



**SUSTAINABILITY
REPORT**

2021



**Együtt.
Veled**



DIVERSITY & EQUAL OPPORTUNITIES

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POLICIES AND AGREEMENTS

Code of Conduct

The **Code of Conduct** provides the framework of orientation for all employees of Deutsche Telekom Group and Magyar Telekom Group. Additionally, it also applies to people who are viewed as equivalent to employees in functional terms, e. g. to temporary loaned employees. It sets out the requirement of compliance with legal obligations and acting with integrity and thus ensures that Deutsche Telekom and Magyar Telekom remain transparent and traceable enterprises for everybody.

Deutsche Telekom and Magyar Telekom expect their suppliers and consultants to comply with the rules of behavior manifested in this Code of Conduct and endeavor to ensure that they abide by these regulations by agreement.

Code of Human Rights and Social Principles

The **Code of Human Rights and Social Principles** of the Magyar Telekom Group, as well as its Equal Opportunities always plan in force, define the group's general human rights principles and the provisions for the implementation of these principles. The decision makers of Magyar Telekom Group are aware that employee diversity is the prerequisite of sustainable and equitable operations enhancing business efficiency and contributing to competitive advantage.

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

- fundamental international human rights treaties,
- basic conventions of the International Labor Organization,
- the OECD Guidelines,
- the UN Global Compact,
- the International Labor Organization's Tripartite Declaration on Multinational Enterprises and Social Policy (Declaration on multinational enterprises),
- and the UN Business and Human Rights Guidelines.

Group Policy on Diversity, Equal Opportunity and Inclusion

As part of the Deutsche Telekom Group, Magyar Telekom Group has renewed its Diversity, Equal Opportunity and Inclusion (DE&I) Policy in December 2020. The renewed policy defines our global understanding of what characterizes the approach to diversity, equity and inclusion in our interactions with employees. It aims to ensure a consistent work experience, learning and development for every member of the company group, strengthening the sense of belonging and involvement.

The framework of the renewed policy details and clarifies our understanding of DE&I through a set of key elements and covers aspects of the work-life cycle that are relevant to the company culture. It addresses social and business responsibility in providing an equitable and inclusive workplace within its global framework, but respecting local legislation of diverse cultures and local needs.

Suppliers' Compliance

Magyar Telekom Group is committed to respect and protect human rights and it expects its suppliers to comply with these rules of behavior. Prior to becoming suppliers of Magyar Telekom and T-Systems – before getting any orders - our suppliers must register their enterprises on the **Procurement site** of the group.

As an obligatory part of the registration process vendors are obliged to understand and accept as guiding for their operations our Suppliers Code of Conduct that among other policies, entails our Code of Conduct, Code of Human Rights and Social Principles and Diversity Policy.

Deutsche Telekom Group and Magyar Telekom Group Policy on Employee Relations

Digitalization, globalization and the more open markets have led to an increasingly knowledge-based world of work. New forms of cooperation and networking are changing communication, public impact, reputation and compliance challenges and other key elements of company management.

We have realized that we need to redefine the common values that characterize our employee relationships in order to provide a unified work experience for all of our employees.

As part of the Deutsche Telekom Group, Magyar Telekom Group renewed its **Group Policy on Employee Relations** in December 2021. The renewed policy specifies the key elements of our people policy and describes what we stand for in our relationships with employees. These values stem from our shared value set and other company regulations and policies. A key driver of this group policy is sustainability and its details cover industry-relevant aspects of employee life.

Equal Opportunities Plan

Non-discrimination and the safeguarding of equal opportunities are key priority to Magyar Telekom Group. According to Act CXXXV of 2003 on Equal Treatment and the Promotion of Equal Opportunities, and the corporate protocol in place since 2010 Magyar Telekom Group has accepted its 5th Equal Opportunities plan in order to secure the practices of equal treatment, the advancement of equal opportunities and the monitoring an improvement of the labor positions of certain disadvantaged employee groups.

The Equal Opportunities plan currently in force is valid for a five-year period (2021–2025). The plan addresses actions and procedures to improve the labor conditions and career perspectives of vulnerable employee groups such as women, employees with families, employees on child-care leave, employees with disabilities or changed work abilities, career starters and 50+ employees. The progress of the actions and results of the action plan is discussed annually by the company's equal opportunities area and employee representative bodies. Each year several employee opinion surveys help ensure that individual developments are tailored to current employee needs and requirements. The action points of the Equal Opportunities Plan have been identified in consistency with and complementary to the objectives of the diversity pillar of the Sustainability Strategy.

The Diversity Charter of the European Union

Hungary joined the **Diversity Charter of the European Union** in 2016 and, among 50 signatory companies Magyar Telekom has also underscored its dedication to safeguard diversity as a fundamental value. Magyar Telekom has been among the signatory companies in the forthcoming years as well as in 2021.

UN Guiding Principles on Business and Human Rights

According to the dedication of Magyar Telekom Group to safeguard and protect human rights along its operations as stated in the UN Guiding Principles of Business and Human Rights, the company considers the rights and guidelines stated in the Universal Declaration of Human Rights and in the ILO's Declaration on Fundamental Principles and Rights at Work to be mandatory in its own practices.

UN Human Rights Treaties ratified by Hungary

Magyar Telekom Group as a corporation legally registered in Hungary is carrying out its entire operations and business practices in full accordance with the nationally ratified **UN Human Rights Treaties**.

On May 6, 2009 the company joined the **UN Global Compact** initiative and its 10 principles in the areas of human rights, labor, environment and anti-corruption. Our measures to maintain gender equity among employees are consistently taken in the spirit of the following Global Agreement Principles:

- (1) Support and respect the protection of internationally proclaimed human rights
- (2) Ensure that human rights are not violated in our activities
- (4) Eliminate all forms of forced and compulsory labor
- (6) Eliminate any discrimination in respect of employment and occupation

Monitoring and auditing practices

In 2021 the group-level coordination of corporate sustainability operations that also incorporate labor standards, social issues and the protection of human rights were coordinated under the auspices of the Sustainability Committee (SC) (previously: Group Sustainability Coordination Council).

In the operation of the SC, strategy development and strategy management are included separately, so in its mode of operation, sustainability activities are carried out at the level of strategy development and management, as well as operational implementation. The SC's operation is regulated by a group level directive: on the regulation of Magyar Telekom Group's sustainability operation and the responsibilities and competence of stakeholders. According to the directive, the SC meets regularly, at least quarterly, to coordinate company and group sustainability tasks effectively, with decisions taken by SC members through voting. The SC provides regular reports and presentations to the Chief Executive Officer (CEO) and the Chief People Officer, on the basis of which they set the main direction of the Magyar Telekom Group's sustainability activities and make decisions in related topics, with the input of the members of the Leadership Squad. The operations of the SC are being detailed in the **Corporate Governance** section of the annual Sustainability Report. From 2022, the SC has been replaced by the Sustainability Squad.

Magyar Telekom Group's Code of Conduct covers the requirements of corporate compliance and states our collective set of values, and thus stands as an affirmation of Magyar Telekom's strong reputation, solid position and future success. The Code of Conduct applies to all board members of Magyar Telekom Group from employees to managing directors, executives and board members. Furthermore, Magyar Telekom Group expects its suppliers and consultants to comply with the rules of behavior manifested in this Code of Conduct and to endeavor them to ensure that they are also obliged to abide to its regulation by contract.

Magyar Telekom Group's Corporate Compliance Program has been elaborated with the aim to ensure that Magyar Telekom Group conducts its business with maximum consciousness and commitment, in accordance with relevant laws and regulations, in harmony with the strictest possible business ethics standards. The Compliance Program involves the Group Compliance Manager and compliance representatives of particular functional areas of operation, who are working together as members of the Group Compliance Committee.

The Compliance Program has been designed to ensure that the Group conducts its business to the highest standards of awareness, transparency, accountability, commitment, and adherence to applicable laws and regulations.

As Deutsche Telekom's subsidiary, Magyar Telekom Group takes part in the annual internal survey, to ensure the compliance of the subsidiaries of the Deutsche Telekom Group with the social principles of DT. As of November 2017, the basic principles of Deutsche Telekom are no longer included in the Social Charter, but in the Code of Human Rights & Social Principles. The Social Charter has thus been replaced by the Code of Human Rights & Social Principles. The senior executive responsible for the confirmation of the observance of these principles is Magyar Telekom's Chief People Officer, by way of providing the annual Human Rights and Social Performance Report.

In compliance with the Code of Human Rights and Social Principles, all employees of Magyar Telekom Plc. and T-Systems together with their external workforce involved in brand representation participated in a compulsory human rights e-Learning training in 2018 and it remains a mandatory course in 2021.

As part of the orientation process of new employees at Magyar Telekom Group, they receive in their first two months compulsory education about the company principles, guidelines and practices concerning social issues, labor standards and human rights. All employees must understand and accept these guidelines as the fundamentals of their own professional behavior and operations. The companies own Unconscious bias e-learning, developed in 2019 is also part of the mandatory onboarding curriculum.

Nevertheless, the company is aware of the fact that there could be situations in which it is harder to tell appropriate from inappropriate. In order to assist employees in making the right choices in these situations, the company offers secure internal whistle-blower channels, operated by the Corporate Compliance Department. "Kérdezz!" ("Ask me!") advice portal has been set up to help resolve uncertainties as far as compliance-relevant behavior is concerned. Serious misconduct must be announced for prevention purposes and for appropriate sanctions.

For this reason, the "Tell me!" whistle-blower portal has been established. Questions concerning human rights and equal opportunities are being handled by the appointed equal opportunities officer. The main principles and the detailed description of the internal inspection process are detailed in employee directives available to all employees on the shared intranet platform. Throughout the inspection process the whistle-blowers' anonymity, personal and data privacy are guaranteed and handled with the utmost discretion.

Diversity and Equal Opportunities

As one of the largest employers in the Hungarian ICT sector we believe that diversity contributes to the success of businesses and all kinds of organizations to a large extent. This value is also at the core when it comes to the increase of creativity and innovation, to the involvement of new partners, experts and clients, to the quick adaptation to changes and most of all, to the compliance with the legal and ethical obligations of non-discrimination in all corporate operations.

In addition to climate protection and digitalization, one of the focus areas of the corporate sustainability strategy 2010–2030 is the advancement and protection of diversity and equal opportunities as an employer and service provider. According to our objective Magyar Telekom is dedicated to maintain its leading role as a sustainable company and ICT provider, thus we do more to achieve this and aim to enable more people in society to digitally upgrade their lives. Therefore, by 2030 we want to achieve a 100% inclusive employee experience, and a 100% accessible customer experience as a service provider.

STRATEGY TARGETS (2021–2030) AND 2021 YEAR RESULTS

INCLUSIVE WORKPLACE

- Accessible employee experience
- Increase of female management
- Decrease of gender pay gap
- Parenting equality
- LGBTQ+ inclusive workplace
- Roma integration

ACCESSIBLE SERVICES

- Accessible customer interface
- Accessibility services

INCLUSIVE WORKPLACE

Workplace Accessibility

We strive to achieve an open and inclusive employee experience for all, which allows our employees with all backgrounds and abilities to bring their best performing and entire selves to an entirely accessible working environment. In order to achieve this, we aim to reach a 100% accessible employee experience from recruitment and throughout the entire employee lifecycle both in the physical and digital spaces of work.



The Gold Class of the Disability-Friendly Workplace award was granted in 2020 but we were only able to receive it in a formal awarding ceremony in 2021. The award is being granted by the Salva Vita Foundation, the American Chamber of Commerce, the Association of Excellence Public Benefit Association, and the Hungarian Ministry of Human Capacities. Following up on manager-nominations four Telekom employees with disabilities were awarded with DFW Role-Model awards and our diversity and inclusion expert was awarded with a DFW Disability Ally award.

In order to secure the equal opportunities of our current and future colleagues living with disabilities, we are using a special module on our online job-application site (<http://www.telekom.hu/rolunk/karrier>) since 2010, where our applicants are encouraged to state any accessibility requests they might have in order to attend the selection process.

Apart from workplace accessibility we support the workplace integration and enablement of our entrants and their welcoming teams by education materials with modules for basic attitudes and inclusive behavior with colleagues with visual or hearing impairments, colleagues facing physical or mental difficulties to work independently within the team. We also provide workshops on demand.

Introducing our Unconscious Bias e-learning to all our employees in 2019 and supplementing it with inclusive leadership training contributed to the awareness and openness of our managers concerning working with employees with disabilities. As a result of a more-informed people management staff we were able to increase the number of colleagues with disabilities. According to our 2020 employee survey on diversity culture, the accessibility of our physical and digital work infrastructure has further increased compared to 2018. 81% of the affected respondents consider Magyar Telekom to be an open and inclusive workplace in terms of integration of employees with disabilities.

The Budapest based offices of Magyar Telekom group moved in together in our new HQ building in the fall of 2018. The building is completely wheelchair-accessible and in late 2018 we conducted an internal accessibility audit with the help of our employees with disabilities. The Telekom HQ building obtained its final BREEAM Excellent certification in July 2019 in the category of newly built real estate. Thus, the largest business center of Hungary also became the real estate with the highest BREEAM certification in the country. In 2020, because of the COVID-19 pandemic crisis, the call center department of Magyar Telekom was also forced to transform its day-to-day operations to 100% remote work and then further adjusting its operations to a hybrid way of work once the state of emergency was over. Our colleagues with mobility impairment could maintain their 100% remote work in 2021 regardless of the emergency situation, while we have continued to carry out infrastructure developments on our Budapest campus to further improve its accessibility.



Women in leadership

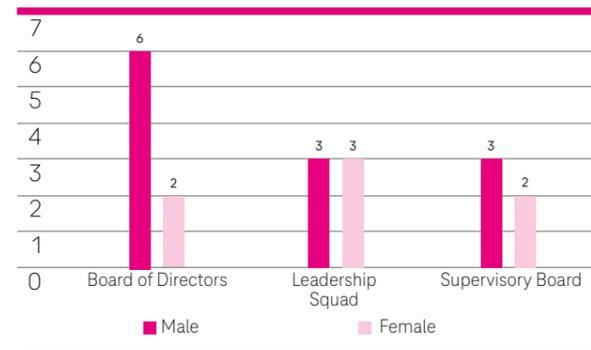
As a company dedicated to diversity as a core value, Magyar Telekom finds it important to raise the number of women in leadership positions. According to the diversity pillar of our Sustainability Strategy we are committed to extend the balanced 50–50% female-male ratio of our highest leadership body and achieve at least 40% female representation in our total leadership. We wish to achieve this target in alliance with the EU decision of March 2022 concerning publicly listed companies on reaching a 40% female management quota by 2027. The proportion of female leadership in the company in 2021 was 25.85%.

In 2021 all our female chief executives joined the **Equalizer Foundation**, which is working on the achievement of higher female representation in decision making throughout society.

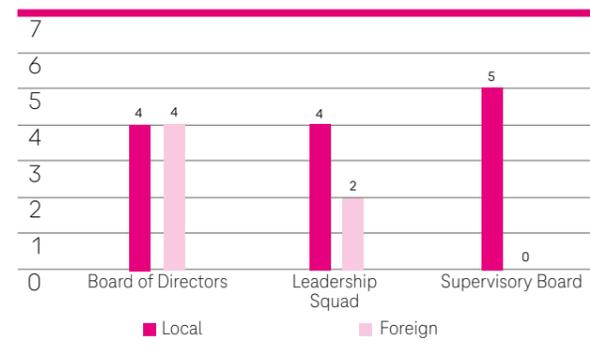
In 2021, the company provided sponsorship and professional contribution to the development of Equalizer's research and **white paper on female executive selection at large companies**.



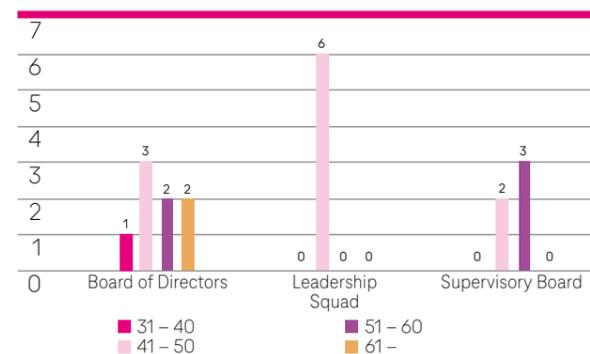
Gender mix of Magyar Telekom Group Management Bodies in 2021 (person) ✓



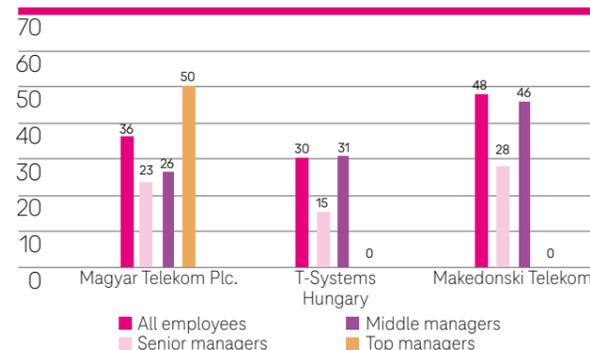
Breakdown of the members of Magyar Telekom Group management bodies in 2021 (person) ✓



Age breakdown of Magyar Telekom Group management bodies in 2021 (person) ✓



Ratio of women in member companies in 2021 (%) ✓



Decrease of Gender Pay Gap

Our employees require security, stability, opportunities for advancement and competitive compensations. Magyar Telekom, as a company committed to provide equal opportunities to its employees, finds it especially important to harmonize wages and to terminate unjust wage gaps. Our tiered wage system, built on Hay methodology, serves the above purpose. Our remuneration system is fully transparent thus our base wage tables and the relevant policies are available for all employees. In addition, we have renewed our internal position system to become a more transparent and simple organization. The dimensions of the position system are being developed at the intersections of the Hay system and the competence-based position levels of our agile organizations.

We pay extraordinary attention not to differ unreasonably the wages of the employees performing the same tasks and that the wage differences between the employees reflect real work differences. As a responsible company, we are aware of the social phenomenon of the gender pay gap and are committed to eliminating its root causes within our own business environment. We monitor the possible reasons behind the wage gap and pinpoint the process development possibilities for narrowing it down through our gender gap dashboard which allows us to locate painpoints along 9 indicator layers.

In 2020, we joined Amnesty International Hungary's One Step Closer campaign and made a commitment to publish the proportion of gender pay gap – the difference between the average wage of women and men – measured in our company, thus contributing to the public awareness of the gender wage gap phenomenon and committing to its reduction. The proportion of the average gender pay gap measured in our company decreased by 3.5% between 2019 and 2021, reducing from 18.5% to 15%.

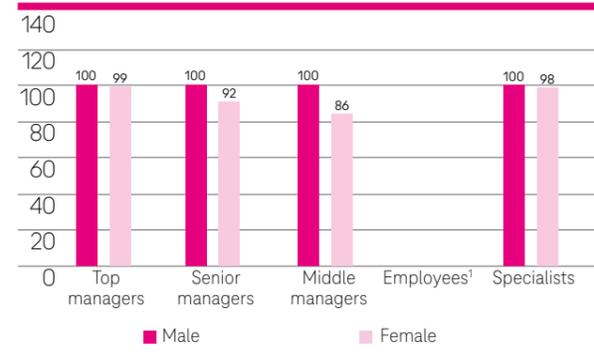


We have achieved this reduction along the following measures:

- **Introduction of the gender pay gap dashboard** – It allows a sequential monitoring along 9 indicator layers, which became an integral part of our compensation and benefit planning process. Managers are supported by HR business partners in interpreting the gendered comparisons of their team members' wages. In our experience this level of transparency has significantly contributed to maintain gender wage equity.
- **Shortlist Female Quota** – We aim to search for at least 2 shortlist compatible female candidates in all our executive searches. We are aware that this dedication might result in an increase of the time to hire and it also requires more flexibility, but we insist on this decision in all cases when it is professionally possible.
- **Equity focus in succession planning and nomination** – In our in-house succession planning and nomination processes as well as in the course of organizational transformations, we strive to establish a balanced gender ratio in management positions. At this point we are facing the most difficulties in our technology unit, nevertheless we have managed to achieve a real breakthrough by appointing our first female Tribe-Tech Lead in 2021. We are actively participating in the promotion of female STEM careers and hope to achieve more in the forthcoming years.
- **Renewal of parental leave and return process** – Informed career planning, keeping contact while on leave, access to learning and development portfolio throughout leave period and access to up to 100% remote work when returning we have made family and career planning a more predictable process. Thus we have witnessed a significant reduction in the gap data pointing to 'motherhood penalty' and 'generation gap' showing the gap between female and male average wage differences along age groups.

The figures presented in this chapter show the ratio of basic salaries by gender in accordance with the GRI Standard.

Base wage comparison by job grades and gender, Magyar Telekom Plc., 2021 (%) ✓

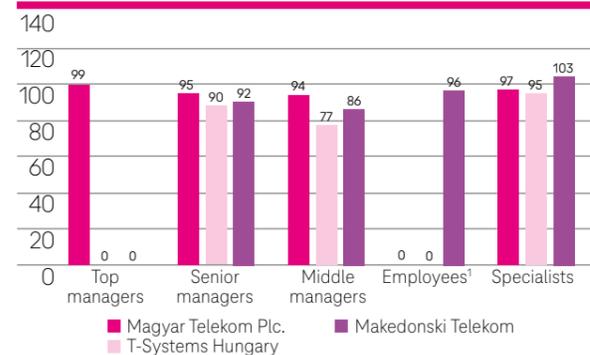


As a member of Deutsche Telekom Group, Magyar Telekom also contributed to the company group results that allowed Deutsche Telekom Group to be listed again in Bloomberg's Gender Equality Index (GEI) again in 2021.



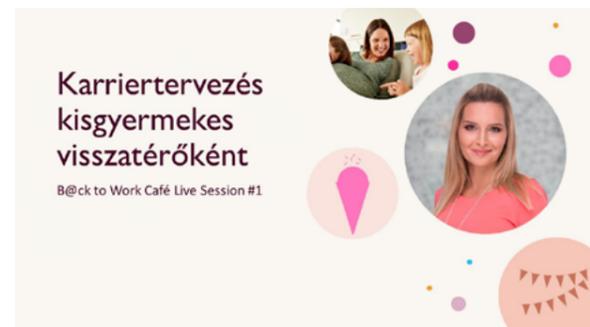
¹In 2021 the 'employee' category was merged with the 'specialists' category at Magyar Telekom, therefore no data is available in this category.

Proportion of base wages of female employees compared to the base wages of male employees (100%) broken down to job categories, Magyar Telekom Group, 2021 (%) ✓



Parenting Equality

In the first half of 2021, we launched our B@ck to Work Café online events for our colleagues on parental leave. In the five episode series participants could meet and engage in discussions with company recruitment, learning and development or career planning professionals. They could also ask about first hand experiences of the recently returned young parents and experiences of becoming entrepreneurs with toddlers.



Before Christmas 2021 all Magyar Telekom and T-Systems employees raising children between 3 and 10 years old were presented with our very own children's book 'My Mum and Dad Work at Telekom' which is a fun and playful guide to preschoolers and elementary school children to the exciting world of telecommunication and it also supports parents in the development of family rule books on sensible internet use and screen time. Employees whose children were younger than 3 at the time are going to receive their copy for the 3rd birthday of their child, while enthusiastic grandparents, aunts and uncles could also ask for copies, allowing us to distribute almost 1500 books in the festive season.

Long-term leave and return to work from maternity leave, Magyar Telekom, 2021 ✓

LONG-TERM LEAVE AND RETURN TO WORK FROM MATERNITY LEAVE	MALE	FEMALE	TOTAL
Employees on long-term leave	0	70	70
Employees returning after long-term leave	4	124	128
Employees returning from long-term leave, after having been employed at least for 12 months upon joining the company	2	102	104
Employees returning from long-term leave with continued employment	50%	82%	81%



According to the agreement of the employee representative bodies and the company, all Magyar Telekom and T-Systems caregiving partner parents are being granted additional 10 days of parental leave to extend the legal 5 days of parental leave. Thus a total of 15 days (17 days with twins) from January 2022 are available in support of the intimate, undisturbed period of becoming a family. To best support their needs employees can flexibly use the +10 days of leave within the first 6 months after the birth of their child, while the hybrid way of work or up to 100% of remote work remains to be granted.

LGBTQ+ inclusive workplace

Our aim is to create a diverse and inclusive workplace, that is why it is our strategic target to reduce the experiences of identity-based discrimination within the organization. This is being biannually measured by our anonymous employee survey on corporate diversity culture. The survey allows our employees to anonymously and voluntarily report about the extent of any identity-based discrimination they may have experienced.

For the first time in the history of the company group the LGBTQ & allies employee group of Magyar Telekom, T-Systems Hungary and Deutsche Telekom IT Solutions Hungary have attended the Budapest Pride March. We have continued to work on and improve our LGBTQ inclusive workplace initiatives as well. Extending our existing inclusive HR practices we have started an upgrade to become a trans-inclusive company group.

Our aim is to allow all our affected colleagues to use the name reflecting their gender identity in all corporate spaces of employee identification where it is possible. Along this initiative we support our gender non-conforming employees with a buddy system, and provide personalized inclusion trainings for line managers and teams offering tailored help throughout the coming-out and transition periods for all members of the community.



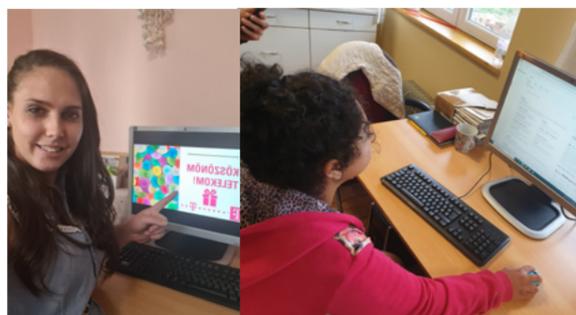
We continuously cooperate with local and international advocacy organizations to offer the best possible support to our employees within the safe space of our company community. We also share our best practices and offer guidance to other companies along professional cooperation exchanges in support of an inclusive and safe working culture in the wider Hungarian working culture. Our professional partners are: **Háttér Társaság** Advocacy group for LGBTQ+ rights, **Open for Business, East meets West**.

Roma integration

According to our strategic target we are working on the reduction of the level of identity based discrimination within the company sensed by our employees claiming to share an identity of Roma community. We are measuring this proportion by the same anonymous bi-annual diversity culture employee survey.

Telekom continued to support Roma workforce integration program Integrom in 2021 to contribute to equal labor market opportunities. The program participants are being supported with job application counseling, job interview-practices, CV writing and editing skill practices. Our inclusive recruitment practices include dedicated recruiter tracking support for program participants throughout their application process, providing detailed evaluation and feedback, and company mentoring upon request.

In the summer of 2021, we have supported 5 Romaster students and an education facility with used desktop computers. Starting from the fall of 2021 Telekom joined the **Hungarian Business Leaders Forum** HBLF Romaster initiative supporting two talented Roma students for 4 years with scholarship funding and mentoring. Their mentoring is offered by volunteer employees, who further support the entire HBLF Romaster student community with career coaching, language skill sessions, education orientation and many other areas.



ACCESSIBLE SERVICES

Accessible customer interface and Accessible services

Sensitization and promotion of involvement is an important part of the company culture. Our goal is to further improve the accessible UX (user experience) for both our employees and customers. To this end as a responsible service provider and member company of the Communications Conciliation Board ('Hírközlési Érdekegyeztető Tanács') we are already making efforts to ensure that our digital accessibility comply with the 2025 Accessibility Act of the European Union.

In 2020, we completed the barrier-free audit of our digital interfaces and integrated development needs along the technology priorities into our website and webshop development process.

We have finished the accessibility audit of our digital channels and integrated the development requirements to the development scheme of our website and webshop interfaces along the overarching technological priorities. Setting the stage in 2021 for the launch of an Accessible UX squad coordinated by the corporate Diversity and Equal Opportunities area the squad is to begin its operations in early 2022 with a thorough assessment of the customer insights from Hungarian disability advocacy groups.

In 2021, in addition to the strategic priorities, Magyar Telekom continued the execution of its practices supporting the Equal Opportunities Plan 2021–2025:

Our Unconscious bias e-learning training is an integral part of our onboarding curriculum. In 2021 we developed the background to be able to support other local companies with sharing our e-learning free of charge and ready to be integrated to their own learning curriculum as a boxed learning product. This is part of our social responsibility contributing to a discrimination free working culture in the wider society.

In our day-to-day operations that were transformed by the pandemic situation almost 80% of our employees have switched to 100% working from home, which we have transformed to a hybrid way of work once the emergency situation was over. We have kept our new best practices adjusted to particular positions and tasks in order to secure a more inclusive and flexible way of work (i.e. in the context of employees working from a distance, from home with babies and in the context of employees with difficulties in mobility). We contribute to the predictability of returning to work after parental leave.

By fostering conscious career planning and offering a wide range of learning and development opportunities throughout the leave period, we support our colleagues on long term parental leave to keep their labor market knowledge up to date. Our corporate culture values parental equality together with finding an equal balance in the division of care work among the caregivers in a family. There is strong emphasis on the role of the fathers and caregiving partners in our employee community, which is supported by meetings with professionals, and thought exchange events among colleagues.

March 2021 was dedicated entirely to women, celebration of Women's Day. Among the topics of parenting, care work equality, emotional housework and family roles, the online employee engagement events and discussions with professionals have also dealt with issues of mental health, emotional wellbeing, and burnout. Employees also had the opportunity to log in the international online Women's Day conference of Equalizer Foundation.

In October 2021 Magyar Telekom and T-Systems had the privilege of hosting a live Girls' Day event with personal attendance. Meeting female role models and gaining inspiration from exciting new era digital solutions our young guests received first hand experiences about the beauties of technology related careers. They attended a roundtable discussion showing female role models and inspirational female leaders from a variety of tech and digitalization related areas within the company, after which the girls attended a number of professional presentations, familiarizing themselves with the latest technologies, learning about Telekom's SNOC - Service and Network Operations Center, 5G network, our data center and the operational background of Vanda, our business AI.

Telekom also promoted Deutsche Telekom's Women in STEM Award 2021 extensively on its public and social channels. The aim of the competition is to promote a variety of STEM careers among female talents and to motivate talented candidates in their aspiration towards STEM education. The competition was open to women who wrote their final thesis in a STEM subject (cloud, IoT, AI) in English language.

WORK-LIFE BALANCE

Magyar Telekom considers stress, overload and burnout related risk-reduction as its priority duty in relation to its employees. In order to take charge of these risks by securing an empowering environment to develop and maintain a healthy lifestyle, employees are also provided with coaching and training opportunities and the availability of the Employee Assistance Program all of which help in maintaining a sustainable life balance. In 2021 due to the overload caused by the long pandemic period, more emphasis was placed on solutions that provide physical, mental and emotional replenishment. Employee engagement events and re-charging options ranged from expert presentations and Q&A sessions, through coaching and thematic roundtables to personal training, spinal exercise sessions and yoga sessions.



Our family-friendly office spaces, the Kid's Hut, our HQ's professional childcare facility and the tax-free cafeteria element of nursery-kindergarten support contribute to the maintenance of work-life balance of our employees with children and help them reduce childcare-related costs.

Through the implementation of particular forms of non-regular employment the company aims to provide support to maintain a healthy work-life balance and is also dedicated to reduce the possibilities of working overtime. While offering flexible working hours through part-time (4 or 6 hour workdays), our internal regulations and methodologies help employees find the most suitable way of work. The schedule options (e.g. flexi-time, banking of hours, compressed workweek) are being defined in the collective agreement. The number of working hours (4, 6 or 8 hour workday options) is being recorded in the collective agreement, and employees can manage their working schedule on the appropriate time management interface.

Besides, it is strategically important for the company to build teleworking into the company's culture. The success of the process of dealing with the COVID-19 pandemic in 2020 was largely determined by Telekom's long-standing telework culture and the availability of high-quality digital workplace tools for remote collaborative work. In 2020, due to the pandemic, 100% teleworking transformation of the entire call center area also took place. We have maintained this in 2021 during the emergency period after which we transformed our operations to a hybrid work regime.

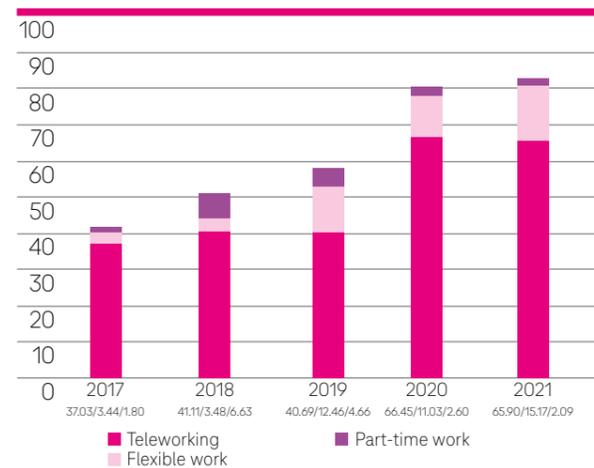
Regardless of the epidemic situation, in our general operations we continue to work on the principle of a shared desk in our HQ. The workspace design of the new HQ building of Magyar Telekom is based on the shared desk principle, its social and creative lounge spaces and well-equipped digital conference rooms also support the highest level of telepresence flexibility. Teleworking is also supported by the continuous maintenance and development of a solid digital office network access, which received an even higher level maintenance to sufficiently support our remote collaboration and teamwork during the pandemic. Employees receive mandatory courses to manage potential accessibility and/or data privacy risks related to teleworking. In front-end roles, where employees are working in shifts, teleworking is not an option but their private life responsibilities are being taken into account when arranging schedules.

In 2021 we registered 650 646 teleworking days, with this our colleagues saved almost 22 million kilometers and 115 years worth of travel.

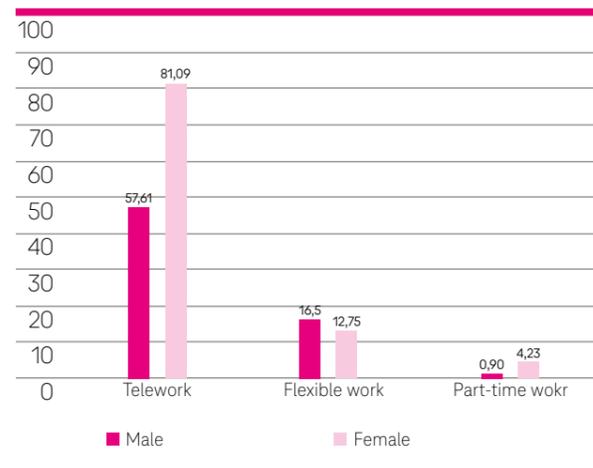
With regards on our employees' private and family circumstances (e.g. necessity of homecare of a permanently ill or elderly close relative) our colleagues may go on a permanent leave without pay as regulated by the Labor Code. The facts justifying the leave are to be verified to the employer and the period of leave must not exceed 2 years. In accordance with Hungarian labor legislations we provide our employees with extra days off after their children, and after blood donation. In cases of more than 40% health damage employees have the right for additional annual 5 days off for rehabilitation. Additionally, we credit the voluntary social contribution of our employees by providing days off, the proportion of which is being precisely regulated in internal corporate directives.

In order to prevent cases of burnout and support the restoration of work-life balance, the company offers the partly financed opportunity of a "sabbatical" leave for a period of 1-6 months, since 2016.

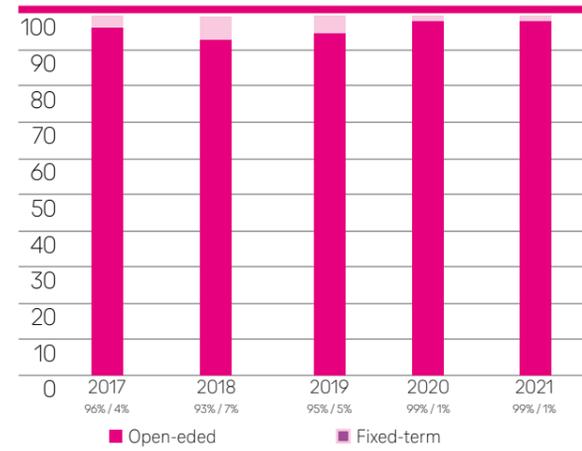
Non-typical forms of employment at Magyar Telekom Plc. in percentage of the total headcount (%) ✓



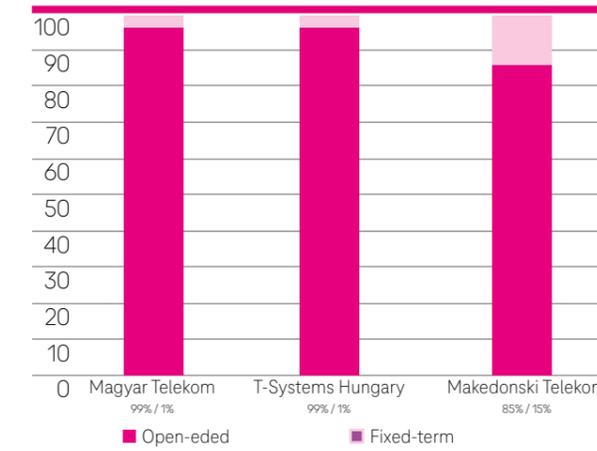
Gender mix of non-typical forms of employment at Magyar Telekom Plc. in 2021 (%) ✓



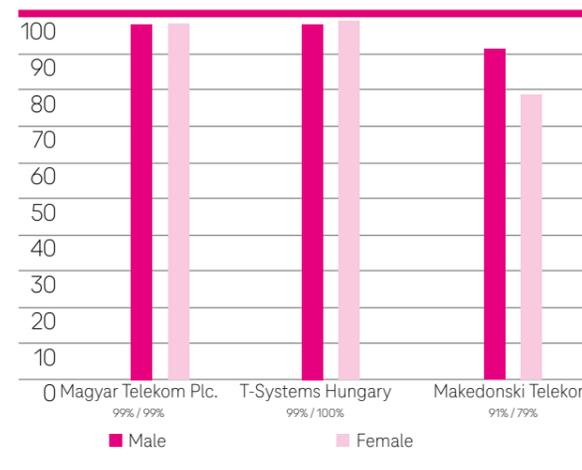
Ratio of fixed term to open-ended employment at Magyar Telekom Plc. (%) ✓



Ratio of fixed term to open-ended employment at Magyar Telekom Group, 2021 (%) ✓



Ratio of open-ended employment contracts by gender at Magyar Telekom Group (%) ✓



FAMILY FRIENDLY MAGYAR TELEKOM

In 2021 one of the most important elements of Telekom's Diversity & Inclusion approach remained to be the improvement of our entire parental leave process from planning to staying in touch during leave all the way to reintegration support. In 2020 we informed our affected employees about the new opportunities introduced along the 2019 renewed process of parental leave and return support scheme and we received and processed their contact requests. The new process offers support in career planning and new ways of staying in touch during the leave period.

Preparation for the long-term parental leave is being supported by an internal process, that is designed to assist both the employee and the people manager in the smooth planning of pre-absence tasks. To maintain the connection of the employee on parental leave and the company, the company intranet remains accessible throughout the leave period, thus the employee can stay in touch with the corporate news, follow the changes and access all HR information relevant to their situation. The internal employee direct HR chat is also available for quick administration.

As another new element of the parental leave system of Telekom, the employees can keep their access to the entire free education and development portfolio, allowing them to learn and develop during their parental leave. Easy access support is being granted both through desktop services and mobile application.

Magyar Telekom was named a Family Friendly Mentor Company in 2016 by the Three Princes and Three Princesses Movement as an acknowledgement of its family-friendly initiatives and efforts. Raising our partnership with the movement onto a strategic level with the conclusion of an indefinite-term agreement, Magyar Telekom supports companies in the movement by sharing its best practices and offering corporate level mentoring in support of spreading Family-Friendly working culture. A large number of our colleagues participate in the public lecture series of the movement entitled Compass – Family and Career. The public lectures are being delivered by leading Hungarian relationship, self-care, and mental health experts in spring and autumn semester blocks.

In 2021 Magyar Telekom was one of the sponsors of the Family Friendly Award Ceremony along which Telekom launched a Family Friendly Mentor Company Itinerary Award aiming to provide an even closer collaboration and best practice sharing between the mentor companies and the recent awardee companies from parental leave and return process management, through data based inclusion to the development of an on-campus childcare facility.



In 2021 the Magyar Telekom award was won by Murexin Ltd. and Tamási-Hús Meat Industry Ltd. In 2022 the itinerary award will be given by another Family Friendly Mentor Company.

Magyar Telekom continued to proudly wear the bronze grade "Family-Friendly Place" qualification, which it won in 2019, the next audit of which is due in 2022.

In 2021 Dimenzió Mutual Insurance and Self-help Association's Family Support initiative assisted families in the Telekom community by offering discounted summer camp opportunities for their children during the long summer holiday season. In addition, the tax-free nursery-kindergarten support is an optional element of the cafeteria system which also contributes to the reduction of the financial burden of parents with young children.

Our child-friendly offices are designed to promote the balance of work and family life for our employees with a family. Since July 2019 we have been operating a Kids' Den where we offer professional childminding service for a couple of hours during problematic school holidays, focusing on times when our employees must interrupt their work from home and come to the office.

The opening of the playroom has been preceded by thorough needs assessment, and our children and grandchildren were also invited to show in a drawing contest what furniture, toys they desired in their space. Unfortunately, due to the epidemic situation the Kids' Den had to remain closed all through 2020, but could go on full steam again in the summer and autumn of 2021.

A high proportion of employees in the company group take advantage of teleworking thus actively working parents and still actively working grandparents can successfully harmonize their family life and professional duties. Regulated by the Labor Act employees are entitled to unpaid leave to take care of ill close relatives, the timeframe and methodology is subject to the labor Act. Beyond our legal obligation we also support affected employees with a thorough database and detailed information about the available social care, health care, elderly care and/or permanently ill relative care institutional system and private facilities throughout the country to help planning and re-organizing life and care in their demanding situations.

Adjusted to the severity of the pandemic period the operations of the company group introduced quick and efficient changes to its processes with a focus on the utmost protection of the health and safety of our customers and employees.

Since the beginning of the first wave of the epidemic about 80% of our employees have switched to 100% telework. In positions that did not allow remote working, such as network establishment or troubleshooting technology unit colleagues and front-end customer service professionals, we have secured uninterrupted service providing our employees with equipment and working conditions meeting the requirements of the imposed health and safety rules. Working parent colleagues with children under 14, who were unable to provide sufficient daycare after the closing of education institutions were provided an absence fee, and we speeded up the processing of corporate emergency assistance and salary advance request applications.

The Magenta Alliance Foundation founded by CEO Tibor Rékasi in April 2020 at the initiative, personal responsibility and financial contributions of the Leadership Squad, continued its operations in 2021 in support of employees facing financial insecurities due to the pandemic crisis. In 2021 the Foundation won the Deutsche Telekom Team Award. The award prize was doubled by Deutsche Telekom CEO Tim Höttges, thus donating 50 000 euros to the Foundation

GENERATIONS AT MAGYAR TELEKOM

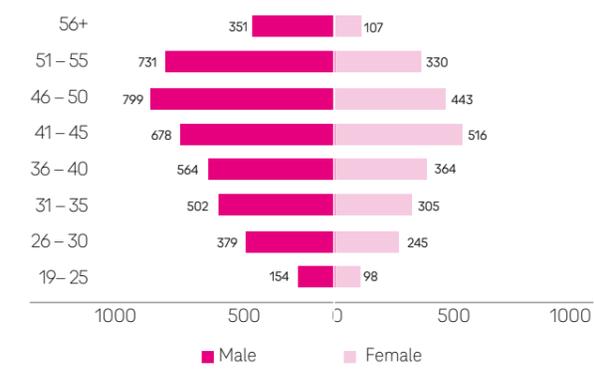
The company employs various generations simultaneously thus personal fulfillment and the realization of the full potential of our colleagues regardless of one's age or background is an important goal for Telekom. As a next step of the well-designed internship program, the Group offers jobs to many young people starting their career.

The family-friendly atmosphere of the company offers various ways of support to young employees with families and it also tries to help them in the challenging times of becoming a parent. Teleworking is not just attractive for colleagues taking care of a baby, but it also offers a flexible way to manage work and life to our single colleagues who can thus more successfully manage their time according to their needs.

The majority of our employees fall into the middle aged category of experienced professionals. They experience a slightly narrowing career path, while also having opportunity to obtain marketable experience along various horizontal career tracks. This is supported by the company's significant resources for external- and internal trainings and in-house job advertisements. Telekom expresses its appreciation towards the experienced workforce with numerous acknowledgments, like the Role Model Award, Telekom Success-story or Loyalty Award, Hős7-es ('Heroes of our 7 Principles')

PwC Hungary conducts comprehensive research every year to explore key job selection factors. As a result of this survey Magyar Telekom won the Most Attractive Workplace Award in the telecommunication sector for the 4th consecutive year. The survey also targeted young people over the age of 16, career starters and experienced workers. A total of 29,600 people completed the online preference survey, which resulted in the identification of 15 focus areas. According to the results the top 3 criteria of selecting a workplace in the 16–28 age group are basic salary, flexible working hours and predictable time management.

Age tree of Magyar Telekom Group, December 31, 2021 (person) ✓



Distribution of employees by region, Magyar Telekom Group (%) ✓

