</td> </tr> <tr> <td>Specialists (34/0/7)</td> <td>~38</td> <td>~0</td> <td>~12</td> </tr> </tbody> </table>	Employee Group	Magyar Telekom Plc.	Makedonski Telekom	T-Systems Hungary	Top managers (14/33/51)	~18	~35	~55	Senior Managers (24/13/18)	~28	~18	~22	Middle Managers (31/0/14)	~35	~0	~18	Other Employees (28/49/6)	~30	~52	~10	Specialists (34/0/7)	~38	~0	~12		✓
Employee Group	Magyar Telekom Plc.	Makedonski Telekom	T-Systems Hungary																												
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Other Employees (28/49/6)	~30	~52	~10																												
Specialists (34/0/7)	~38	~0	~12																												
404-2	Programs for upgrading employee skills and transition assistance programs				<p>The company's management has been using its best efforts to devote 1.5-2% of the personnel expenses to the training and development of managers and employees. Telekom has strengthened the internal knowledge sharing system (Knowledge Stock Exchange, Employee Academy). Training plans at business unit level define the direction of development activities, professional training courses, skills and cooperation development programs, management development events and conferences of the given year. Coaching is a key management development and culture forming tool at Magyar Telekom both for individuals and groups. Telekom elaborated the corporate mentoring system with the focus on knowledge sharing and self-development. The company also supports its employees in their studies, pursued in the framework of the state education system by concluding study contracts with them, thus providing financial subsidy and some reduction of working hours. In 2016, Magyar Telekom concluded a total of 118 study contracts. Out of them 15 covered school training, the others were related to training courses or agreements containing mutual commitments.</p> <p>Upon registration the employees involved in downsizing could use the following services: two-day labor market training course in groups, support in active job search, financial support to training and retraining activities to meet labor market requirements, personal psychological and labor law consulting, as well as follow-up activities and monitoring participants' potential placement are also granted.</p>		✓																								
404-3	Percentage of employees receiving regular performance and career development reviews				<p>In 2017 almost 100% of Magyar Telekom Plc. employees participated in the centrally operated performance management system (TM). The majority of the member companies apply the same TM-KMR system as the parent company does, or run their own performance assessment system to assess the employees' performance and professional development. In the career management (KMR) system not only the employees' professional performance, but also their personal competences and the performance-potential are assessed and the areas of future development are also planned jointly by the relevant manager and the employee. The system does not store information on the gender of employees therefore it is not possible to assess the male - female ratio of the evaluated staff.</p>		✓																								
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016																															
103-1 2 3	Management Approach	Our approach (People strategy) 5.1. Human rights, equal opportunities	5 38	https://www.telekom.hu/static-tr/sw/file/code-of-human-rights-social-principles-eng.pdf https://www.telekom.hu/static-tr/sw/file/mt-code-of-conduct.pdf https://www.telekom.hu/static-tr/sw/file/Diversity_Policy.pdf			✓																								
405-1	Diversity of governance bodies and employees	5.1. Human rights, equal opportunities	38				✓																								
405-2	Ratio of basic salary and remuneration of women to men	5.1. Human rights, equal opportunities	38				✓																								
GRI 406: NON-DISCRIMINATION 2016																															
103-1 2 3	Management Approach	Our approach (People strategy) 5.1. Human rights, equal opportunities	5 38	https://www.telekom.hu/static-tr/sw/file/code-of-human-rights-social-principles-eng.pdf https://www.telekom.hu/static-tr/sw/file/mt-code-of-conduct.pdf https://www.telekom.hu/static-tr/sw/file/Diversity_Policy.pdf	<p>Magyar Telekom Group's Code of Conduct and the Code of Human Rights and Social Principles are a summary of the corporate compliance requirements; these documents set out the common values of the Group and it is also the token of the strong position, reputation and successful future of Telekom. Everyone at Magyar Telekom Group must comply with these Codes from staff employees to the Board members. In addition to the employees the contracted partners of Magyar Telekom Group are also required to learn and accept these values when registering on the Company's procurement site.</p> <p>In order to effectively develop Magyar Telekom's Diversity and Equal Opportunities efforts in November and December 2017 we prepared an anonymous, voluntary employee diversity and equal opportunities attitude survey that was completed in January 2018. The results of the survey were used as the basis of the Diversity and Equal Opportunities Plan prepared at the beginning of 2018.</p>		✓																								
406-1	Incidents of discrimination and corrective actions taken				<p>In 2017 there were no complaints issued against the company by the Equal Opportunity Authority for Discriminative Practices (EBH).</p>		✓																								

Disclosure Number	Disclosure Title	Chapter in Sustainability Report 2017	Page Number	Website	Direct answer	Omission	External Assurance
GRI 407: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING 2016							
103-1 2 3	Management Approach	Our approach (People strategy) 3. Suppliers 5.1. Human rights and equal opportunities	5 29 38	https://www.telekom.hu/static-tr/sw/file/mt-code-of-conduct.pdf https://www.telekom.hu/static-tr/sw/file/code-of-human-rights-social-principles-eng.pdf https://beszerzes.telekom.hu/beszerzes/portal/objects-beszerzes/doc/mukodesi_kodex_en.pdf			✓
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	3. Suppliers 5.1. Human rights, equal opportunities	29 38				✓
GRI 408: CHILD LABOR 2016							
103-1 2 3	Management Approach	Our approach (People strategy) 3. Suppliers 5.1. Human rights and equal opportunities	5 29 38	https://www.telekom.hu/static-tr/sw/file/mt-code-of-conduct.pdf https://www.telekom.hu/static-tr/sw/file/code-of-human-rights-social-principles-eng.pdf https://beszerzes.telekom.hu/beszerzes/portal/objects-beszerzes/doc/mukodesi_kodex_en.pdf			✓
408-1	Operations and suppliers at significant risk for incidents of child labor	3. Suppliers 5.1. Human rights, equal opportunities	29 38				✓
GRI 409: FORCED OR COMPULSORY LABOR 2016							
103-1 2 3	Management Approach	Our approach (People strategy) 3. Suppliers 5.1. Human rights and equal opportunities	5 29 38	https://www.telekom.hu/static-tr/sw/file/mt-code-of-conduct.pdf https://www.telekom.hu/static-tr/sw/file/code-of-human-rights-social-principles-eng.pdf https://beszerzes.telekom.hu/beszerzes/portal/objects-beszerzes/doc/mukodesi_kodex_en.pdf			✓
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	3. Suppliers 5.1. Human rights, equal opportunities	29 38				✓
GRI 410: SECURITY PRACTICES 2016							
103-1 2 3	Management Approach			http://www.telekom.hu/static-tr/sw/file/Code_of_Ethics.pdf https://www.telekom.hu/static-tr/sw/file/mt-code-of-conduct.pdf https://www.telekom.hu/static-tr/sw/file/code-of-human-rights-social-principles-eng.pdf			✓
410-1	Security personnel trained in human rights policies or procedures				Security personnel of the company do not receive particular training on human rights procedures, since the thorough knowledge of human rights policies in relation to their professional fields is a mandatory ethical requirement of their partners. As partners of Magyar Telekom they are too obliged to thoroughly comprehend and comply with the contents of Magyar Telekom Group Code of Business Conduct and Ethics and the code of Human Rights and Social Principles.		✓
GRI 411: RIGHTS OF INDIGENOUS PEOPLES 2016							
103-1 2 3	Management Approach				In Hungary there is no adequate denotation of the group 'Indigenous Peoples'.		✓
410-1	Incidents of violations involving rights of indigenous peoples				In Hungary there is no adequate denotation of the group 'Indigenous Peoples'.		✓
GRI 412: HUMAN RIGHTS ASSESSMENT 2016							
103-1 2 3	Management Approach	3. Suppliers 5.1. Human rights, equal opportunities	29 38	http://www.telekom.hu/static-tr/sw/file/Code_of_Ethics.pdf https://www.telekom.hu/static-tr/sw/file/code-of-human-rights-social-principles-eng.pdf http://www.telekom.hu/static-tr/sw/file/Magyar_Telekom_Eselyegyenlo-segi_Terv_2016_2020_en.pdf			✓
412-1	Operations that have been subject to human rights reviews or impact assessments	3. Suppliers 4.3. Involvement of our customers 5.1. Human rights, equal opportunities	29 35 38				✓

Disclosure Number	Disclosure Title	Chapter in Sustainability Report 2017	Page Number	Website	Direct answer	Omission	External Assurance
412-2	Employee training on human rights policies or procedures				As the member of Deutsche Telekom Group Magyar Telekom Group uses its best efforts to comply with the requirements contained in the Code of Human Rights & Social Principles, including the requirement that employees may acquire basic knowledge on human rights and the protection of these rights. In order to fulfill this objective in 2017 all members of Deutsche Telekom Group could freely access an English language eLearning material on the group's intranet site.		✓
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	3. Suppliers		https://beszerzes.telekom.hu/beszerzes/portal/objects-beszerzes/doc/mukodesi_kodex_en.pdf https://www.telekom.hu/static-tr/sw/file/code-of-human-rights-social-principles-eng.pdf			✓
GRI 413: LOCAL COMMUNITIES 2016							
103-1 2 3	Management Approach	2.1. Closing the digital divide 4.3. Involvement of our customers 5.2. Involvement of our employees	23 35 42				✓
413-1	Operations with local community engagement, impact assessments, and development programs	2.1. Closing the digital divide 4.3. Involvement of our customers 5.2. Involvement of our employees, 5.1. Human rights, equal opportunities	23 35 42 38	http://www.telekom.hu/about_us/company/telekom-for-digital-hungary https://www.facebook.com/LegyelTeisInformatikus/ https://www.facebook.com/DigitalisHid/?ref=ts			✓
413-2	Operations with significant actual and potential negative impacts on local communities			http://www.telekom.hu/about_us/company/telekom-for-digital-hungary	In some cases of network development processes the physical construction of the network might cause temporary inconvenience to residents.		✓
GRI 414: SUPPLIER SOCIAL ASSESSMENT 2016							
103-1 2 3	Management Approach	Our approach (Sustainability strategy) 3. Suppliers	5 29				✓
414-1	New suppliers that were screened using social criteria	3. Suppliers	29				✓
414-2	Negative social impacts in the supply chain and actions taken	3. Suppliers	29				✓
GRI 415: PUBLIC POLICY 2016							
103-1 2 3	Management Approach				Magyar Telekom Group is involved in shaping public politics indirectly, through its representation organizations, in such a way that the representation organizations, in compliance with the effective regulation, are given the opportunity to comment draft laws and industry-specific strategies. The ministries and authorities supervising the industry pass the relevant regulations to the representation organizations, which synthesize the opinions received from the member companies and submit a summary to the relevant ministries. Such regulation commenting procedures are implemented through e.g. the Telecommunication Reconciliation Council, the Joint Venture Association, the American Chamber of Commerce (AmCham), the German-Hungarian Chamber of Industry and Trade, the Association of IT Enterprises, the Communication Interest Conciliation Council and the Hungarian Energy Traders' Association.		✓
415-1	Political contributions			http://www.telekom.hu/static-tr/sw/file/MT_Code_of_Conduct_31March2011.pdf https://www.telekom.hu/about_us/about_magyar_telekom/principles	The Company has no knowledge of any financial support to political parties, politicians or any related entities provided by Magyar Telekom Group affiliates in 2017, which is in full compliance with the detailed stipulations set forth in the Code of Conduct - Paragraph [2.10]. If it would have done so the operation would have been in full compliance with the relevant international bookkeeping regulations.		✓
GRI 416: CUSTOMER HEALTH AND SAFETY 2016							
103-1 2 3	Management Approach	2.4. Protection of our children in the digital age 2.6. Safe mobile use, electromagnetic field	26 28	http://www.telekom.hu/about_us/society_and_environment/society/health_and_safety https://www.telekom.hu/about_us/society_and_environment/society/protection_of_our_children			✓

Disclosure Number	Disclosure Title	Chapter in Sustainability Report 2017	Page Number	Website	Direct answer	Omission	External Assurance
416-1	Assessment of the health and safety impacts of product and service categories				Magyar Telekom did not identify such impacts.		✓
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services				The number of health and safety incidents regarding products and services, involving disorderly operating equipment or the breach of internal policies were as follows: penalty or fine due to disorderly operation of equipment: 0 warning due to disorderly operation of equipment: 0 internal warning due to disorderly operation of equipment: 0		✓
GRI 417: MARKETING AND LABELING 2016							
103-1 2 3	Management Approach	Our approach (sustainability strategy) 1.3.2. Producer's responsibility 2.2. ICT for sustainability	5 20 25	http://www.telekom.hu/lakossagi/english http://www.telekom.hu/lakossagi/english/plans/mobile https://www.telekom.hu/lakossagi/english/plans/phone https://www.telekom.hu/uzleti/main http://www.t-systems.hu/home-page http://kibu.hu/ http://www.kalasznet.hu/ (only HU) https://www.telekom.mk/prepaid-en.nspk https://www.telekom.me/	Magyar Telekom Group is making ongoing efforts to simplify its propositions as much as possible and to make them available to the widest possible scope of customers. We offer detailed information about the services and tariff packages of Magyar Telekom Plc.'s business units, and information about the services of our most important member companies on the listed websites. Customers can inquire about Telekom tariff packages and services or even request modifications 24 hours a day through the consumer customer service call center, which can be called toll free from Telekom's Hungarian mobile network at 1414 or the 1777 (Domino pre-paid center) number. We have made Telekom website more user-friendly, among others by highlighting search keywords and developing the webshop service to enable quick and simple purchase. The services are available on the following website: http://www.telekom.hu/lakossagi/szolgaltatasok/mobil . The integrated servicing of T-Systems customers is provided through the 1400 telephone number and the TS_ugyfelkapcsolat@t-systems.hu e-mail address. Magyar Telekom considers it as high priority to communicate its advertisements to the existing and prospective consumers in compliance with the relevant regulations. We take all measures necessary to ensure that our advertisements deliver our proposals accurately and clearly, excluding any deception. In view of the above, compliance with the consumer protection and GVH (Competition Office) guidelines, and checking regulatory compliance are important requirements of the work processes of producing advertisements is a crucial part of our advertising operations. We convey our proposals to everyone by using the greatest number of communication tools possible and with maximum exploitation of the possibilities offered by the given media. In this way we allow our audience to receive thorough information to be able to make carefully contemplated and responsible decisions.		✓
417-1	Requirements for product and service information and labeling	1.3.1. Waste 1.3.2. Producer's responsibility	20 20		The information related to electromagnetic fields (SAR values) can be found in user manuals supplied in the packaging of devices as well as in the web shop among the detailed information of the respective device.		✓
417-2	Incidents of non-compliance concerning product and service information and labeling				The Company did not identify such incidents.		✓
417-3	Incidents of non-compliance concerning marketing communications				In 2015 one and in 2016 four consumer protection - e.g. marketing communication - proceedings were initiated against Telekom before the Competition Office (GVH) due to the alleged breach of the relevant regulations. The proceedings were closed in 2017. In two cases the Competition Office identified an infringement and imposed a fine of 600m HUF and 35m HUF respectively. Magyar Telekom requested the judicial review of the authority's resolution and the administrative actions are in progress. Two cases were terminated while in one case the Competition Office accepted Telekom's undertaken commitment and closed the case without defining an infringement.		✓
GRI 418: CUSTOMER PRIVACY 2016							
103-1 2 3	Management Approach	2.5. Data Protection	27	http://www.telekom.hu/about_us/data_protection			✓
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	2.5. Data Protection	27		In 2017, Magyar Telekom received requests and complaints either from the National Authority for Data Protection and Freedom of Information or either directly from customers, which were duly investigated by the Data Protection Group of Magyar Telekom, and the findings were reported to the complaining customer and the authority. In 2017 we received 7 requests, to investigate personal data management complaints and only 4 of these were found to have grounds. Based on the results of the investigation, we review our processes and make the necessary adjustments.		✓
GRI 419: SOCIOECONOMIC COMPLIANCE 2016							
103-1 2 3	Management Approach			https://www.telekom.hu/about_us/about_magyar_telekom/principles/compliance https://beszerzes.telekom.hu/beszerzes/portal_en?appid=beszerzes&page=english/main.vm	The Management and Board of Magyar Telekom Group are unanimous in their commitment that the Magyar Telekom Group (hereinafter 'Magyar Telekom' or 'Group') will conduct all business activities in accordance with the highest legal and ethical standards. In support of this commitment the Magyar Telekom Corporate Compliance Program ('hereinafter 'Compliance Program') has been developed to create an internal culture where 'Respect and Integrity' is one of the most crucial values. The Compliance Program is enacted at all members companies of the Group where Magyar Telekom has effective control. The Compliance Program applies to all bodies, organizations, directors, officers and employees of the Magyar Telekom Group, as well as to consultants, agents, representatives, and all other persons or bodies who carry out work on behalf of any company within the Group. Additionally, we expect our business partners, suppliers and customers to aid us in this effort by acting in a similarly ethical manner. As such, certain aspects of the Compliance Program, apply not just to Magyar Telekom Group employees, but also to third parties with whom we do business. 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. To do so requires the implementation of policies and procedures that address potential compliance risk areas together with identifiable mechanisms for reporting, investigating, monitoring, and correcting cases of suspected or actual non-compliance. The elements of Compliance Program is continuously tailored to the changes in the business sector, location of operation, business circumstances, culture and risks, international best practices. The Compliance Program is reflected in the Code of Conduct which is accepted internally by all employees, and by all suppliers through Magyar Telekom Procurement Intranet site. The Group Compliance Officer is responsible for operation and monitoring the Compliance Programme.		✓

Disclosure Number	Disclosure Title	Chapter in Sustainability Report 2017	Page Number	Website	Direct answer	Omission	External Assurance
419-1	Non-compliance with laws and regulations in the social and economic area				Magyar Telekom uses its best efforts to fulfill its obligations in accordance with the effective laws. In order to prevent potential authority penalties and sanctions the Company always strives to ensure Magyar Telekom's compliance with the effective laws and manage conflicts - besides harmonizing processes and IT systems with the amendment of laws - with continuous personal consultation, agreements concluded with the authorities and retroactive settlement plans set out in undertakings, made in the form of declarations. In 2017 the National Media and Info-Communications Authority conducted several individual complaint and general/overall market supervision proceedings against the Company. Within the frame of general market supervision proceedings the authority imposed 67 million HUF whereas in the case of subscriber complaints a total of 184,675 million HUF penalty. The Hungarian Consumer Protection Authority completed several investigations against Magyar Telekom, in 2017 the total amount of fines were HUF 16.45 million. Our clients have used the services of alternative dispute resolution fora, in relation to which there were a total of 256 cases handled with the assistance of the Media and Communications Commissioner, and 698 cases in which dispute resolution plenums provided assistance.		✓
GRI G4: TELECOMMUNICATION SECTOR SPECIFIC INDICATORS							
CATEGORY: INTERNAL OPERATIONS							
ASPECT: INVESTMENT							
IO 1.	Capital investment in telecommunication network infrastructure broken down by country/region.	Letter from the CEO Our approach 2.1. Closing the digital divide	3 5 23				✓
IO 2.	Net costs for service providers under the Universal Service Obligation when extending service to geographic locations and low-income groups, which are not profitable. Describe relevant legislative and regulatory mechanisms.			http://www.telekom.hu/about_us/company/telekom-for-digital-hungary , http://www.telekom.hu/lakossagi/szolgalatasok/mobil/domino-dijcsomagok/hello-holnap-dijcsomagok https://www.telekom.hu/rolunk/fenntarthatosag/ugyfeleinknek/hello-holnap_dijcsomagok	In accordance with the Partnership for digital Hungary document Telekom's investments are intended to make high-speed broadband internet available for Hungarian consumers as soon as possible. The intensive use of new technologies and info-communication solutions greatly contribute to the improvement of the Hungarian people's quality of life, effectiveness of their businesses and the international competitiveness of the Hungarian economy. Another objective of the company is to spread digital literacy and knowledge on the safe use of the internet throughout the entire country.		✓
ASPECT: HEALTH AND SAFETY							
IO 3.	Practices to ensure health and safety of field personnel involved in the installation, operation and maintenance of masts, base stations, laying cables and other outside plant. Related health and safety issues include working at heights, electric shock, exposure to EMF and radio frequency fields, and exposure to hazardous chemicals.	2.6. Safe mobile use, electromagnetic field	28	http://www.telekom.hu/about_us/society_and_environment/society/health_and_safety http://www.emf-portal.hu/portal/ (only HU)			✓
IO 4.	Compliance with ICNIRP (International Commission on Non-Ionising Radiation Protection) standards on exposure to radiofrequency (RF) emissions from handsets.	2.6. Safe mobile use, electromagnetic field	28	http://www.telekom.hu/about_us/society_and_environment/society/health_and_safety http://www.emf-portal.hu/portal/ (only HU)	The electromagnetic exposure limits in Hungary have been determined in line with the guidelines set by ICNIRP (International Commission on Non-Ionizing Radiation Protection), which are based on the practice applied in most European countries and on Recommendation 1999/EC/519 of the European Commission. As a result of the relevant Hungarian decree adopted in August, 2004 (63/2004./VII. 26. - ESzCsM/) on the basis of ICNIRP guidelines, the regulations in Hungary are compliant with the EU regulation on electromagnetic fields.		✓
IO 5.	Compliance with ICNIRP (International Commission on Non-Ionising Radiation Protection) guidelines on exposure to radiofrequency (RF) emissions from base stations.	2.6. Safe mobile use, electromagnetic field	28	http://www.telekom.hu/about_us/society_and_environment/society/health_and_safety http://www.emf-portal.hu/portal/ (only HU)	The electromagnetic exposure limits in Hungary have been determined in line with the guidelines set by ICNIRP (International Commission on Non-Ionizing Radiation Protection), which are based on the practice applied in most European countries and on Recommendation 1999/EC/519 of the European Commission. As a result of the relevant Hungarian decree adopted in August, 2004 (63/2004./VII. 26. - ESzCsM/) on the basis of ICNIRP guidelines, the regulations in Hungary are compliant with the EU regulation on electromagnetic fields.		✓
IO 6.	Policies and practices with respect to Specific Absorption Rate (SAR) of handsets.	2.6. Safe mobile use, electromagnetic field	28	http://www.telekom.hu/about_us/society_and_environment/society/health_and_safety http://www.emf-portal.hu/portal/ (only HU)	Within Deutsche Telekom Group, issues related to electromagnetic fields are regulated as part of DT's EMF objectives, the so-called 'EMF Policy Recommendations', with special emphasis on transparency, information provision, support of and involvement in research. The information related to electromagnetic fields (SAR values) can be found in user manuals supplied in the packaging of devices as well as in the web shop among the detailed information of the respective device.		✓

Disclosure Number	Disclosure Title	Chapter in Sustainability Report 2017	Page Number	Website	Direct answer	Omission	External Assurance
ASPECT: INFRASTRUCTURE							
IO 7.	Policies and practices on the siting of masts and transmission sites including stakeholder consultation, site sharing, and initiatives to reduce visual impacts. Describe approach to evaluate consultations and quantify where possible.	1.2.6. Biodiversity	19		The company consults and cooperates with the relevant stakeholders in each and every case when building new base stations. If needed, citizens' forums are held with the participation of all concerned parties in order to reach satisfactory agreement to all concerned parties.		✓
IO 8.	Number and percentage of stand-alone sites, shared sites, and sites on existing structures.	1.2.6. Biodiversity	19				✓
CATEGORY: PROVIDING ACCESS							
ASPECT: ACCESS TO TELECOMMUNICATION PRODUCTS AND SERVICES: BRIDGING THE DIGITAL DIVIDE							
PA 1.	Policies and practices to enable the deployment of telecommunications infrastructure and access to telecommunications products and services in remote and low population density areas. Include an explanation of business models applied.	2.1. Closing the digital divide	23	http://www.telekom.hu/about_us/company/telekom-for-digital-hungary			✓
PA 2.	Policies and practices to overcome barriers for access and use of telecommunication products and services including: language, culture, illiteracy, and lack of education, income, disabilities, and age. Include an explanation of business models applied.	2.1. Closing the digital divide 2.4. Protection of our children in the digital age	23 26	http://www.telekom.hu/about_us/company/telekom-for-digital-hungary http://www.telekom.hu/rolunk/fenntarthatosag/ugyfeleinknek/hello_holnap_dijcsomagok (only HU)			✓
PA 3.	Policies and practices to ensure availability and reliability of telecommunications products and services and quantify, where possible, for specified time periods and locations of down time.			http://www.telekom.hu/rolunk/szolgalatasok/aszf (only HU)	Magyar Telekom Plc. guarantees its customers rights in connection with service availability and troubleshooting on the basis of the General Contract Terms and Conditions (GTC) available at the customer service points and also in the Internet. In this it declares to fulfill the published quality targets during providing services on the entire service territory, to check this via measurements and to publish the measurement methods. Here, the Company also defines the quality targets for the services provided, meeting of which is continuously measured and made available to everyone on an annual basis. The trouble management for customers is handled along a defined process - in accordance with their rights set out in the GTC, inter alia - after having detected the problem and having filed the trouble at the company. Magyar Telekom, by permanently developing technical solutions, security systems and backup tools, seeks to ensure continuity of the availability of the services, with setting the enhancement of customer experience as an objective.		✓
PA 4.	Quantify the level of availability of telecommunications products and services in areas where the organisation operates. Examples include: customer numbers/ market share, addressable market, percentage of population covered, percentage of land covered.	2.1. Closing the digital divide Key operating statistics of Magyar Telekom Group	23 52	http://www.telekom.hu/about_us/company/telekom-for-digital-hungary http://www.telekom.hu/rolunk/fenntarthatosag/ugyfeleinknek/hello_holnap_dijcsomagok (only HU)			✓

Disclosure Number	Disclosure Title	Chapter in Sustainability Report 2017	Page Number	Website	Direct answer	Omission	External Assurance
PA 5.	Number and types of telecommunication products and services provided to and used by low and no income sectors of the population. Provide definitions selected. Include explanation of approach to pricing, illustrated with examples such as price per minute of dialogue/bit of data transfer in various remote, poor or low population density areas.	2.1. Closing the digital divide Key operating statistics of Magyar Telekom Group	23 52	http://www.telekom.hu/about_us/company/telekom-for-digital-hungary			✓
PA 6.	Programmes to provide and maintain telecommunication products and services in emergency situations and for disaster relief.	Our approach 2.2. ICT for sustainability	5 25				✓
ASPECT: ACCESS TO CONTENT							
PA 7.	Policies and practices to manage human rights issues relating to access and use of telecommunication products and services.	2.4. Protection of our children in the digital age	26	http://www.telekom.hu/static-tr/sw/file/etikaikodex_en.pdf	There is an effective service contract and a Code of Ethics in place between the content providers and Magyar Telekom that regulate the terms and conditions of providing services, however, it does not contain provisions on the content.		✓
ASPECT: CUSTOMER RELATIONS							
PA 8.	Policies and practices to publicly communicate on EMF related issues. Include information provided at points of sales material.	2.6. Safe mobile use, electromagnetic field	28	http://www.telekom.hu/about_us/society_and_environment/society/health_and_safety	As a result of the three mobile operators' cooperation a new website - EMF portal (http://www.emfportal.hu) - was created in 2006 where questions can be asked regarding EMF issues, news are available about the topic and readers can access the findings of the EMF measurements ordered by the operators from external organizations.		✓
PA 9.	Total amount invested in programmes and activities in electromagnetic field research. Include description of programmes currently contributed to and funded by the reporting organisation.	2.6. Safe mobile use, electromagnetic field	28	http://www.telekom.hu/about_us/society_and_environment/society/health_and_safety			✓
PA 10.	Initiatives to ensure clarity of charges and tariffs.			http://www.telekom.hu/lakossagi/english http://www.telekom.hu/lakossagi/english/plans/mobile https://www.telekom.hu/lakossagi/english/plans/phone https://www.telekom.hu/uzleti/main http://www.t-systems.hu/home-page http://kibu.hu/ http://www.kalasznet.hu/ (only HU) https://www.telekom.mk/prepaid-en.nspk https://www.telekom.me/	Magyar Telekom puts substantial efforts in making its offers be transparent and easily comprehensible and widely accessible. Inquiries about tariffs and services of the company and its subsidiaries, together with detailed information about the operations of all company branches could be received on the listed links. Customer inquiries about the tariff packages and services of Magyar Telekom could be made 24 hours a day through the residential customer service call center. Postpaid service clients can dial 1414 while prepaid service customers can turn to the service by dialing number 1777. Information about our residential services is also available at https://www.telekom.hu/lakossagi/english . Magyar Telekom considers it top priority to communicate its advertisements to the existing and prospective consumers in compliance with the relevant regulations. We do everything to ensure that our advertisements carry our proposals accurately and clearly, excluding any deception. In line with these preferences all processes of our advertisement production are in compliance with the consumer protection and GVH (Competition Office) guidelines and regulatory rules. We convey our proposals to everyone through all possible communication tools by maximizing our visibility through all channels. Thus we allow the most thorough and detailed information availability to ensure our customer's responsible decision making process is supported with all relevant information. Telekom New Media operates a call center since its inception, which runs 24 hours a day. Our customer service professionals act in accordance with the customer relationship management manual. Up to this day, no official charges were filed to the relevant authorities. Our customer service handles 80% of the Hungarian television market, including the interactive services of some television programs, and the hotline! system of freemail.hu service, that is operated by Origo Zrt. Based on the service type (upon request) and in accordance with the relevant national rules and regulations, the management of some customer complaint issues is being supplemented with voice recording and data recording. The operation and responsibility of the customer service is extended to the online moderation service for particular clients, where compliance with ethical rules, relevant laws and regulations and customer requirements secure that only controlled messages are being published online. The integrated customer service hotline available for T-Systems clients could be reached by dialing 1400 or by writing to TS_ugyfelkapcsolat@t-systems.hu . Through these channels we are handling customer complaints and service change demands. These are also platforms for all incoming customer notifications that are being forwarded to the areas in charge for further processing and resolution.		✓

Disclosure Number	Disclosure Title	FChapter in Sustainability Report 2017	Page Number	Website	Direct answer	Omission	External Assurance
PA 11.	Initiatives to inform customers about product features and applications that will promote responsible, efficient, cost effective, and environmentally preferable use.	1.1 Climate protection and energy efficiency 1.3.2 Producer's responsibility 2.2. ICT for sustainability 2.3. Innovation for sustainability	16 20 25 25	https://www.telekom.hu/rolunk/fenntarthatosag/ugyfeleinknek (only HU) https://www.telekom.hu/rolunk/fenntarthatosag/ugyfeleinknek/fenntarthato_keszulekek (only HU) http://www.t-systems.hu/a-t-systemsrol/iranyelveink/gyartoi-tajekoztato (only HU)			✓
CATEGORY: TECHNOLOGY APPLICATIONS							
ASPECT: RESOURCE EFFICIENCY							
TA 1.	Provide examples of the resource efficiency of telecommunication products and services delivered.	1.1. Climate protection and energy efficiency 2.2. ICT for sustainability	16 25				✓
TA 2.	Provide examples of telecommunication products, services and applications that have the potential to replace physical objects (e.g. a telephone book by a database on the web or travel by videoconferencing).	1.1 Climate protection and energy efficiency 1.2.2. Fleet management, fuel consumption 1.2.5. Paper consumption 2.2. ICT for sustainability 2.3. Innovation for sustainability	16 17 19 25 25	https://www.telekom.hu/rolunk/fenntarthatosag/ugyfeleinknek (only HU)			✓
TA 3.	Disclose any measures of transport and/or resource changes of customer use of the telecommunication products and services listed above. Provide some indication of scale, market size, or potential savings.	1.2.2. Fleet management, fuel consumption 2.2. ICT for sustainability	17 25	https://www.telekom.hu/rolunk/fenntarthatosag/ugyfeleinknek (only HU)			✓
TA 4.	Disclose any estimates of the rebound effect (indirect consequences) of customer use of the products and services listed above, and lessons learned for future development. This may include social consequences as well as environmental.	1.2.5. Paper consumption 2.2. ICT for sustainability	19 25				✓
TA 5.	Description of practices relating to intellectual property rights and open source technologies.				Magyar Telekom respects intellectual property and observes the provisions of the relevant law. All software used by Magyar Telekom are procured from lawful sources and are used in accordance with the provisions of law.		✓