

# 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 303: WATER AND EFFLUENTS 2018;  
GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018

Disclosure Number	Disclosure Title	Chapter in Sustainability Report 2018	Page Number	Website	Direct answer	Omission	External Assurance																								
<b>GRI 102: GENERAL DISCLOSURES 2016</b>																															
<b>1. ORGANIZATIONAL PROFILE</b>																															
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			<a href="http://www.telekom.hu/lakossagi/english/plans">http://www.telekom.hu/lakossagi/english/plans</a> <a href="http://www.telekom.hu/about_us/about_magyar_telekom">http://www.telekom.hu/about_us/about_magyar_telekom</a> <a href="http://www.telekom.hu/uzleti/main">http://www.telekom.hu/uzleti/main</a> <a href="http://www.telekom.hu/about_us/about_magyar_telekom/magyar_telekom_group">http://www.telekom.hu/about_us/about_magyar_telekom/magyar_telekom_group</a> Magyar	<p>The activities of Magyar Telekom Group cover three main business areas:</p> <ul style="list-style-type: none"> <li>- fixed-line and mobile telecommunication services to residential customers (under the Telekom brand),</li> <li>- services to small- and medium-sized businesses (under the T-Systems brand),</li> <li>- and services to large businesses (under the T-Systems brand).</li> </ul> <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.</p> <p>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.</p> <p>Magyar Telekom does not sell debated or prohibited products.</p>		✓																								
102-3	Location of headquarters				The headquarters of the Group are located in Budapest (IX., Könyves Kálmán krt. 36.).		✓																								
102-4	Location of operations				The Group's area of operation: Hungary, Macedonia, Bulgaria and Romania.		✓																								
102-5	Ownership and legal form			<a href="http://www.telekom.hu/about_us/investor_relations/magyar_telekom_shares/ownership_structure">http://www.telekom.hu/about_us/investor_relations/magyar_telekom_shares/ownership_structure</a>	<table border="1"> <thead> <tr> <th>Shareholders</th> <th>Ownership %</th> <th>✓</th> </tr> </thead> <tbody> <tr> <td>Deutsche Telekom Europe B.V.</td> <td>59,21%</td> <td></td> </tr> <tr> <td>Other foreign institutions</td> <td>20,05%</td> <td></td> </tr> <tr> <td>Domestic individuals</td> <td>9,45%</td> <td></td> </tr> <tr> <td>Domestic institutions</td> <td>4,08%</td> <td></td> </tr> <tr> <td>Employee Share Ownership Program</td> <td>0,84%</td> <td></td> </tr> <tr> <td>Other</td> <td>6,37%</td> <td></td> </tr> <tr> <td>Total</td> <td>100,00%</td> <td></td> </tr> </tbody> </table> <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.</p>	Shareholders	Ownership %	✓	Deutsche Telekom Europe B.V.	59,21%		Other foreign institutions	20,05%		Domestic individuals	9,45%		Domestic institutions	4,08%		Employee Share Ownership Program	0,84%		Other	6,37%		Total	100,00%			✓
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102-6	Markets served			<a href="http://www.telekom.hu/about_us/about_magyar_telekom/magyar_telekom_group">http://www.telekom.hu/about_us/about_magyar_telekom/magyar_telekom_group</a> <a href="http://www.telekom.hu/lakossagi/english/plans">http://www.telekom.hu/lakossagi/english/plans</a> <a href="http://www.telekom.hu/lakossagi/english">http://www.telekom.hu/lakossagi/english</a> <a href="http://www.telekom.hu/uzleti/main">http://www.telekom.hu/uzleti/main</a>	<p>The activities of Magyar Telekom Group cover three main business areas:</p> <ul style="list-style-type: none"> <li>- fixed-line and mobile telecommunication services to residential customers (under the Telekom brand),</li> <li>- services to small- and medium-sized businesses (under the T-Systems brand),</li> <li>- and services to large businesses (under the T-Systems brand).</li> </ul> <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.</p> <p>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.</p>		✓																								
102-7	Scale of the organization			<a href="https://www.telekom.hu/static-tr/sw/file/IFRS_Group_2017_1.0_final_alairt_nyilatkozatal.pdf">https://www.telekom.hu/static-tr/sw/file/IFRS_Group_2017_1.0_final_alairt_nyilatkozatal.pdf</a>	Number of employees of Magyar Telekom Group: 8,980 persons (as of December 31, 2018)		✓																								

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102-8	Information on employees and other workers	5. Employees		<a href="https://www.telekom.hu/about_us/career/telekom_internship_program">https://www.telekom.hu/about_us/career/telekom_internship_program</a>	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 2018 Magyar Telekom had 343 interns, and T-Systems had 166 interns. Throughout our internship program these 509 interns were provided with opportunities to gain real workforce experience in various areas of our operations. The diverse team of our Y2018 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		<a href="http://www.telekom.hu/about_us/about_magyar_telekom/procurement">http://www.telekom.hu/about_us/about_magyar_telekom/procurement</a> ; <a href="https://beszerzes.telekom.hu/beszerzes/portal_en?appid=beszerzes&amp;page=english/main.vm">https://beszerzes.telekom.hu/beszerzes/portal_en?appid=beszerzes&amp;page=english/main.vm</a>	The total number of suppliers that Magyar Telekom Plc. contacted with procurement orders in 2018 was 1323. The GRI 102-10 table lists the types of suppliers 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. 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. The procurement processes, that constitute a significant part of the vendor relations, are implemented with the support of IT systems. Internal procurement processes are initiated mostly through electronic systems. The suppliers' selection process is supported by an internet-based RPF and tool (OneSource), orders are also placed/confirmed through an electronic commerce solution (CPEX) or e-mail, managing transactions growing from year to year. These electronic solutions substantially reduce the processing time of the procurement processes and the e-mail based placement of orders further reduces the quantity of paper-based documents. In the past years direct electronic procurement transactions (CPEX) hit a steady high level and in 2018 reached 92.35% of all items ordered (in 2015: 69%, in 2016: 89.9% and in 2017: 91.3%). The aim of DT Group One.ERP system was to make the orders running electronically smoothly. In PSL system (related on the network-based real estate assets and the tool area of the technology area) the proportion of electronically ordered requests was 95.66% in 2018 (2017: 95.4%). While in 2016 the total number of orders sent electronically without intervention in the procurement area was 83.89%, this proportion rose to 96.35% by 2018. In 2017, in order to improve our procurement business processes, we examined the areas, where robotization could be used. As a result, we started the robotization in due diligence of suppliers in 2018. In the office stationary catalogue the supplier already marks "green" products, and we encourage our colleagues to order such items. We ensure compliance with the statutory and corporate expectations by including sustainability, environmental clauses in the supplier contracts. We expect our suppliers to use environment-friendly materials, technology and energy-saving solutions. As to products, there is a blacklist and a gray list of ingredients, i.e. products that contain any of the listed materials are banned from procurement (blacklist), or are not recommended to be procured (gray list) by Magyar Telekom. In an effort to prevent any damage and minimize transportation time, hazardous materials purchased are transported directly to the internal customer, with the exception of storing a minimum inventory. In an effort to raise cost efficiency and reduce transportation, we increase the percentage of stocks managed by the suppliers. We study the possibility of this jointly with the supplier when entering into the contract.		✓																																																																	
102-10	Significant changes to the organization and its supply chain	3. Suppliers			<p><b>CHANGE IN THE COMPOSITION OF MAGYAR TELEKOM GROUP OVER THE PAST YEARS</b> ✓</p> <table border="1"> <thead> <tr> <th>2014</th> <th>2015</th> <th>2016</th> <th>2017</th> <th>2018</th> </tr> </thead> <tbody> <tr> <td>Magyar Telekom Plc.</td> </tr> <tr> <td>T-Systems Hungary<sup>1</sup></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<sup>2</sup></td> <td>-</td> <td>-</td> </tr> <tr> <td>Kalásznét<sup>3</sup></td> <td>Kalásznét</td> <td>Kalásznét</td> <td>Kalásznét</td> <td>Kalásznét</td> </tr> <tr> <td>TCG<sup>4</sup></td> <td>TCG</td> <td>TCG</td> <td>TCG5</td> <td>-</td> </tr> <tr> <td>MakTel<sup>6</sup></td> <td>MakTel</td> <td>MakTel</td> <td>MakTel<sup>7</sup></td> <td>MakTel</td> </tr> <tr> <td></td> <td>GTS<sup>8</sup></td> <td>GTS</td> <td>GTS<sup>9</sup></td> <td>-</td> </tr> </tbody> </table> <p><b>NUMBER OF SUPPLIERS AT DIFFERENT PROCUREMENT AREAS</b></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> <th>Number of suppliers in 2018</th> </tr> </thead> <tbody> <tr> <td>Network</td> <td>wire and wireless network, transmission technology, backbone network</td> <td>347</td> <td>333</td> <td>342</td> </tr> <tr> <td>IT</td> <td>hardware, softver procurement, IT Consulting &amp; Contracting, IT-operations and desktop-services, OSS, BSS</td> <td>347</td> <td>346</td> <td>331</td> </tr> <tr> <td>CPE &amp; Noncore</td> <td>special projects and terminals, functional area</td> <td>80</td> <td>79</td> <td>86</td> </tr> <tr> <td>Indirect</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> <td>783</td> </tr> </tbody> </table>	2014	2015	2016	2017	2018	Magyar Telekom Plc.	T-Systems Hungary <sup>1</sup>	T-Systems Hungary	T-Systems Hungary	T-Systems Hungary	T-Systems Hungary	Origo	Origo	Origo <sup>2</sup>	-	-	Kalásznét <sup>3</sup>	Kalásznét	Kalásznét	Kalásznét	Kalásznét	TCG <sup>4</sup>	TCG	TCG	TCG5	-	MakTel <sup>6</sup>	MakTel	MakTel	MakTel <sup>7</sup>	MakTel		GTS <sup>8</sup>	GTS	GTS <sup>9</sup>	-	Procurement area	Description	Number of suppliers in 2016	Number of suppliers in 2017	Number of suppliers in 2018	Network	wire and wireless network, transmission technology, backbone network	347	333	342	IT	hardware, softver procurement, IT Consulting & Contracting, IT-operations and desktop-services, OSS, BSS	347	346	331	CPE & Noncore	special projects and terminals, functional area	80	79	86	Indirect	marketing, low cost suppliers, fleet management, real estate management, related services, consultancy, labor force and HR services	1035	878	783		✓				
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(1) Before 01.04.2012 under the name of KFKI Zrt.

(2) In 2016 100% of Origo shares sold to the New Wave Media Hirdetésszervező és Reklámértékesítő Szolgáltató Korlátolt Felelősségű Társaság.

(3) Before 27.03.2013 under the name of Budakalász Kábel TV.

(4) The data of Crnogorski Telekom is quoted under the name of TCG.

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

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

(7) 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.

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

(9) 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		<a href="http://www.telekom.hu/about_us/society_and_environment/approach_strategy_and_goals">http://www.telekom.hu/about_us/society_and_environment/approach_strategy_and_goals</a> <a href="https://www.telekom.hu/static-tr/sw/file/20160224_Risk_management_guideline_ENG.pdf">https://www.telekom.hu/static-tr/sw/file/20160224_Risk_management_guideline_ENG.pdf</a> <a href="https://www.telekom.com/resource/blob/525950/75e73159e55aec7fd50199ffb9878ad7/dl-180528-umweltschutz-en-data.pdf">https://www.telekom.com/resource/blob/525950/75e73159e55aec7fd50199ffb9878ad7/dl-180528-umweltschutz-en-data.pdf</a>	It is Magyar Telekom's policy that all disclosures made by the company to our security holders 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 our 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. From risk management to efficiency, Telekom must ensure that the business decisions of the management are being taken 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 3. Suppliers 5. Employees		<a href="http://hblf.hu/">http://hblf.hu/</a> <a href="http://hblf.hu/content/_common/attachments/file1.pdf">http://hblf.hu/content/_common/attachments/file1.pdf</a> <a href="https://etno.eu/">https://etno.eu/</a> <a href="https://www.telekom.hu/rolunk/fenntarthatosag/hello-holnap/diicsomagok">https://www.telekom.hu/rolunk/fenntarthatosag/hello-holnap/diicsomagok</a> <a href="http://www.oecd.org/investment/mne/38111194.pdf">http://www.oecd.org/investment/mne/38111194.pdf</a> <a href="https://sokszinusegikarta.hu/fooldal/eu-platform/">https://sokszinusegikarta.hu/fooldal/eu-platform/</a> <a href="https://www.unglobalcompact.org/">https://www.unglobalcompact.org/</a> <a href="https://sustainabledevelopment.un.org/?menu=1300">https://sustainabledevelopment.un.org/?menu=1300</a> <a href="https://www.cdp.net/en">https://www.cdp.net/en</a> <a href="https://sciencebasedtargets.org/">https://sciencebasedtargets.org/</a>	CHARTERS AND INITIATIVES OF COOPERATION ACCEPTED AND SIGNED BY MAGYAR TELEKOM GROUP Besides professional challenges, the Group also seeks cooperation opportunities for the solution of social and environmental problems. Hungarian Business Leaders Forum (HBLF) – In November, 2007, in the frame of the cooperation, the company signed the „Code of Organisational Diversity and Acceptance" principles, issued by HBLF and ILO (International Labour Office). Besides, our company actively participates in the activities of the HBFL workgroup. We are participating in the Budapest Airport's Green Airport initiatives. The Group has been an active member of ETNO's (European Telecommunications Network Operators Association) Sustainability Workgroup for years. The members work closely towards solving all kinds of sustainability-related programs. In addition to the three meetings held each year, an internet portal also helps our joint work and contributes to the sharing of best practices. We reconsider the hello holnap! fee package with the involved organizations (SINOSZ, MVGYOSZ, MEOSZ, ÉFOÉSZ, AOSZ), how can we expand the fee package discount to our other fixed line services. In the current fee package each member entitled to use three hello holnap! subscriptions to involve a family member or an attendant. We supported the work of the Environment Protection Committee of the Hungarian Academy of Sciences with our scientific knowledge and many presentation. Our colleagues are in close relationship with several higher education institutes and we help the universities with consultancy for writing theses, expert education and giving lectures. OECD-guidelines – Magyar Telekom has been the first among the Hungarian companies to accept OECD Guidelines for Multinational Enterprises and set them up as mandatory guidelines for its operations. European Union's Diversity Charter – has been signed by the company and considered as a mandatory guideline inherent in the corporate Human strategy. UN Global Compact has been signed by the company and the current report also stands to report our achievements in the 10 principles. UN Sustainable Development Goals (SDG) – Magyar Telekom has acknowledged the SDG and through incorporating them as guidelines in its 2016-2020 the company finds the contribution to the goals a mandatory element of its operations. Carbon Disclosure Project (CDP) – Magyar Telekom has signed the global initiative and fulfills its annual reporting obligations. In 2018 we committed to Science Based Target initiative and set up a longterm emission reduction goals.		✓																																										
102-13	Membership of associations				<p><b>A LIST OF THE MAIN MEMBERSHIPS OF MAGYAR TELEKOM GROUP OF INDUSTRIAL AND OTHER ASSOCIATIONS, NATIONAL OR INTERNATIONAL ADVOCACY ORGANIZATIONS</b></p> <table border="1"> <thead> <tr> <th>Name of Association</th> <th>Strategic membership</th> <th>Holding position in the governance body</th> </tr> </thead> <tbody> <tr> <td><b>Magyar Telekom Plc.</b></td> <td></td> <td></td> </tr> <tr> <td>European Telecommunications Network Operators Associations (ETNO)</td> <td>x</td> <td></td> </tr> <tr> <td>GSMA Association</td> <td>x</td> <td></td> </tr> <tr> <td>Joint Venture Association (JVSZ)</td> <td>x</td> <td>Curatorium membership</td> </tr> <tr> <td>German-Hungarian Chamber of Industry and Commerce</td> <td>x</td> <td>Curatorial membership</td> </tr> <tr> <td>Telecommunications Advocacy Council</td> <td>x</td> <td>Chairmanship</td> </tr> <tr> <td>ICT Association of Hungary</td> <td>x</td> <td>Chairman of multinational department</td> </tr> <tr> <td>Hungarian Association of International Companies</td> <td></td> <td></td> </tr> <tr> <td>Hungarian Business Leaders Forum (HBLF)</td> <td>x</td> <td></td> </tr> <tr> <td>Employers' Equal Opportunities Forum</td> <td>x</td> <td></td> </tr> <tr> <td>Hungarian Chamber of Engineers</td> <td></td> <td></td> </tr> <tr> <td>Hungarian Logistics, Procurement and Inventory Management Association</td> <td></td> <td></td> </tr> <tr> <td>Large Enterprise Logistics Managers Club</td> <td></td> <td></td> </tr> </tbody> </table>	Name of Association	Strategic membership	Holding position in the governance body	<b>Magyar Telekom Plc.</b>			European Telecommunications Network Operators Associations (ETNO)	x		GSMA Association	x		Joint Venture Association (JVSZ)	x	Curatorium membership	German-Hungarian Chamber of Industry and Commerce	x	Curatorial membership	Telecommunications Advocacy Council	x	Chairmanship	ICT Association of Hungary	x	Chairman of multinational department	Hungarian Association of International Companies			Hungarian Business Leaders Forum (HBLF)	x		Employers' Equal Opportunities Forum	x		Hungarian Chamber of Engineers			Hungarian Logistics, Procurement and Inventory Management Association			Large Enterprise Logistics Managers Club				✓
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Disclosure Number	Disclosure Title	Chapter in Sustainability Report 2018	Page Number	Website	Direct answer	Omission	External Assurance																																																																																										
102-13	Membership of associations				<p><b>A LIST OF THE MAIN MEMBERSHIPS OF MAGYAR TELEKOM GROUP OF INDUSTRIAL AND OTHER ASSOCIATIONS, NATIONAL OR INTERNATIONAL ADVOCACY ORGANIZATIONS</b></p> <table border="1"> <thead> <tr> <th>Name of Association</th> <th>Strategic membership</th> <th>Holding position in the governance body</th> </tr> </thead> <tbody> <tr> <td><b>T-Systems Magyarország</b></td> <td></td> <td></td> </tr> <tr> <td>ICT Association of Hungary</td> <td>x</td> <td></td> </tr> <tr> <td>American Chamber of Commerce in Hungary</td> <td>x</td> <td></td> </tr> <tr> <td>Hungarian Outsourcing Association (HOA)</td> <td></td> <td></td> </tr> <tr> <td>Hungarian Hospital Association</td> <td>x</td> <td></td> </tr> <tr> <td>Hungarian Water Utility Association</td> <td>x</td> <td></td> </tr> <tr> <td>Hungarian Project Management Association</td> <td>x</td> <td>Vice-presidency</td> </tr> <tr> <td>Scientific Association for Infocommunications</td> <td></td> <td></td> </tr> <tr> <td>Hungarian Librarian's Association</td> <td>x</td> <td></td> </tr> <tr> <td>Lobby Club Association</td> <td></td> <td></td> </tr> <tr> <td>Hungarian Chamber of Engineers</td> <td></td> <td></td> </tr> <tr> <td>Agro ICT Cluster</td> <td>x</td> <td>Chairmanship</td> </tr> <tr> <td>Buday Business Club</td> <td></td> <td></td> </tr> <tr> <td>Association of Health Technology Suppliers and Medical Device Manufacturers (ETOSZ)</td> <td>x</td> <td>Board membership</td> </tr> <tr> <td>it Service Management Forum (itSMF)</td> <td></td> <td></td> </tr> <tr> <td>Chamber of Bodyguards, Property Protection and Private Detectives</td> <td></td> <td></td> </tr> <tr> <td>Chamber of Architects</td> <td></td> <td></td> </tr> <tr> <td>Hungarian Innovation Association</td> <td></td> <td>Board membership</td> </tr> <tr> <td><b>Makedonski Telekom</b></td> <td></td> <td></td> </tr> <tr> <td>International Telecommunication Union (ITU)</td> <td>x</td> <td></td> </tr> <tr> <td>European Telecommunications Network Operators Associations (ETNO)</td> <td>x</td> <td></td> </tr> <tr> <td>RIPE Network Coordination Centre</td> <td>x</td> <td></td> </tr> <tr> <td>GS1 Macedonia (bar code association)</td> <td></td> <td></td> </tr> <tr> <td>Economic Chamber of Macedonia</td> <td>x</td> <td>Board membership</td> </tr> <tr> <td>American Chamber of Commerce in Macedonia (AmCham - USA)</td> <td>x</td> <td>Board membership</td> </tr> <tr> <td>Macedonian-German Business Association</td> <td>x</td> <td></td> </tr> <tr> <td>Macedonian IT Chamber (MASIT)</td> <td></td> <td>Board membership</td> </tr> <tr> <td>GSMA Association</td> <td>x</td> <td>Board membership DT</td> </tr> <tr> <td>Chamber of authorised architects and engineers of Macedonia</td> <td>x</td> <td></td> </tr> </tbody> </table>	Name of Association	Strategic membership	Holding position in the governance body	<b>T-Systems Magyarország</b>			ICT Association of Hungary	x		American Chamber of Commerce in Hungary	x		Hungarian Outsourcing Association (HOA)			Hungarian Hospital Association	x		Hungarian Water Utility Association	x		Hungarian Project Management Association	x	Vice-presidency	Scientific Association for Infocommunications			Hungarian Librarian's Association	x		Lobby Club Association			Hungarian Chamber of Engineers			Agro ICT Cluster	x	Chairmanship	Buday Business Club			Association of Health Technology Suppliers and Medical Device Manufacturers (ETOSZ)	x	Board membership	it Service Management Forum (itSMF)			Chamber of Bodyguards, Property Protection and Private Detectives			Chamber of Architects			Hungarian Innovation Association		Board membership	<b>Makedonski Telekom</b>			International Telecommunication Union (ITU)	x		European Telecommunications Network Operators Associations (ETNO)	x		RIPE Network Coordination Centre	x		GS1 Macedonia (bar code association)			Economic Chamber of Macedonia	x	Board membership	American Chamber of Commerce in Macedonia (AmCham - USA)	x	Board membership	Macedonian-German Business Association	x		Macedonian IT Chamber (MASIT)		Board membership	GSMA Association	x	Board membership DT	Chamber of authorised architects and engineers of Macedonia	x			✓
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<b>2. STRATEGY</b>																																																																																																	
102-14	Statement from senior decision-maker	Letter from the CEO					✓																																																																																										
102-15	Key impacts, risks, and opportunities	Our Approach (Sustainability strategy)		<a href="https://www.telekom.hu/about_us/society_and_environment">https://www.telekom.hu/about_us/society_and_environment</a> <a href="https://www.telekom.hu/static-tr/sw/file/Magyar_Telekom_environmental_policy.pdf">https://www.telekom.hu/static-tr/sw/file/Magyar_Telekom_environmental_policy.pdf</a> <a href="https://www.telekom.hu/about_us/society_and_environment/approach_strategy_and_goals">https://www.telekom.hu/about_us/society_and_environment/approach_strategy_and_goals</a>			✓																																																																																										
<b>3. ETHICS AND INTEGRITY</b>																																																																																																	
102-16	Values, principles, standards, and norms of behavior	Our Approach 3. Suppliers 5.1 Human rights, equal opportunities		<a href="https://www.telekom.hu/static-tr/sw/file/mt-code-of-conduct.pdf">https://www.telekom.hu/static-tr/sw/file/mt-code-of-conduct.pdf</a> <a href="https://www.telekom.hu/static-tr/sw/file/code-of-human-rights-social-principles-eng.pdf">https://www.telekom.hu/static-tr/sw/file/code-of-human-rights-social-principles-eng.pdf</a> <a href="http://www.telekom.hu/about_us/about_magyar_telekom/principles/quality_guarantees">http://www.telekom.hu/about_us/about_magyar_telekom/principles/quality_guarantees</a> <a href="https://beszerzes.telekom.hu/beszerzes/portal/objects-beszerzes/doc/mukodesi_kodex_en.pdf">https://beszerzes.telekom.hu/beszerzes/portal/objects-beszerzes/doc/mukodesi_kodex_en.pdf</a>	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			<a href="http://www.telekom.hu/about_us/about_magyar_telekom/principles/compliance">http://www.telekom.hu/about_us/about_magyar_telekom/principles/compliance</a>	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.		✓																																																																																										

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<b>4. GOVERNANCE</b>							
102-18	Governance structure	7. Corporate governance		<a href="http://www.telekom.hu/about_us/investor_relations/corporate_governance">http://www.telekom.hu/about_us/investor_relations/corporate_governance</a>	<p>Magyar Telekom's Board of Directors as the management body of the Company represents the Company with regard to third parties, in court and before other authorities. The Board of Directors exercise their rights and perform their obligations as independent body. The Board of Directors are responsible for all matters relating to the Company's management and course of business not otherwise reserved to the General Meeting or to other corporate bodies by the Articles of Association of the Company or by the law.</p> <p>The Board of Directors is not an operative management body, in other words, the Board of Directors is not involved in the Company's daily business. For the purpose of the operative control and effective day-to-day management of the Company the Board of Directors established the Management Committee the members of which are the CEO and the Chief Officers. The Management Committee acts within the scope of competences assigned to it by the Board of Directors. The Management Committee reports to the Board of Directors on the operation and status of Magyar Telekom Group at each meeting of the Board of Directors. The Supervisory Board (SB) supervises the management of the Company in order to protect its interests. Within the framework of this activity the Supervisory Board supervises the control, management and business activities of the Company as well as compliance of the Company's operation with the laws and the Articles of Association.</p> <p>The Audit Committee is a permanent committee composed – by selection of the Company's General Meeting – of independent members of the Company's Supervisory Board. The purpose of the Committee is to support the Supervisory Board (1) in supervising the financial reporting system, (2) in selecting the statutory Auditor and (3) in cooperating with the statutory Auditor. The Committee shall act within its scope of authority provided in the Civil Code, in the Capital Markets Act, in the Articles of Association and in the Rules of Procedure of the SB.</p> <p>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.</p>		✓
102-19	Delegating authority	7. Corporate governance					✓
102-20	Executive-level responsibility for economic, environmental and social topics	7. Corporate governance					✓
102-21	Consulting stakeholders on economic, environmental and social topics	Stakeholders 3. Suppliers 4.3 Involvement of our customers 5. Employees 7. Corporate governance					✓
102-22	Composition of the highest governance body and its committees			<a href="http://www.telekom.hu/about_us/investor_relations/corporate_governance/board_of_directors">http://www.telekom.hu/about_us/investor_relations/corporate_governance/board_of_directors</a> <a href="http://www.telekom.hu/about_us/investor_relations/corporate_governance/management_committee">http://www.telekom.hu/about_us/investor_relations/corporate_governance/management_committee</a> <a href="http://www.telekom.hu/about_us/investor_relations/corporate_governance/compensation">http://www.telekom.hu/about_us/investor_relations/corporate_governance/compensation</a> <a href="https://www.telekom.hu/static-tr/sw/file/IFRS_Group_2018_AGM_alairt_nyilatkozattal.pdf">https://www.telekom.hu/static-tr/sw/file/IFRS_Group_2018_AGM_alairt_nyilatkozattal.pdf</a> <a href="https://www.telekom.hu/static-tr/sw/file/2019AGM-Corporate-Governance-Report-2018.pdf">https://www.telekom.hu/static-tr/sw/file/2019AGM-Corporate-Governance-Report-2018.pdf</a> <a href="https://www.telekom.hu/static-tr/sw/file/BoD_self-evaluation_2018_eng.pdf">https://www.telekom.hu/static-tr/sw/file/BoD_self-evaluation_2018_eng.pdf</a>	<p>As at December 31, 2018 the Board of Directors had 7 members, with one executive and six non-executive members. 2 members are considered independent and 5 members are not considered independent. Members of the Board of Directors on December 31, 2018: Dr. Robert Hauber, Chairman of the Board of Directors, Senior Vice President Finance &amp; Performance Management Europe, Deutsche Telekom AG; Tibor Rékasi, Chief Executive Officer, Magyar Telekom Plc.; Guido Menzel, Senior Vice President Technology Europe, Deutsche Telekom AG; Ralf Nejedl, Senior Vice President B2B Europe, Deutsche Telekom AG; Mardia Niehaus, Lead of Innovation Hub at Technology &amp; Innovation, Deutsche Telekom AG; Frank Odzuck, Chief Executive Officer, Zwack Unikum Plc. (independent); Dr. Mihály Patai, Chairman-CEO, UniCredit Bank Hungary Zrt. (independent). Members of the Management Committee on December 31, 2018: Tibor Rékasi Chief Executive Officer; Zsuzsanna Friedl, Chief Human Resources Officer; Melinda Szabó, Chief Commercial Officer Residential; Balázs Máthé, Chief Legal and Corporate Affairs Officer; Zoltán Kaszás, Chief Commercial Officer Enterprise; János Szabó, Chief Financial Officer.</p> <p>Members of the Remuneration and Nomination Committee on December 31, 2018: Dr. Robert Hauber, Chairman of the Remuneration and Nomination Committee, Senior Vice President Finance &amp; Performance Management Europe, Deutsche Telekom AG; Frank Odzuck, Chief Executive Officer of Zwack Unikum Plc., Ralf Nejedl, Senior Vice President B2B Europe, Deutsche Telekom AG.</p>		✓
102-23	Chair of the highest governance body			<a href="https://www.telekom.hu/about_us/investor_relations/corporate_governance/board_of_directors/_members_of_the_board_of_directors">https://www.telekom.hu/about_us/investor_relations/corporate_governance/board_of_directors/_members_of_the_board_of_directors</a> <a href="https://www.telekom.hu/static-tr/sw/file/2019AGM-Corporate-Governance-Report-2018.pdf">https://www.telekom.hu/static-tr/sw/file/2019AGM-Corporate-Governance-Report-2018.pdf</a>	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			<a href="http://www.telekom.hu/about_us/investor_relations/corporate_governance/compensation">http://www.telekom.hu/about_us/investor_relations/corporate_governance/compensation</a> <a href="http://www.telekom.hu/about_us/investor_relations/corporate_governance/corporate_governance_documents">http://www.telekom.hu/about_us/investor_relations/corporate_governance/corporate_governance_documents</a> <a href="https://www.telekom.hu/static-tr/sw/file/20160321_kgy_eloterjeszesek_eng.pdf">https://www.telekom.hu/static-tr/sw/file/20160321_kgy_eloterjeszesek_eng.pdf</a> <a href="https://www.telekom.hu/static-tr/sw/file/Resolutions_of_the_AGM_12april2016.pdf">https://www.telekom.hu/static-tr/sw/file/Resolutions_of_the_AGM_12april2016.pdf</a> <a href="https://www.telekom.hu/static-tr/sw/file/AGM_2017_combined_file_EN_v04.pdf">https://www.telekom.hu/static-tr/sw/file/AGM_2017_combined_file_EN_v04.pdf</a> <a href="https://www.telekom.hu/static-tr/sw/file/20170407_kozgyulesi_hatarozatok_ENG.pdf">https://www.telekom.hu/static-tr/sw/file/20170407_kozgyulesi_hatarozatok_ENG.pdf</a> <a href="https://www.telekom.hu/static-tr/sw/file/2018EGM_submission_20180531_eng.pdf">https://www.telekom.hu/static-tr/sw/file/2018EGM_submission_20180531_eng.pdf</a> <a href="https://www.telekom.hu/static-tr/sw/file/20180622_EGM_resolutions.pdf">https://www.telekom.hu/static-tr/sw/file/20180622_EGM_resolutions.pdf</a>	<p>The Annual General Meeting held on April 12, 2016 elected the new Board of Directors members. The April 7, 2017 AGM elected 3 new members and the June 22, 2018 Extraordinary General Meeting elected 1 new member of the Board of Directors. Shareholders shall have the right to participate at the General Meeting, and if holding shares with voting rights, to vote, in accordance with the Articles of Association.</p> <p>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.</p>		✓
102-25	Conflicts of interest			<a href="https://www.telekom.hu/static-tr/sw/file/20171101-mt-bod-rop-eng.pdf">https://www.telekom.hu/static-tr/sw/file/20171101-mt-bod-rop-eng.pdf</a> <a href="https://www.telekom.hu/static-tr/sw/file/mt-code-of-conduct.pdf">https://www.telekom.hu/static-tr/sw/file/mt-code-of-conduct.pdf</a> <a href="https://www.telekom.hu/static-tr/sw/file/2019AGM-Corporate-Governance-Report-2018.pdf">https://www.telekom.hu/static-tr/sw/file/2019AGM-Corporate-Governance-Report-2018.pdf</a> <a href="https://www.telekom.hu/static-tr/sw/file/BoD_self-evaluation_2018_eng.pdf">https://www.telekom.hu/static-tr/sw/file/BoD_self-evaluation_2018_eng.pdf</a>	<p>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).</p> <p>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.</p> <p>The self-evaluation of the Board of Directors is publicly available.</p>		✓

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102-26	Role of highest governance body in setting purpose, values, and strategy	7. Corporate governance					✓
102-27	Collective knowledge of highest governance body	7. Corporate governance					✓
102-28	Evaluating the highest governance body's performance				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.		✓
102-29	Identifying and managing economic, environmental, and social impacts	7. Corporate governance					✓
102-30	Effectiveness of risk management processes	7. Corporate governance			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. Corporate governance					✓
102-32	Highest governance body's role in sustainability reporting	7. Corporate governance					✓
102-33	Communicating critical concerns	7. Corporate governance					✓
102-34	Nature and total number of critical concerns	Stakeholders					✓
102-35	Remuneration policies	5.1 Human rights and equal opportunities		<a href="http://www.telekom.hu/about_us/investor_relations/corporate_governance/compensation">http://www.telekom.hu/about_us/investor_relations/corporate_governance/compensation</a> <a href="https://www.telekom.hu/static-tr/sw/file/IFRS_Group_2018_AGM_alairt_nyilatkozattal.pdf">https://www.telekom.hu/static-tr/sw/file/IFRS_Group_2018_AGM_alairt_nyilatkozattal.pdf</a> <a href="https://www.telekom.hu/static-tr/sw/file/2019AGM-Corporate-Governance-Report-2018.pdf">https://www.telekom.hu/static-tr/sw/file/2019AGM-Corporate-Governance-Report-2018.pdf</a>	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.		✓

Disclosure Number	Disclosure Title	Chapter in Sustainability Report 2018	Page Number	Website	Direct answer	Omission	External Assurance
102-36	Process for determining remuneration			<a href="http://www.telekom.hu/about_us/investor_relations/corporate_governance/compensation">http://www.telekom.hu/about_us/investor_relations/corporate_governance/compensation</a> <a href="https://www.telekom.hu/static-tr/sw/file/20150415_Javadalmazasi_iranyelvek_ENG.pdf">https://www.telekom.hu/static-tr/sw/file/20150415_Javadalmazasi_iranyelvek_ENG.pdf</a> <a href="https://www.telekom.hu/static-tr/sw/file/Rules_of_Procedure_of_the_Remuneration_and_Nomination_Committee_ENG_20130920.pdf">https://www.telekom.hu/static-tr/sw/file/Rules_of_Procedure_of_the_Remuneration_and_Nomination_Committee_ENG_20130920.pdf</a>	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			<a href="http://www.telekom.hu/static-tr/sw/file/8_javadalmazas_19March2014_eng.pdf">http://www.telekom.hu/static-tr/sw/file/8_javadalmazas_19March2014_eng.pdf</a> <a href="http://www.telekom.hu/static-tr/sw/file/kozgyulesi_hatarozatok_2014AGM_14April2014_eng.pdf">http://www.telekom.hu/static-tr/sw/file/kozgyulesi_hatarozatok_2014AGM_14April2014_eng.pdf</a> <a href="http://www.telekom.hu/static-tr/sw/file/20150324_AGM_submission_Javadalmazasi_iranyelvek_ENG.pdf">http://www.telekom.hu/static-tr/sw/file/20150324_AGM_submission_Javadalmazasi_iranyelvek_ENG.pdf</a> <a href="http://www.telekom.hu/static-tr/sw/file/kozgyulesi_hatarozatok_2015AGM_ENG.pdf">http://www.telekom.hu/static-tr/sw/file/kozgyulesi_hatarozatok_2015AGM_ENG.pdf</a>	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. The Annual General Meeting, held on April 15, 2015 approved the amendments of the Remuneration Guidelines. The guidelines of remuneration accepted in 2015 were still in effect in 2018.		✓
102-38	Annual total compensation ratio			<a href="https://www.telekom.hu/static-tr/sw/file/2019AGM-Corporate-Governance-Report-2018.pdf">https://www.telekom.hu/static-tr/sw/file/2019AGM-Corporate-Governance-Report-2018.pdf</a>	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			<a href="https://www.telekom.hu/static-tr/sw/file/2019AGM-Corporate-Governance-Report-2018.pdf">https://www.telekom.hu/static-tr/sw/file/2019AGM-Corporate-Governance-Report-2018.pdf</a>	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	✓
<b>5. STAKEHOLDER ENGAGEMENT</b>							
102-40	List of stakeholder groups	Stakeholders					✓
102-41	Collective bargaining agreements				100% of the employment contracts of Magyar Telekom Group employees operating in Hungary fall under collective bargaining agreements, the same ratio for Macedonian workers is 90.2%.		✓
102-42	Identifying and selecting stakeholders	Stakeholders					✓
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 and social engagement					✓
102-44	Key topics and concerns raised	Stakeholders					✓
<b>6. REPORTING PRACTICE</b>							
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)					✓
102-47	List of material topics	Our approach (Materiality)					✓
102-48	Restatements of information				The report does not contain any restatements.		✓
102-49	Changes in reporting				There is no any significant change in reporting.		✓
102-50	Reporting period				All data and information presented in this current report references the year 2018.		✓
102-51	Date of most recent report			<a href="https://www.telekom.hu/static-tr/sw/file/sustainability-report-2017.pdf">https://www.telekom.hu/static-tr/sw/file/sustainability-report-2017.pdf</a>	The most recent report was published in 2018 covering the year 2017.		✓
102-52	Reporting cycle			<a href="https://www.telekom.hu/about_us/society_and_environment/sustainability_reports/?token=1468592762386">https://www.telekom.hu/about_us/society_and_environment/sustainability_reports/?token=1468592762386</a>	Magyar Telekom releases its 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: <a href="mailto:fenntarthatosag@telekom.hu">fenntarthatosag@telekom.hu</a>		✓

Disclosure Number	Disclosure Title	Chapter in Sustainability Report 2018	Page Number	Website	Direct answer	Omission	External Assurance																																																																																																																				
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					✓																																																																																																																				
102-56	External assurance	Assurance statement			<p>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.</p> <p>Sources of the data included in the report:</p> <ul style="list-style-type: none"> <li>- The business data are from the Group's year-2017 Annual Report and Quarterly Reports and data collection conducted within the Group.</li> <li>- 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.</li> <li>- The environmental protection data are partly from a process-wise transparent, online data provision system, as well as data collection conducted within the Group.</li> </ul>		✓																																																																																																																				
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103-1 2 3	Management approach	Our approach (Corporate strategy)					✓																																																																																																																				
201-1	Direct economic value generated and distributed				<p><b>CREATING VALUE FOR OUR STAKEHOLDERS ✓</b></p> <table border="1"> <thead> <tr> <th></th> <th>2014</th> <th>2015</th> <th>2016</th> <th>2017</th> <th>2018</th> <th>2018</th> <th>2018</th> <th>2018</th> <th>2018</th> </tr> <tr> <th></th> <th>Group</th> <th>Group</th> <th>Group</th> <th>Group</th> <th>Group</th> <th>Hungary</th> <th>Macedonia</th> <th>Bulgaria</th> <th>Romania</th> </tr> </thead> <tbody> <tr> <td>Produces economic value</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Revenues (total revenue + share from the after-tax profit of the affiliates)</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>657 692 HUF million</td> <td>597 191 HUF million</td> <td>54 612 HUF million</td> <td>2 310 HUF million</td> <td>3 579 HUF million</td> </tr> <tr> <td>Stakeholder</td> <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										✓																																																																																																															
201-3	Defined benefit plan obligations and other retirement plans				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, 2018 approximately 55% of Magyar Telekom Plc.'s employees were members of the private pension fund, 36% of the mutual fund and 44% of the healthcare fund.		✓																																																																																																																				
201-4	Financial assistance received from government				<p><b>SUBSTANTIAL FINANCIAL SUPPORT FROM STATE</b></p> <table border="1"> <thead> <tr> <th></th> <th>2014</th> <th>2015</th> <th>2016</th> <th>2017</th> <th>2018</th> </tr> </thead> <tbody> <tr> <td>tax credit utilization</td> <td>3323 HUF million</td> <td>5493 HUF million</td> <td>1914 HUF million</td> <td>3208 HUF million</td> <td>2484 HUF million</td> </tr> <tr> <td>film- and sport subsidies</td> <td>584 HUF million</td> <td>664 HUF million</td> <td>395 HUF million</td> <td>546 HUF million</td> <td>500 HUF million</td> </tr> <tr> <td>tax benefit on wage cost of software developers</td> <td>0</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>400 HUF thousand</td> <td>300 HUF thousand</td> <td>114 HUF thousand</td> <td>189 HUF thousand</td> <td>0</td> </tr> <tr> <td>tax impact of tax base decreasing item on R&amp;D</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> </tr> </tbody> </table>		2014	2015	2016	2017	2018	tax credit utilization	3323 HUF million	5493 HUF million	1914 HUF million	3208 HUF million	2484 HUF million	film- and sport subsidies	584 HUF million	664 HUF million	395 HUF million	546 HUF million	500 HUF million	tax benefit on wage cost of software developers	0	0	0	0	0	tax impact of tax base decreasing item on donations	400 HUF thousand	300 HUF thousand	114 HUF thousand	189 HUF thousand	0	tax impact of tax base decreasing item on R&D	0	0	0	0	0		✓																																																																																
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<b>GRI 202: MARKET PRESENCE 2016</b>																																											
103-1 2 3	Management approach	Our approach 5. Employees					✓																																				
202-1	Ratios of standard entry level wage by gender compared to local minimum wage				Magyar Telekom Group always provides at least the minimum wage as required in the relevant legislation and 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 120% of the minimum wage.		✓																																				
202-2	Proportion of senior management hired from the local community	5. Employees					✓																																				
<b>GRI 203: INDIRECT ECONOMIC IMPACTS 2016</b>																																											
103-1 2 3	Management Approach	Our approach 2.1 Closing the digital divide					✓																																				
203-1	Infrastructure investments and services supported	2.1 Closing the digital divide 6. Social engagement					✓																																				
203-2	Significant indirect economic impacts	2.1 Closing the digital divide 2.3 Innovation for sustainability 3. Suppliers 6. Social engagement					✓																																				
<b>GRI 204: PROCUREMENT PRACTICES 2016</b>																																											
103-1 2 3	Management Approach	3. Suppliers		<a href="https://beszerzes.telekom.hu/beszerzes/portal_en?appid=beszerzes&amp;page=english/main.vm">https://beszerzes.telekom.hu/beszerzes/portal_en?appid=beszerzes&amp;page=english/main.vm</a>	The group-level coordination of vendor relations is ensured by the Procurement, Logistic and Infrastructure Services Directorate , partly through the provision of centralized procurement services, and partly through the coordination of the member companies' functional organizations. Suppliers are selected in compliance with the laws, in procurement procedures that ensure fair competition, transparency, and documented processes, which are under continuous control by the Internal Control System (ICS) used jointly with Deutsche Telekom Group. Besides providing proper controls the system encourages us to improve and accelerate our processes. In respect of contracting the company seeks to develop mutually advantageous, value-creating partner relations. To ensure cost efficient operation, the company is continuously rationalizing its processes by tapping the synergies of parent company and group-level procurement. One of the main interfaces for supplier relations is the interactive website of the Procurement and Logistic Directorate where suppliers – upon registration – can directly reach the newsletter service, the supplier qualification system, the OneSource system where quotations and auctions are managed, privacy policy, electronic invoicing description and may find further useful information on our procurement processes and sustainability requirements.		✓																																				
204-1	Proportion of spending on local suppliers	3. Suppliers			Despite the globalization of procurement, we continue to purchase a considerable amount of products and services from local suppliers (with headquarters in a given country). By ordering products and services from local suppliers we significantly contribute to the retention of jobs.		✓																																				
<table border="1"> <thead> <tr> <th colspan="6">Value ratio of products and services from local suppliers, Magyar Telekom Group ✓</th> </tr> <tr> <th>Subsidiaries<sup>1</sup></th> <th>2014</th> <th>2015</th> <th>2016</th> <th>2017</th> <th>2018</th> </tr> </thead> <tbody> <tr> <td>Magyar Telekom Plc.</td> <td>67%</td> <td>74,50%</td> <td>78,90%</td> <td>77,80%</td> <td>85,56%</td> </tr> <tr> <td>T-Systems Hungary</td> <td>80%</td> <td>77,80%</td> <td>78,46%</td> <td>84,32%</td> <td>82,87%</td> </tr> <tr> <td>Makedonski Telekom</td> <td>64%</td> <td>65%<sup>2</sup></td> <td>67%</td> <td>65%</td> <td>61%</td> </tr> <tr> <td>T-Mobile Macedonia</td> <td>46%</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> </tbody> </table> <p>[1] Magyar Telekom Group member companies with significant procurement value. [2] T-Mobile Macedonia AD merged into Makedonski Telekom AD on 01.07.2015.</p>								Value ratio of products and services from local suppliers, Magyar Telekom Group ✓						Subsidiaries <sup>1</sup>	2014	2015	2016	2017	2018	Magyar Telekom Plc.	67%	74,50%	78,90%	77,80%	85,56%	T-Systems Hungary	80%	77,80%	78,46%	84,32%	82,87%	Makedonski Telekom	64%	65% <sup>2</sup>	67%	65%	61%	T-Mobile Macedonia	46%	-	-	-	-
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<b>GRI 205: ANTI-CORRUPTION 2016</b>																																											
103-1 2 3	Management Approach			<a href="http://www.telekom.hu/about_us/about_magyar_telekom/principles/compliance">http://www.telekom.hu/about_us/about_magyar_telekom/principles/compliance</a> <a href="https://www.telekom.hu/static-tr/sw/file/mt-code-of-conduct.pdf">https://www.telekom.hu/static-tr/sw/file/mt-code-of-conduct.pdf</a> <a href="http://www.telekom.hu/static-tr/sw/file/Anti_corruption_clause_en.pdf">http://www.telekom.hu/static-tr/sw/file/Anti_corruption_clause_en.pdf</a> <a href="http://www.telekom.hu/static-tr/sw/file/corporate_governance_declarations_ICSE_eng.pdf">http://www.telekom.hu/static-tr/sw/file/corporate_governance_declarations_ICSE_eng.pdf</a>	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). 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. 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. The Group also prohibits its employees to make decisions for the employees' benefit or that of the employees' family, friends, associates and acquaintances. 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. 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 . 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.		✓																																				
205-1	Operations assessed for risks related to corruption			<a href="https://www.telekom.hu/about_us/about_magyar_telekom/principles/compliance">https://www.telekom.hu/about_us/about_magyar_telekom/principles/compliance</a>	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.		✓																																				

Disclosure Number	Disclosure Title	Chapter in Sustainability Report 2018	Page Number	Website	Direct answer	Omission	External Assurance
205-2	Communication and training about anti-corruption policies and procedures			<a href="https://www.telekom.hu/about_us/about_magyar_telekom/principles/compliance">https://www.telekom.hu/about_us/about_magyar_telekom/principles/compliance</a>	<p>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: 6 persons (Management Committee)</p> <p>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</p> <p>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.</p> <p>d. number and proportion of management organizations that were trained on anticorruption, broken down to regions: 100%, all regions, Magyar Telekom: 6 persons</p> <p>e. number and proportion of employees who were trained on anticorruption, broken down to employee a category and region: Magyar Telekom Plc.: 222 persons, in 2018 98% of new entrants completed the course successfully.</p>		✓
205-3	Confirmed incidents of corruption and actions taken				Number of confirmed incidents: 0		✓
<b>GRI 206: ANTI-COMPETITIVE BEHAVIOR 2016</b>							
103-1 2 3	Management Approach			<a href="http://www.telekom.hu/about_us/about_magyar_telekom/principles/compliance">http://www.telekom.hu/about_us/about_magyar_telekom/principles/compliance</a>	<p>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.</p> <p>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.</p>		✓
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices				In 2018 no fines were imposed due to anti-competitive conduct or violation of anti-trust statutes. Three cases are pending in front of the Hungarian Competition Authority, none of which have been closed in 2018.		✓
<b>GRI 300: ENVIRONMENTAL STANDARDS 2016</b>							
<b>GRI 301: MATERIALS 2016</b>							
103-1 2 3	Management Approach	Our approach (Sustainability strategy) 1. Climate and environmental protection		<a href="http://www.telekom.hu/about_us/society_and_environment">http://www.telekom.hu/about_us/society_and_environment</a> <a href="http://www.telekom.hu/static-tr/sw/file/Magyar_Telekom_environmental_policy.pdf">http://www.telekom.hu/static-tr/sw/file/Magyar_Telekom_environmental_policy.pdf</a> <a href="http://www.telekom.hu/about_us/society_and_environment/environment/management_systems">http://www.telekom.hu/about_us/society_and_environment/environment/management_systems</a>	Magyar Telekom Group upholds its commitment to sustainable development and the environment protection in the Environmental policy. The policy contains obligations for the members of the Magyar Telekom Group both individually and as a Group.		✓
301-1	Materials used by weight or volume	Our approach 1.2 Environmental impacts 1.3 Waste		<a href="http://www.telekom.hu/about_us/society_and_environment">http://www.telekom.hu/about_us/society_and_environment</a> <a href="http://www.telekom.hu/about_us/society_and_environment/environment/equipment_management">http://www.telekom.hu/about_us/society_and_environment/environment/equipment_management</a> <a href="http://www.t-systems.hu/a-t-systemsrol/iranyelveink/gyartoi-tajekoztato">http://www.t-systems.hu/a-t-systemsrol/iranyelveink/gyartoi-tajekoztato</a> (only HU) <a href="http://www.telekom.hu/static-tr/sw/file/Magyar_Telekom_environmental_policy.pdf">http://www.telekom.hu/static-tr/sw/file/Magyar_Telekom_environmental_policy.pdf</a>			✓
301-2	Recycled input materials used			<a href="http://www.telekom.hu/about_us/society_and_environment">http://www.telekom.hu/about_us/society_and_environment</a> <a href="https://www.telekom.hu/rolunk/fenntarthatosag/ugyfeleinknek">https://www.telekom.hu/rolunk/fenntarthatosag/ugyfeleinknek</a> (only HU)	Recycled paper used in 2018: 135 841 kg (bills, office use).		✓
301-3	Reclaimed products and their packaging materials	1.2 Environmental impacts		<a href="https://beszerzes.telekom.hu/beszerzes/portal_en?appid=beszerzes&amp;page=english/vendors/information/main.vm">https://beszerzes.telekom.hu/beszerzes/portal_en?appid=beszerzes&amp;page=english/vendors/information/main.vm</a> <a href="http://www.t-systems.hu/a-t-systemsrol/iranyelveink/gyartoi-tajekoztato">http://www.t-systems.hu/a-t-systemsrol/iranyelveink/gyartoi-tajekoztato</a> (only HU) <a href="http://www.telekom.hu/about_us/society_and_environment/environment/equipment_management">http://www.telekom.hu/about_us/society_and_environment/environment/equipment_management</a> <a href="https://www.telekom.hu/rolunk/fenntarthatosag/ugyfeleinknek">https://www.telekom.hu/rolunk/fenntarthatosag/ugyfeleinknek</a> (only HU)	Magyar Telekom Plc.'s intermediary partner for batteries is ReLEM.		✓
<b>GRI 302: ENERGY 2016</b>							
103-1 2 3	Management Approach	Our approach (Sustainability strategy) 1. Climate and environmental protection		<a href="http://www.telekom.hu/about_us/society_and_environment">http://www.telekom.hu/about_us/society_and_environment</a> <a href="http://www.telekom.hu/about_us/about_magyar_telekom/principles/quality_guarantees">http://www.telekom.hu/about_us/about_magyar_telekom/principles/quality_guarantees</a> <a href="http://www.telekom.hu/static-tr/sw/file/Magyar_Telekom_environmental_policy.pdf">http://www.telekom.hu/static-tr/sw/file/Magyar_Telekom_environmental_policy.pdf</a>	<p>Magyar Telekom Group upholds its commitment to sustainable development and the environment protection in the Environmental policy. The policy contains obligations for the members of the Magyar Telekom Group both individually and as a Group.</p> <p>Magyar Telekom and T-Systems has obtained ISO 50001 energy management system.</p>		✓
302-1	Energy consumption within the organization	1.1 Emissions and energy efficiency					✓
302-2	Energy consumption outside of the organization	1.1 Emissions and energy efficiency		<a href="http://www.telekom.hu/about_us/society_and_environment/environment/equipment_management">http://www.telekom.hu/about_us/society_and_environment/environment/equipment_management</a>			✓
302-3	Energy intensity	1.1 Emissions and energy efficiency					✓
302-4	Reduction of energy consumption	1.1 Emissions and energy efficiency		<a href="http://www.telekom.hu/about_us/society_and_environment">http://www.telekom.hu/about_us/society_and_environment</a>			✓
302-5	Reductions in energy requirements of products and services	1.1 Emissions and energy efficiency					✓

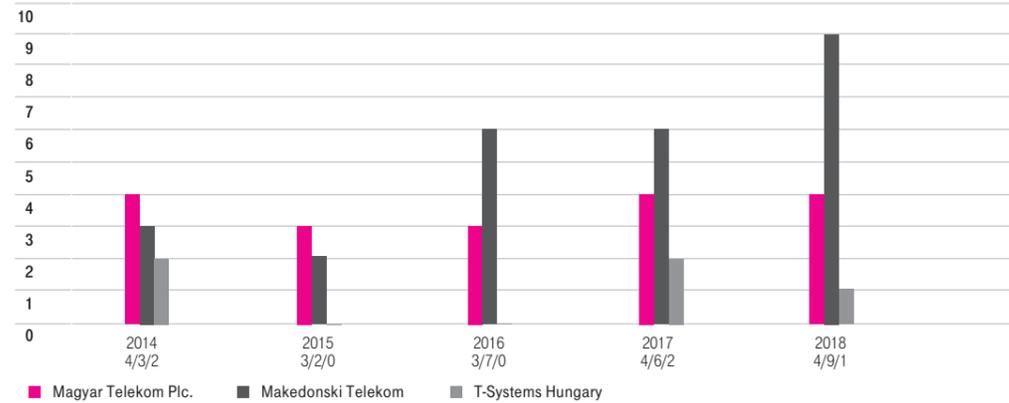
Disclosure Number	Disclosure Title	Chapter in Sustainability Report 2018	Page Number	Website	Direct answer	Omission	External Assurance
<b>GRI 303: WATER AND EFFLUENTS 2018</b>							
303-1	Interactions with water as a shared resource	1.2 Environmental impacts		<a href="http://www.telekom.hu/about_us/about_magyar_telekom/principles/quality_guarantees">http://www.telekom.hu/about_us/about_magyar_telekom/principles/quality_guarantees</a> <a href="http://www.telekom.hu/static-tr/sw/file/Magyar_Telekom_environmental_policy.pdf">http://www.telekom.hu/static-tr/sw/file/Magyar_Telekom_environmental_policy.pdf</a>	Magyar Telekom Group upholds its commitment to sustainable development and the environment protection in the Environmental policy. The policy contains obligations for the members of the Magyar Telekom Group both individually and as a Group.		✓
303-2	Management of water discharge-related impacts	1.2 Environmental impacts		<a href="http://www.telekom.hu/about_us/about_magyar_telekom/principles/quality_guarantees">http://www.telekom.hu/about_us/about_magyar_telekom/principles/quality_guarantees</a> <a href="http://www.telekom.hu/static-tr/sw/file/Magyar_Telekom_environmental_policy.pdf">http://www.telekom.hu/static-tr/sw/file/Magyar_Telekom_environmental_policy.pdf</a>			✓
303-3	Water withdrawal	1.2 Environmental impacts			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 of consumption.		✓
303-4	Water discharge	1.2 Environmental impacts					✓
303-5	Water consumption	1.2 Environmental impacts					✓
<b>GRI 304: BIODIVERSITY 2016</b>							
103 1-2-3	Management Approach	1.2 Environmental impacts		<a href="http://www.telekom.hu/static-tr/sw/file/Magyar_Telekom_environmental_policy.pdf">http://www.telekom.hu/static-tr/sw/file/Magyar_Telekom_environmental_policy.pdf</a> <a href="http://www.telekom.hu/about_us/about_magyar_telekom/principles/quality_guarantees">http://www.telekom.hu/about_us/about_magyar_telekom/principles/quality_guarantees</a> <a href="http://www.telekom.hu/about_us/society_and_environment">http://www.telekom.hu/about_us/society_and_environment</a>	Magyar Telekom Group upholds its commitment to sustainable development and the environment protection in the Environmental policy. The policy contains obligations for the members of the Magyar Telekom Group both individually and as a Group.		✓
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	1.2 Environmental impacts		<a href="https://www.telekom.hu/static-tr/sw/file/Magyar_Telekom_environmental_policy.pdf">https://www.telekom.hu/static-tr/sw/file/Magyar_Telekom_environmental_policy.pdf</a>			✓
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.		✓
<b>GRI 305: EMISSIONS 2016</b>							
103-1 2 3	Management Approach	Our approach (Sustainability strategy) 1. Climate and environmental protection		<a href="http://www.telekom.hu/about_us/society_and_environment">http://www.telekom.hu/about_us/society_and_environment</a> <a href="http://www.telekom.hu/about_us/about_magyar_telekom/principles/quality_guarantees">http://www.telekom.hu/about_us/about_magyar_telekom/principles/quality_guarantees</a> <a href="http://www.telekom.hu/static-tr/sw/file/Magyar_Telekom_environmental_policy.pdf">http://www.telekom.hu/static-tr/sw/file/Magyar_Telekom_environmental_policy.pdf</a>	Magyar Telekom Group upholds its commitment to sustainable development and the environment protection in the Environmental policy. The policy contains obligations for the members of the Magyar Telekom Group both individually and as a Group.		✓
305-1	Direct (Scope 1) GHG emissions	1.1 Emissions and energy efficiency					✓
305-2	Energy indirect (Scope 2) GHG emissions	1.1 Emissions and energy efficiency			All emissions are location based.		✓
305-3	Other indirect (Scope 3) GHG emissions	1.1 Emissions and energy efficiency					✓
305-4	GHG emissions intensity	1.1 Emissions and energy efficiency			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, paper use, emissions of business travel.		✓
305-5	Reduction of GHG emissions	1.1 Emissions and energy efficiency			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	1.2 Environmental impacts					✓
<b>GRI 306: EFFLUENTS AND WASTE 2016</b>							
103-1 2 3	Management Approach	Our approach (Sustainability strategy) 1. Climate and environmental protection		<a href="http://www.telekom.hu/about_us/society_and_environment">http://www.telekom.hu/about_us/society_and_environment</a> <a href="http://www.telekom.hu/about_us/about_magyar_telekom/principles/quality_guarantees">http://www.telekom.hu/about_us/about_magyar_telekom/principles/quality_guarantees</a> <a href="http://www.telekom.hu/static-tr/sw/file/Magyar_Telekom_environmental_policy.pdf">http://www.telekom.hu/static-tr/sw/file/Magyar_Telekom_environmental_policy.pdf</a>	Magyar Telekom Group upholds its commitment to sustainable development and the environment protection in the Environmental policy. The policy contains obligations for the members of the Magyar Telekom Group both individually and as a Group.		✓
306-1	Water discharge by quality and destination	1.2 Environmental impacts			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	1.2 Environmental impacts 1.3 Waste					✓

Disclosure Number	Disclosure Title	Chapter in Sustainability Report 2018	Page Number	Website	Direct answer	Omission	External Assurance																																																																																		
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.		✓																																																																																		
<b>GRI 307: ENVIRONMENTAL COMPLIANCE 2016</b>																																																																																									
103-1 2 3	Management Approach	Our approach (Environmental policy) 1. Climate and environmental protection		<a href="http://www.telekom.hu/about_us/society_and_environment">http://www.telekom.hu/about_us/society_and_environment</a> <a href="http://www.telekom.hu/static-tr/sw/file/Magyar_Telekom_environmental_policy.pdf">http://www.telekom.hu/static-tr/sw/file/Magyar_Telekom_environmental_policy.pdf</a> <a href="http://www.telekom.hu/about_us/society_and_environment/environment/management_systems">http://www.telekom.hu/about_us/society_and_environment/environment/management_systems</a>	Magyar Telekom Group upholds its commitment to sustainable development and the environment protection in the Environmental policy. The policy contains obligations for the members of the Magyar Telekom Group both individually and as a Group.		✓																																																																																		
307-1	Non-compliance with environmental laws and regulations	1.2 Environmental impacts					✓																																																																																		
<b>GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT 2016</b>																																																																																									
103-1 2 3	Management Approach	Our approach (Environmental policy) 3. Suppliers					✓																																																																																		
308-1	New suppliers that were screened using environmental criteria	3. Suppliers			In 2018 325 suppliers were prequalified. This questionnaire contains environmental criteria.		✓																																																																																		
308-2	Negative environmental impacts in the supply chain and actions taken	3. Suppliers			Magyar Telekom has not terminated any contracts with any of its suppliers with reference to negative environmental impacts.		✓																																																																																		
<b>GRI 400: GRI 400: SOCIAL STANDARDS 2016</b>																																																																																									
<b>GRI 401: EMPLOYMENT 2016</b>																																																																																									
103-1 2 3	Management Approach	3. Suppliers 5. Employees					✓																																																																																		
401-1	New employee hires and employee turnover				<p><b>FLUCTUATION AT MAGYAR TELEKOM GROUP ✓</b></p> <table border="1"> <thead> <tr> <th></th> <th>2014 (Plc./Group)</th> <th>2015 (Plc./Group)</th> <th>2016 (Plc./Group)</th> <th>2017 (Plc./Group)</th> <th>2018 (Plc./Group)</th> </tr> </thead> <tbody> <tr> <td>Total fluctuation</td> <td>16,8%/15,4%</td> <td>14,97%/13,7%</td> <td>15,85%/15,63%</td> <td>10,81%/12,26%</td> <td>16,47%/17,51%</td> </tr> <tr> <td>Termination initiated by the employee</td> <td>4,4%/4,7%</td> <td>5,5%/6,9%</td> <td>5,0%/7,75%</td> <td>4,84%/16,20%</td> <td>6,81%/18,84%</td> </tr> </tbody> </table> <p><b>FLUCTUATION AT MAGYAR TELEKOM GROUP IN 2018 ✓</b></p> <table border="1"> <thead> <tr> <th></th> <th>Magyar Telekom Group</th> <th>Magyar Telekom Plc.</th> <th>T-Systems Hungary</th> <th>Makedonski Telekom</th> </tr> </thead> <tbody> <tr> <td>Total fluctuation</td> <td>17,51%</td> <td>16,47%</td> <td>25,71%</td> <td>11,40%</td> </tr> <tr> <td>Termination initiated by the employee</td> <td>18,84%</td> <td>6,81%</td> <td>12,03%</td> <td>93,85%</td> </tr> </tbody> </table> <p><b>AGE GROUPS AND GENDER DISTRIBUTION OF NEW HIRES AT MAGYAR TELEKOM PLC. IN 2018 ✓</b></p> <table border="1"> <thead> <tr> <th>Age group</th> <th>19-25</th> <th>26-30</th> <th>31-35</th> <th>36-40</th> <th>41-45</th> <th>46-50</th> <th>51-55</th> <th>56+</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Male</td> <td>344</td> <td>220</td> <td>71</td> <td>32</td> <td>36</td> <td>16</td> <td>11</td> <td>9</td> <td>739</td> </tr> <tr> <td>Female</td> <td>196</td> <td>99</td> <td>34</td> <td>27</td> <td>28</td> <td>7</td> <td>2</td> <td>5</td> <td>398</td> </tr> <tr> <td>Total headcount</td> <td>540</td> <td>319</td> <td>105</td> <td>59</td> <td>64</td> <td>23</td> <td>13</td> <td>14</td> <td>1137</td> </tr> </tbody> </table> <p><b>FLUCTUATION AT MAGYAR TELEKOM PLC. IN 2018 ✓</b></p> <table border="1"> <thead> <tr> <th></th> <th>Female</th> <th>Male</th> </tr> </thead> <tbody> <tr> <td>Total fluctuation</td> <td>7,69%</td> <td>8,79%</td> </tr> <tr> <td>Termination initiated by the employee</td> <td>2,77%</td> <td>4,03%</td> </tr> </tbody> </table>		2014 (Plc./Group)	2015 (Plc./Group)	2016 (Plc./Group)	2017 (Plc./Group)	2018 (Plc./Group)	Total fluctuation	16,8%/15,4%	14,97%/13,7%	15,85%/15,63%	10,81%/12,26%	16,47%/17,51%	Termination initiated by the employee	4,4%/4,7%	5,5%/6,9%	5,0%/7,75%	4,84%/16,20%	6,81%/18,84%		Magyar Telekom Group	Magyar Telekom Plc.	T-Systems Hungary	Makedonski Telekom	Total fluctuation	17,51%	16,47%	25,71%	11,40%	Termination initiated by the employee	18,84%	6,81%	12,03%	93,85%	Age group	19-25	26-30	31-35	36-40	41-45	46-50	51-55	56+	Total	Male	344	220	71	32	36	16	11	9	739	Female	196	99	34	27	28	7	2	5	398	Total headcount	540	319	105	59	64	23	13	14	1137		Female	Male	Total fluctuation	7,69%	8,79%	Termination initiated by the employee	2,77%	4,03%		✓
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401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	5.1 Human rights, equal opportunities			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. 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, 2018 approximately 55% of Magyar Telekom Plc.'s employees were members of the private pension fund, 36% of the mutual fund and 44% of the healthcare fund.		✓																																																																																		
401-3	Parental leave	5.1 Human rights, equal opportunities					✓																																																																																		

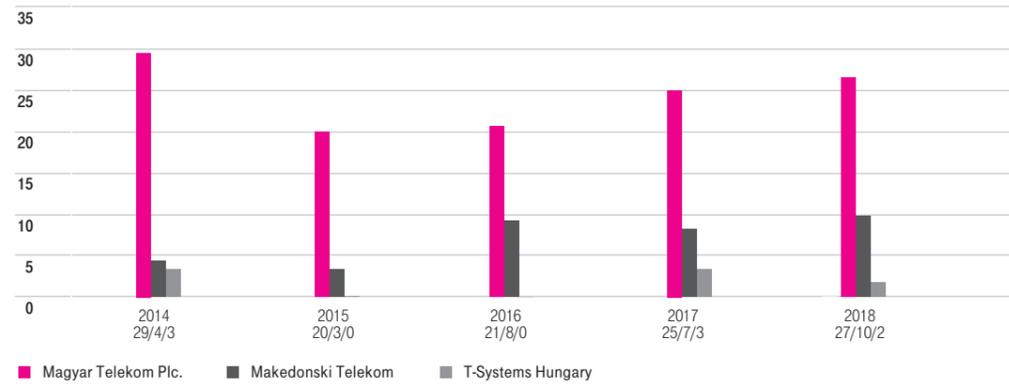
Disclosure Number	Disclosure Title	Chapter in Sustainability Report 2018	Page Number	Website	Direct answer	Omission	External Assurance
<b>GRI 402: LABOR/MANAGEMENT RELATIONS 2016</b>							
103-1 2 3	Management Approach				Magyar Telekom has long traditions of negotiation with employee representative 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. 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, 2018 the Supervisory Board had four employee representatives: Tamás Lichnovszky, Zsoltné Varga, Bujdosó Attila and Sándor Hartai.		✓
402-1	Minimum notice periods regarding operational changes				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.		✓
<b>GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018</b>							
403-1	Occupational health and safety management system	3. Suppliers		<a href="http://www.telekom.hu/about_us/about_magyar_telekom/principles/quality_guarantees">http://www.telekom.hu/about_us/about_magyar_telekom/principles/quality_guarantees</a>	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 2018 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. The company also demands suppliers compliance with its health and safety regulations.		✓
403-2	Hazard identification, risk assessment, and incident investigation				Prevention and screening examinations are important part of Magyar Telekom's prevention system. The system provides opportunity for taking preventive measures, such as vaccination of employees who are exposed to tick bites. 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.		✓
403-3	Occupational health services				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.		✓
403-4	Worker participation, consultation, and communication on occupational health and safety				Workers representation in formal joint management-worker health and safety committees: 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. Magyar Telekom Plc. 1.1 % (72 persons), T-Systems 1.68% (25 persons).		✓
403-5	Worker training on occupational health and safety				All Magyar Telekom employees are required to complete their labor safety training at the time they are hired, and to take the course repeatedly every two years.		✓
403-6	Promotion of worker health				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 (Occupational Health and Safety Management System) safety standards.		✓
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships				The Company elaborates technological processes to avoid electric shock accidents and to ensure the safety of work performed in heights.		✓
403-8	Workers covered by an occupational health and safety management system				Magyar Telekom together with all of its national and international subsidiaries have the DECRA Certification OHSAS 18001:2007 (Occupational Health and Safety Management System). The company also demands suppliers compliance with its health and safety regulations.		✓

Disclosure Number	Disclosure Title	Chapter in Sustainability Report 2018	Page Number	Website	Direct answer	Omission	External Assurance
403-9	Work-related injuries						✓

**ACCIDENT RATIO FOR ONE THOUSAND EMPLOYEE AT MAGYAR TELEKOM GROUP ✓**



**WORKPLACE ACCIDENTS AT MAGYAR TELEKOM GROUP ✓**



Magyar Telekom Plc.: There were no occupational fatal accidents in 2018. Most frequent injuries are bruises and twist or dislocation of limbs. 59 injuries (13 female, 46 male): 23 cases involved the loss of more than 3 workdays, 4 cases involving the loss of 1 to 3 workdays, 31 cases that did not involve loss of workdays, 1 unsubstantiated accidents, i.e. a total of 981 lost workdays. Distribution of injury types: 50 technical and other type and 9 office injuries. T-Systems Hungary: There was 1 case of fatal travel/operating accident. The most frequent recorded injuries were and face injuries related to slipping and falling, and sickness; 3 injuries (2 female, 1 male): 2 case involved the loss of more than 3 workdays, 0 cases involving the loss of 1 to 3 workdays, 1 cases that did not involve loss of workdays, 0 unsubstantiated accident, i.e. a total of 70 lost workdays. Distribution of injury types: 1 slipping in traffic, 1 bicycle fall on team building event, 1 case of sickness. Makedonski Telekom: 0 fatal accidents, 10 accidents at work subject to reporting obligations, i.e. a total of 212 lost workdays. Magyar Telekom does not keep records on injuries of its suppliers.

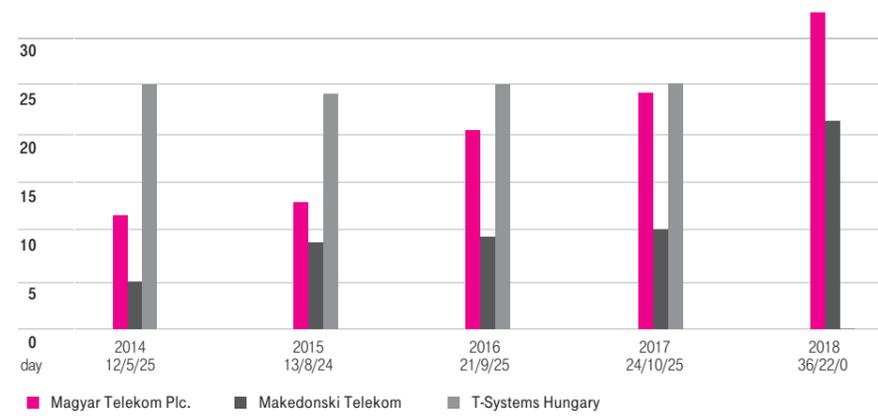
403-10	Work-related ill health				At Magyar Telekom Group there were no occupational diseases in 2018.		✓
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Disclosure Number	Disclosure Title	Chapter in Sustainability Report 2018	Page Number	Website	Direct answer	Omission	External Assurance
<b>GRI 404: TRAINING AND EDUCATION 2016</b>							

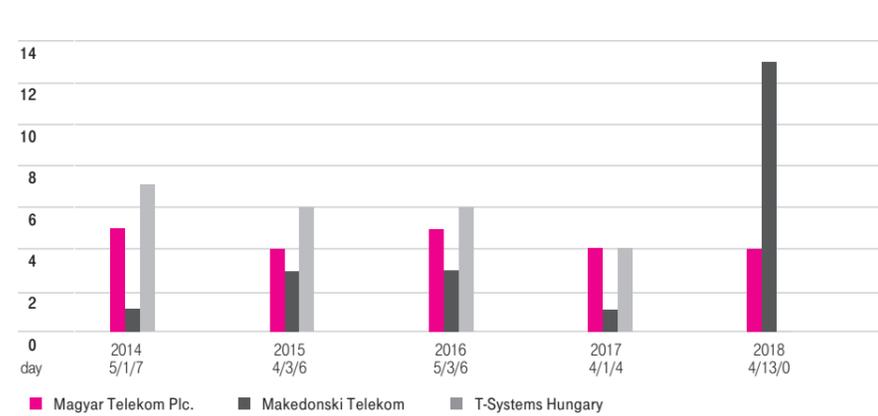
103-1 2 3	Management Approach				Magyar Telekom Group lays much emphasis on constant training, development of its employees and supports the use of the acquired knowledge. Magyar Telekom Group is a key organization of Hungary's ICT sector. In this industry it is imperative to know and apply new trends, 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 2018	Page Number	Website	Direct answer	Omission	External Assurance																								
404-1	Average hours of training per year per employee				<p><b>ANNUAL AVERAGE TRAINING HOURS PER CAPITA, BROKEN DOWN TO EMPLOYEE GROUPS, MAGYAR TELEKOM GROUP 2018</b> ✓</p> <table border="1"> <caption>Annual Average Training Hours per Capita (2018)</caption> <thead> <tr> <th>Employee Group</th> <th>Magyar Telekom Plc.</th> <th>T-Systems Hungary</th> <th>Makedonski Telekom</th> </tr> </thead> <tbody> <tr> <td>Top managers (8/0/10)</td> <td>~11</td> <td>~12</td> <td>~12</td> </tr> <tr> <td>Senior Managers (38/0/27)</td> <td>~40</td> <td>~30</td> <td>~30</td> </tr> <tr> <td>Middle Managers (34/0/23)</td> <td>~36</td> <td>~25</td> <td>~25</td> </tr> <tr> <td>Other Employees (29/0/8)</td> <td>~31</td> <td>~10</td> <td>~10</td> </tr> <tr> <td>Specialists (34/0/18)</td> <td>~36</td> <td>~21</td> <td>~21</td> </tr> </tbody> </table>	Employee Group	Magyar Telekom Plc.	T-Systems Hungary	Makedonski Telekom	Top managers (8/0/10)	~11	~12	~12	Senior Managers (38/0/27)	~40	~30	~30	Middle Managers (34/0/23)	~36	~25	~25	Other Employees (29/0/8)	~31	~10	~10	Specialists (34/0/18)	~36	~21	~21		✓
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Specialists (34/0/18)	~36	~21	~21																												
404-2	Programs for upgrading employee skills and transition assistance programs	5.1 Human rights, equal opportunities			<p>As the company adopted a new system, T-Systems's 2018 training data are not accessible.</p> <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 2018, Magyar Telekom concluded a total of 93 study contracts. Out of them 15 covered school training, the others were related to training courses or agreements containing mutual commitments. 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 2018 Magyar Telekom has introduced FUTAM, a flexible framework in support of both personal and business success. It is the practical realisation of growth mindset that supports feedback culture. FUTAM is customizable to the relevant targets of personal development and business targets both on the level of the organisation and the employee. It provides a framework for employee development tracking and control, based on feedback and cooperation instead of evaluation.</p>		✓																								
<b>GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016</b>																															
103-1 2 3	Management Approach	5.1 Human rights, equal opportunities		<p><a href="https://www.telekom.hu/static-tr/sw/file/code-of-human-rights-social-principles-eng.pdf">https://www.telekom.hu/static-tr/sw/file/code-of-human-rights-social-principles-eng.pdf</a>  <a href="https://www.telekom.hu/static-tr/sw/file/mt-code-of-conduct.pdf">https://www.telekom.hu/static-tr/sw/file/mt-code-of-conduct.pdf</a>  <a href="https://www.telekom.hu/static-tr/sw/file/Diversity_Policy.pdf">https://www.telekom.hu/static-tr/sw/file/Diversity_Policy.pdf</a></p>			✓																								
405-1	Diversity of governance bodies and employees	5.1 Human rights, equal opportunities					✓																								
405-2	Ratio of basic salary and remuneration of women to men	5.1 Human rights, equal opportunities					✓																								
<b>GRI 406: NON-DISCRIMINATION 2016</b>																															
103-1 2 3	Management Approach	5.1 Human rights, equal opportunities		<p><a href="https://www.telekom.hu/static-tr/sw/file/code-of-human-rights-social-principles-eng.pdf">https://www.telekom.hu/static-tr/sw/file/code-of-human-rights-social-principles-eng.pdf</a>  <a href="https://www.telekom.hu/static-tr/sw/file/mt-code-of-conduct.pdf">https://www.telekom.hu/static-tr/sw/file/mt-code-of-conduct.pdf</a>  <a href="https://www.telekom.hu/static-tr/sw/file/Diversity_Policy.pdf">https://www.telekom.hu/static-tr/sw/file/Diversity_Policy.pdf</a></p>	<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. In order to effectively develop Magyar Telekom's Diversity and Equal Opportunities efforts. An anonymous employee survey measuring the diversity and inclusion culture of the company was conducted in 2018 January. 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 2018	Page Number	Website	Direct answer	Omission	External Assurance
<b>GRI 407: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING 2016</b>							
103-1 2 3	Management Approach	3. Suppliers		<a href="https://www.telekom.hu/static-tr/sw/file/mt-code-of-conduct.pdf">https://www.telekom.hu/static-tr/sw/file/mt-code-of-conduct.pdf</a> <a href="https://www.telekom.hu/static-tr/sw/file/code-of-human-rights-social-principles-eng.pdf">https://www.telekom.hu/static-tr/sw/file/code-of-human-rights-social-principles-eng.pdf</a> <a href="https://beszerzes.telekom.hu/beszerzes/portal/objects-beszerzes/doc/mukodesi_kodex_en.pdf">https://beszerzes.telekom.hu/beszerzes/portal/objects-beszerzes/doc/mukodesi_kodex_en.pdf</a>	Magyar Telekom Group has acknowledged the freedom of association and the right for collective bargaining in its Code of Human Rights and Social Principles. Magyar Telekom strives to maintain a dialogue and cooperation with employee representation bodies in the spirit of openness and trust. The Code of Human Rights and Social Principles and the long-standing relationship between Magyar Telekom's management and the employee representation bodies are the guarantee that the relevant rights are observed. The agreement, which can be terminated by either party with three months' notice, applies to all Magyar Telekom Plc. employees except the CEO, regardless of their union membership status. Wage terms in the collective bargaining agreement must be renegotiated annually. If the employment is terminated due to reasons related to the employer's operation, employees are entitled to a specific amount of severance pay surplus, which depends on the tenure of the employee. In addition to the collective bargaining agreement, employees of our Hungarian operations are generally covered by the Act I of 2012 on the Labor Code, which imposes various restrictions on the involuntary termination of employment. The Labor Code protects employee interests through two different labor organizations: the Trade Union and the Workers' Council. The Trade Union, as the official representative of employee interests in negotiations relating to the terms of employment, has the right to be informed of all corporate measures that may significantly affect the interests of employees and to commence legal action against the Company for employment-related conduct that infringes an employment rule. In addition, the Workers' Council directly represents employee interests in dealings with management and decides jointly with management on matters involving employee welfare funds and institutions. The Workers' Council must be informed semi-annually on issues affecting our economic performance and changes in wages, employment conditions and working hours. The Workers' Council must also be consulted on corporate measures affecting employees. We believe that our relations with our employees are good. We have not experienced any labor strikes or disruptions since our formation.		✓
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	3. Suppliers			100% of the employment contracts of Magyar Telekom Group employees operating in Hungary fall under collective bargaining agreements, the same ratio for Macedonian workers is 90.2%.		✓
<b>GRI 408: CHILD LABOR 2016</b>							
103-1 2 3	Management Approach	3. Suppliers		<a href="https://www.telekom.hu/static-tr/sw/file/mt-code-of-conduct.pdf">https://www.telekom.hu/static-tr/sw/file/mt-code-of-conduct.pdf</a> <a href="https://www.telekom.hu/static-tr/sw/file/code-of-human-rights-social-principles-eng.pdf">https://www.telekom.hu/static-tr/sw/file/code-of-human-rights-social-principles-eng.pdf</a> <a href="https://beszerzes.telekom.hu/beszerzes/portal/objects-beszerzes/doc/mukodesi_kodex_en.pdf">https://beszerzes.telekom.hu/beszerzes/portal/objects-beszerzes/doc/mukodesi_kodex_en.pdf</a>	Magyar Telekom Group is an ICT company committed to respect and support human and social rights at all times in view of our tasks arising from technological development and digitalization. In line with the basic principles set out in the Code of Human Rights & Social Principles our company stands up for the protection of human rights as set forth in international human rights treaties, including the protection of freedom of speech and protection of the right for ones' own belief. Furthermore, the company rejects child labor, all types of forced or compulsory labor, and uses all measures to fight any kind of human trafficking and modern slavery.		✓
408-1	Operations and suppliers at significant risk for incidents of child labor	3. Suppliers		<a href="https://www.telekom.com/en/corporate-responsibility/assume-responsibility/assume-responsibility/supply-chain-management-355304">https://www.telekom.com/en/corporate-responsibility/assume-responsibility/assume-responsibility/supply-chain-management-355304</a>	Deutsche Telekom Group as our parent company is responsible for the maintenance and supervision of compliance of global suppliers through monitoring and audits. For further information of the method of classification of global suppliers and the relevant results, please visit the indicated website.		✓
<b>GRI 409: FORCED OR COMPULSORY LABOR 2016</b>							
103-1 2 3	Management Approach	3. Suppliers		<a href="https://www.telekom.hu/static-tr/sw/file/mt-code-of-conduct.pdf">https://www.telekom.hu/static-tr/sw/file/mt-code-of-conduct.pdf</a> <a href="https://www.telekom.hu/static-tr/sw/file/code-of-human-rights-social-principles-eng.pdf">https://www.telekom.hu/static-tr/sw/file/code-of-human-rights-social-principles-eng.pdf</a> <a href="https://beszerzes.telekom.hu/beszerzes/portal/objects-beszerzes/doc/mukodesi_kodex_en.pdf">https://beszerzes.telekom.hu/beszerzes/portal/objects-beszerzes/doc/mukodesi_kodex_en.pdf</a>	Magyar Telekom Group is an ICT company committed to respect and support human and social rights at all times in view of our tasks arising from technological development and digitalization. In line with the basic principles set out in the Code of Human Rights & Social Principles our company stands up for the protection of human rights as set forth in international human rights treaties, including the protection of freedom of speech and protection of the right for ones' own belief. Furthermore, the company rejects child labor, all types of forced or compulsory labor, and uses all measures to fight any kind of human trafficking and modern slavery.		✓
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	3. Suppliers		<a href="https://www.telekom.com/en/corporate-responsibility/assume-responsibility/assume-responsibility/supply-chain-management-355304">https://www.telekom.com/en/corporate-responsibility/assume-responsibility/assume-responsibility/supply-chain-management-355304</a>	Deutsche Telekom Group as our parent company is responsible for the maintenance and supervision of compliance of global suppliers through monitoring and audits. For further information of the method of classification of global suppliers and the relevant results, please visit the indicated website.		✓
<b>GRI 410: SECURITY PRACTICES 2016</b>							
103-1 2 3	Management Approach			<a href="http://www.telekom.hu/static-tr/sw/file/Code_of_Ethics.pdf">http://www.telekom.hu/static-tr/sw/file/Code_of_Ethics.pdf</a> <a href="https://www.telekom.hu/static-tr/sw/file/mt-code-of-conduct.pdf">https://www.telekom.hu/static-tr/sw/file/mt-code-of-conduct.pdf</a> <a href="https://www.telekom.hu/static-tr/sw/file/code-of-human-rights-social-principles-eng.pdf">https://www.telekom.hu/static-tr/sw/file/code-of-human-rights-social-principles-eng.pdf</a>			✓
410-1	Security personnel trained in human rights policies or procedures				Security personnel employed by the company also participated in the compulsory human rights e-Training of all Magyar Telekom Group employees in 2018. The training became an element of the compulsory employee training portfolio as of 2018. 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.		✓
<b>GRI 411: RIGHTS OF INDIGENOUS PEOPLES 2016</b>							
103-1 2 3	Management Approach				In Hungary there is no adequate denotation of the group 'Indigenous Peoples'.		✓
411-1	Incidents of violations involving rights of indigenous peoples				In Hungary there is no adequate denotation of the group 'Indigenous Peoples'.		✓

Disclosure Number	Disclosure Title	Chapter in Sustainability Report 2018	Page Number	Website	Direct answer	Omission	External Assurance
<b>GRI 412: HUMAN RIGHTS ASSESSMENT 2016</b>							
103-1 2 3	Management Approach	3. Suppliers 5.1 Human rights, equal opportunities		<a href="http://www.telekom.hu/static-tr/sw/file/Code_of_Ethics.pdf">http://www.telekom.hu/static-tr/sw/file/Code_of_Ethics.pdf</a> <a href="https://www.telekom.hu/static-tr/sw/file/code-of-human-rights-social-principles-eng.pdf">https://www.telekom.hu/static-tr/sw/file/code-of-human-rights-social-principles-eng.pdf</a> <a href="http://www.telekom.hu/static-tr/sw/file/Magyar_Telekom_Eselyegyenlosegi_Terv_2016_2020_en.pdf">http://www.telekom.hu/static-tr/sw/file/Magyar_Telekom_Eselyegyenlosegi_Terv_2016_2020_en.pdf</a> <a href="https://www.telekom.hu/static-tr/sw/file/Employee-relations-policy.pdf">https://www.telekom.hu/static-tr/sw/file/Employee-relations-policy.pdf</a>			✓
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		<a href="http://www.telekom.hu/static-tr/sw/file/Magyar_Telekom_Eselyegyenlosegi_Terv_2016_2020_en.pdf">http://www.telekom.hu/static-tr/sw/file/Magyar_Telekom_Eselyegyenlosegi_Terv_2016_2020_en.pdf</a>	As a member of Deutsche Telekom Group, Magyar Telekom Group fulfills its obligation to provide an annual Human Rights & Social Performance Report confirming its observance of the principles of the Code of Human Rights and Social Principles. Following the practice Magyar Telekom Group has declared its full conformity with the ten basic principles of Deutsche Telekom's Code of Human Rights and Social Principles for the year 2018 relevant to all its Hungarian operations.		✓
412-2	Employee training on human rights policies or procedures				As a tribute to the 70th anniversary of the Universal Declaration of Human Rights and in compliance with the Code of Human Rights and Social Principles renewed in 2017, 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. The enrollment of the employees was conducted in four steps, in which the management of the company group took the training first. 85.3% of all people enrolled and 90% of the entire employee group have finished the course by September 18. The online training points to relevant human rights issues, regulations, complaint handling and whistleblowing options that might come up within the employment, sourcing, operational and distributional processes of the company group. The e-Learning material has become part of the compulsory employee e-Learning course portfolio of the company as of 2018.		✓
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	3. Suppliers		<a href="https://beszerzes.telekom.hu/beszerzes/portal/objects-beszerzes/doc/mukodesi_kodex_en.pdf">https://beszerzes.telekom.hu/beszerzes/portal/objects-beszerzes/doc/mukodesi_kodex_en.pdf</a> <a href="https://www.telekom.hu/static-tr/sw/file/code-of-human-rights-social-principles-eng.pdf">https://www.telekom.hu/static-tr/sw/file/code-of-human-rights-social-principles-eng.pdf</a>	The warranty statement is a compulsory element of the suppliers contracts (100%). Both the suppliers and sponsorship contract sample includes the relevant elements for the declaration of respecting of human rights, and these elements are also part of the Suppliers Code of Conduct.		✓
<b>GRI 413: LOCAL COMMUNITIES 2016</b>							
103-1 2 3	Management Approach	2.1 Closing the digital divide 4.3 Involvement of our customers 5.2 Involvement of our employees					✓
413-1	Operations with local community engagement, impact assessments, and development programs	2.1 Closing the digital divide 2.2 ICT for sustainability 2.3 Innovation for sustainability 2.4 Protection of our children in the digital age 4.3 Involvement of our customers 5.2 Involvement of our employees		<a href="http://www.telekom.hu/about_us/company/telekom-for-digital-hungary">http://www.telekom.hu/about_us/company/telekom-for-digital-hungary</a> <a href="https://www.facebook.com/LegyelTeisInformatikus/">https://www.facebook.com/LegyelTeisInformatikus/</a> <a href="https://www.facebook.com/DigitalisHid/?fref=ts">https://www.facebook.com/DigitalisHid/?fref=ts</a>			✓
413-2	Operations with significant actual and potential negative impacts on local communities			<a href="http://www.telekom.hu/about_us/company/telekom-for-digital-hungary">http://www.telekom.hu/about_us/company/telekom-for-digital-hungary</a>	In some cases of network development processes the physical construction of the network might cause temporary inconvenience to residents.		✓
<b>GRI 414: SUPPLIER SOCIAL ASSESSMENT 2016</b>							
103-1 2 3	Management Approach	3. Suppliers					✓
414-1	New suppliers that were screened using social criteria	3. Suppliers			In 2018 325 supplier were prequalified. This questionnaire contains social criterias.		✓
414-2	Negative social impacts in the supply chain and actions taken	3. Suppliers			Magyar Telekom has not terminated any contracts with any of its suppliers with reference to negative environmental impacts.		✓
<b>GRI 415: PUBLIC POLICY 2016</b>							
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			<a href="http://www.telekom.hu/static-tr/sw/file/MT_Code_of_Conduct_31March2011.pdf">http://www.telekom.hu/static-tr/sw/file/MT_Code_of_Conduct_31March2011.pdf</a> <a href="https://www.telekom.hu/about_us/about_magyar_telekom/principles">https://www.telekom.hu/about_us/about_magyar_telekom/principles</a>	The Company has no knowledge of any financial support to political parties, politicians or any related entities provided by Magyar Telekom Group affiliates in 2018, 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.		✓

Disclosure Number	Disclosure Title	Chapter in Sustainability Report 2018	Page Number	Website	Direct answer	Omission	External Assurance
<b>GRI 416: CUSTOMER HEALTH AND SAFETY 2016</b>							
103-1 2 3	Management Approach	2.4 Protection of our children in the digital age		<a href="http://www.telekom.hu/about_us/society_and_environment/society/health_and_safety">http://www.telekom.hu/about_us/society_and_environment/society/health_and_safety</a> <a href="https://www.telekom.hu/about_us/society_and_environment/society/protection_of_our_children">https://www.telekom.hu/about_us/society_and_environment/society/protection_of_our_children</a>	In order to provide high-quality services to the Hungarian and Macedonian mobile telephone subscribers through the mobile telecom network, UMTS licenses were distributed among operators in Hungary in December, 2004 and for operators in Macedonia in June, 2009. Besides, in December, 2011 Magyar Telekom acquired the right to launch the LTE service and the commercial rollout started in 2012. By the end of 2017 the frequency right acquired in the 800 MHz band allowed that almost 100% of Hungarian citizens can use Magyar Telekom's LTE service. However, the rollout of the LTE related networks may heighten the interest of the communities in the issue of electromagnetic fields, which will increase the importance of the company's strategy in addressing the issue.		✓
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		✓
<b>GRI 417: MARKETING AND LABELING 2016</b>							
103-1 2 3	Management Approach	Our approach (sustainability strategy) 1.2 Environmental impacts 2.2 ICT for sustainability 4.4 Informing our customers		<a href="http://www.telekom.hu/lakossagi/english">http://www.telekom.hu/lakossagi/english</a> <a href="http://www.telekom.hu/lakossagi/english/plans/mobile">http://www.telekom.hu/lakossagi/english/plans/mobile</a> <a href="https://www.telekom.hu/lakossagi/english/plans/phone">https://www.telekom.hu/lakossagi/english/plans/phone</a> <a href="https://www.telekom.hu/uzleti/main">https://www.telekom.hu/uzleti/main</a> <a href="http://www.t-systems.hu/home-page">http://www.t-systems.hu/home-page</a> <a href="http://kibu.hu/">http://kibu.hu/</a> <a href="http://www.kalasznet.hu/">http://www.kalasznet.hu/</a> (only HU) <a href="https://www.telekom.mk/prepaid-en.nspk">https://www.telekom.mk/prepaid-en.nspk</a>			✓
417-1	Requirements for product and service information and labeling	1.2 Environmental impacts 1.3 Waste			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 Hungarian Competition Authority (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.		✓
<b>GRI 418: CUSTOMER PRIVACY 2016</b>							
103-1 2 3	Management Approach	2.5. Data Protection		<a href="http://www.telekom.hu/about_us/data_protection">http://www.telekom.hu/about_us/data_protection</a>			✓
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	2.5. Data Protection			Magyar Telekom received requests and complaints from the National Authority for Data Protection and Freedom of Information and also directly from customers in 2018, which were duly investigated by Magyar Telekom, and the findings were reported to the complaining customer or to the Authority. Based on the results of the investigation, we review our processes and make adjustments, if necessary. In 2018 we received 17 requests to investigate personal data management complaints of which 9 cases were closed. 3 of these cases any non-compliance has not been found. Based on the results of the investigation, we review our processes and make the necessary adjustments.		✓
<b>GRI 419: SOCIOECONOMIC COMPLIANCE 2016</b>							
103-1 2 3	Management Approach			<a href="https://www.telekom.hu/about_us/about_magyar_telekom/principles/compliance">https://www.telekom.hu/about_us/about_magyar_telekom/principles/compliance</a> <a href="https://beszerzes.telekom.hu/beszerzes/portal_en?appid=beszerzes&amp;page=english/main.vm">https://beszerzes.telekom.hu/beszerzes/portal_en?appid=beszerzes&amp;page=english/main.vm</a>	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 2018	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 2018 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 167.8 million HUF whereas in the case of subscriber complaints a total of 177.15 million HUF penalty. The District Offices of Government Offices, as bodies responsible for consumer protection completed several investigations against Magyar Telekom, in 2018 the total amount of fines were HUF 13.275 million. Our clients have used the services of alternative dispute resolution fora, in relation to which there were a total of 101 cases handled with the assistance of the Media and Communicatio Commissioner, and 556 cases in which dispute resolution plenums provided assistance.		✓
<b>TELECOMMUNICATION SECTOR SPECIFIC INDICATORS</b>							
<b>CATEGORY: INTERNAL OPERATIONS</b>							
<b>ASPECT: INVESTMENT</b>							
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					✓
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.	2.1 Closing the digital divide		<a href="https://www.telekom.hu/about_us/company/telekom-for-digital-hungary">https://www.telekom.hu/about_us/company/telekom-for-digital-hungary</a> <a href="https://www.telekom.hu/lakossagi/szolgalatasok/mobil/dominodijcsomagok/hello-holnap-dijcsomagok">https://www.telekom.hu/lakossagi/szolgalatasok/mobil/dominodijcsomagok/hello-holnap-dijcsomagok</a> <a href="https://www.telekom.hu/rolunk/fenntarthatosag/ugyfeleinknek/hello_holnap_dijcsomagok">https://www.telekom.hu/rolunk/fenntarthatosag/ugyfeleinknek/hello_holnap_dijcsomagok</a>	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.		✓
<b>ASPECT: HEALTH AND SAFETY</b>							
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.			<a href="http://www.telekom.hu/about_us/society_and_environment/society/health_and_safety">http://www.telekom.hu/about_us/society_and_environment/society/health_and_safety</a> <a href="http://www.emf-portal.hu/portal/">http://www.emf-portal.hu/portal/</a> (only HU)	According to the Company's common practice station antennas are installed in a way that employees normally cannot stay in front of them, they cannot and do not have to work in the relevant zone, and passage ways do not cross the areas in question. If, in extraordinary cases, people must pass or work in front of the antennas – this usually happens related to external contractors' work, e.g. when renovating a building, safety distance data are made clear and available. If necessary, site measuring can be conducted, or in justified cases the antennas can be temporarily relocated or the performance of the transmitter can be reduced. If a Magyar Telekom employee performing work in the vicinity of an antenna detects unidentified signal source, he will use his RADMAN personal radiation detector to determine the boundaries of safe zone and prevent health risk. Compliance with the value limits defined by law for Magyar Telekom mobile network is audited and certified by independent measurement bodies. The company acts in accordance with the relevant laws and consults, 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 to reach an agreement.		✓
IO 4.	Compliance with ICNIRP (International Commission on Non-Ionising Radiation Protection) standards on exposure to radiofrequency (RF) emissions from handsets.			<a href="http://www.telekom.hu/about_us/society_and_environment/society/health_and_safety">http://www.telekom.hu/about_us/society_and_environment/society/health_and_safety</a> <a href="http://www.emf-portal.hu/portal/">http://www.emf-portal.hu/portal/</a> (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.			<a href="http://www.telekom.hu/about_us/society_and_environment/society/health_and_safety">http://www.telekom.hu/about_us/society_and_environment/society/health_and_safety</a> <a href="http://www.emf-portal.hu/portal/">http://www.emf-portal.hu/portal/</a> (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.			<a href="http://www.telekom.hu/about_us/society_and_environment/society/health_and_safety">http://www.telekom.hu/about_us/society_and_environment/society/health_and_safety</a> <a href="http://www.emf-portal.hu/portal/">http://www.emf-portal.hu/portal/</a> (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 2018	Page Number	Website	Direct answer	Omission	External Assurance																																																						
<b>ASPECT: INFRASTRUCTURE</b>																																																													
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 Environmental impacts			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 Environmental impacts					✓																																																						
<b>CATEGORY: PROVIDING ACCESS</b>																																																													
<b>ASPECT: ACCESS TO TELECOMMUNICATION PRODUCTS AND SERVICES: BRIDGING THE DIGITAL DIVIDE</b>																																																													
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		<a href="http://www.telekom.hu/about_us/company/telekom-for-digital-hungary">http://www.telekom.hu/about_us/company/telekom-for-digital-hungary</a>			✓																																																						
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.	1.2 Environmental impacts 2.4 Protection of our children in the digital age		<a href="http://www.telekom.hu/about_us/company/telekom-for-digital-hungary">http://www.telekom.hu/about_us/company/telekom-for-digital-hungary</a> <a href="http://www.telekom.hu/rolunk/fenntarthatosag/ugyfeleinknek/hello_holnap_dijcsomagok">http://www.telekom.hu/rolunk/fenntarthatosag/ugyfeleinknek/hello_holnap_dijcsomagok</a> (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.			<a href="http://www.telekom.hu/rolunk/szolgalatasok/aszf">http://www.telekom.hu/rolunk/szolgalatasok/aszf</a> (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		<a href="http://www.telekom.hu/about_us/company/telekom-for-digital-hungary">http://www.telekom.hu/about_us/company/telekom-for-digital-hungary</a> <a href="http://www.telekom.hu/rolunk/fenntarthatosag/ugyfeleinknek/hello_holnap_dijcsomagok">http://www.telekom.hu/rolunk/fenntarthatosag/ugyfeleinknek/hello_holnap_dijcsomagok</a> (only HU)	<table border="1"> <thead> <tr> <th colspan="6">SERVICE AVAILABILITIES ✓</th> </tr> <tr> <th>Annual availability (%)</th> <th>2014</th> <th>2015</th> <th>2016</th> <th>2017</th> <th>2018</th> </tr> </thead> <tbody> <tr> <td>Cable television analogue/digital</td> <td>99,94/99,90</td> <td>99,93/99,84</td> <td>99,97/99,89</td> <td>99,97/99,90</td> <td>99,98/99,50</td> </tr> <tr> <td>SatTV</td> <td>99,948</td> <td>99,924</td> <td>99,92</td> <td>99,90</td> <td>99,91</td> </tr> <tr> <td>IPTV</td> <td>99,83</td> <td>99,898</td> <td>99,85</td> <td>99,82</td> <td>99,84</td> </tr> <tr> <td>Fixed line internet (ADSL/GPON/KábelNet)</td> <td>99,89/99,90/99,86</td> <td>99,90/99,97/99,92</td> <td>99,88/99,96/99,90</td> <td>99,89/99,96/99,90</td> <td>99,90/99,95/99,92</td> </tr> <tr> <td>Mobile internet (2G/3G/4G)</td> <td>99,66/99,74/99,67</td> <td>99,66/99,74/99,67</td> <td>99,56/99,79/99,35</td> <td>99,902</td> <td>99,893</td> </tr> <tr> <td>Telephone/VoIP/VoCa</td> <td>99,94/99,88/99,90</td> <td>99,94/99,92/99,91</td> <td>99,94/99,90/99,91</td> <td>99,94/99,93/99,92</td> <td>99,94/99,93/99,95</td> </tr> <tr> <td>Mobile telephone (2G/3G/4G)</td> <td>99,907/99,883/99,849</td> <td>99,907/99,883/99,849</td> <td>99,907/99,901/99,844</td> <td>99,91</td> <td>99,906</td> </tr> </tbody> </table>	SERVICE AVAILABILITIES ✓						Annual availability (%)	2014	2015	2016	2017	2018	Cable television analogue/digital	99,94/99,90	99,93/99,84	99,97/99,89	99,97/99,90	99,98/99,50	SatTV	99,948	99,924	99,92	99,90	99,91	IPTV	99,83	99,898	99,85	99,82	99,84	Fixed line internet (ADSL/GPON/KábelNet)	99,89/99,90/99,86	99,90/99,97/99,92	99,88/99,96/99,90	99,89/99,96/99,90	99,90/99,95/99,92	Mobile internet (2G/3G/4G)	99,66/99,74/99,67	99,66/99,74/99,67	99,56/99,79/99,35	99,902	99,893	Telephone/VoIP/VoCa	99,94/99,88/99,90	99,94/99,92/99,91	99,94/99,90/99,91	99,94/99,93/99,92	99,94/99,93/99,95	Mobile telephone (2G/3G/4G)	99,907/99,883/99,849	99,907/99,883/99,849	99,907/99,901/99,844	99,91	99,906		✓
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Disclosure Number	Disclosure Title	Chapter in Sustainability Report 2018	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		<a href="http://www.telekom.hu/about_us/company/telekom-for-digital-hungary">http://www.telekom.hu/about_us/company/telekom-for-digital-hungary</a>			✓
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					✓
<b>ASPECT: ACCESS TO CONTENT</b>							
PA 7.	Policies and practices to manage human rights issues relating to access and use of telecommunications products and services.	2.4 Protection of our children in the digital age		<a href="http://www.telekom.hu/static-tr/sw/file/etikaikodex_en.pdf">http://www.telekom.hu/static-tr/sw/file/etikaikodex_en.pdf</a>	The coercive measure of blocking certain electronic data on the internet was introduced by the new Penal Code (Act C of 2012 on the Penal Code). The most important rules of this measure are contained in Section 158/B-D of Act XIX of 1998 (Act on Criminal Procedures - "ACP") – amended by Act LXXVIII of 2013. The ACP distinguishes between two kinds of measures: the removal of electronic data where the primary target group is hosting service providers and the temporary and final blocking of access to electronic data which is mainly applicable to telecommunications service providers. The blocking or filtering of websites containing content that is subject to public prosecution is implemented in conformity with the ACP measures: the court may order to make electronic data temporarily inaccessible by way of temporarily blocking access thereto. When elaborating the new Penal Code the original objective of the above measure was to be able to take immediate action in serious cases (child pornography, crime against the state or act of terrorism) so that the authorities do not have to wait until a final court decision. The amendment of Act LXXVI of 2015 has significantly extended the scope of criminal offenses where court resolutions can rule on the temporary blocking of content. Such crimes are as follows: trafficking of drugs, incitement to the use of narcotics, furthering the manufacture of drugs, drug abuse, new psychoactive substance abuse, child pornography, criminal act against the state, act of terrorism, or financing terrorism or, if the electronic data is connected to the above criminal acts. The technical implementation of temporary blocking is the responsibility and obligation of the National Media and Info-Communications Authority (NMHH) and the internet service providers. In 2013, upon the implementation of the above coercive measure, a similar legislative measure was introduced by the National Tax and Customs Administration of Hungary (NAV) by promulgating. Paragraph 36/G of Act XXXIV of 1991 according to which the tax authority without the involvement of a court - is entitled to render any data provided through an electronic communications operator temporarily inaccessible if the access thereto or the publication thereof is related to prohibited gambling. The temporary blocking of content pursuant to the Tax Authority's resolution may last for 365 days. From January 1, 2015, in accordance with Act XCV of 2005 on the use of pharmaceutical products applied to humans and the amendment of other regulations of the pharmaceutical market, the National Institute of Pharmacy and Nutrition (OGYÉI) is also granted the right to temporarily block electronic data on non-authorized medicinal products, i.e. may request the hosting service provider of the website to remove the website in question. The link between the potential sanctions of courts and the Tax Authority is so strong that the entity responsible for the enforcement of the measures is the National Media and Info-Communications Authority in both cases. Since 2014, in accordance with 159/B (3) of Act C of 2003 on Electronic Communications, the National Media and Info-Communications Authority has been managing a central database on rulings to block access to electronic information (hereinafter referred to as "KEHTA"), and processes the data entries to that end. This database contains all court and Tax Authority rulings that order the blocking of websites. All electronic communications operators must join the KEHTA thereby all operators are obliged to block prohibited websites. Thus, in line with the provisions of law, Magyar Telekom has also been blocking the given web pages.		✓
<b>ASPECT: CUSTOMER RELATIONS</b>							
PA 8.	Policies and practices to publicly communicate on EMF related issues. Include information provides at points of sales material.			<a href="http://www.telekom.hu/about_us/society_and_environment/society/health_and_safety">http://www.telekom.hu/about_us/society_and_environment/society/health_and_safety</a>	As a result of the three mobile operators' cooperation a new website - EMF portal ( <a href="http://www.emfportal.hu">http://www.emfportal.hu</a> ) - 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.			<a href="http://www.telekom.hu/about_us/society_and_environment/society/health_and_safety">http://www.telekom.hu/about_us/society_and_environment/society/health_and_safety</a>	The assumed health effects of mobile telecommunication have been studied and analyzed for more than twenty-five years. So far scientific researches have not confirmed any negative health impact of mobile telecommunication on the human body. The largest research project of this type, the INTERPHONE project of WHO-IARC (International Agency for Research on Cancer) conducted with the participation of 13 countries, was closed in 2011. After closing the INTERPHONE project on May 31, 2011, WH-IARC classified electro-magnetic fields into the 2B potential carcinogenic category. According to the Chairman of the WHO-IARC workgroup "the evidence, while still accumulating, is strong enough to support a conclusion and the 2B classification. The conclusion means that there could be some risk, therefore we need to keep a close watch for a link between cell phones and cancer risk". At present the following agents are classified to 2B category: coffee, petrol, the exhaust of petrol-fueled engines, nickel and alloys, talcum powder, network frequency magnetic field and mobile phone use as well. Through its GSM Association membership, Magyar Telekom has directly contributed to the progress of independent research into the health impacts of mobile networks. Every national affiliate of Deutsche Telekom is committed to supporting independent research aimed at extending the company's knowledge on the impacts of electromagnetic fields. This makes Deutsche Telekom Group one of the biggest supporters of research on this subject.		✓

Disclosure Number	Disclosure Title	Chapter in Sustainability Report 2018	Page Number	Website	Direct answer	Omission	External Assurance
PA 10.	Initiatives to ensure clarity of charges and tariffs.	4.4 Informing our customers		<a href="http://www.telekom.hu/lakossagi/english">http://www.telekom.hu/lakossagi/english</a> <a href="http://www.telekom.hu/lakossagi/english/plans/mobile">http://www.telekom.hu/lakossagi/english/plans/mobile</a> <a href="https://www.telekom.hu/lakossagi/english/plans/phone">https://www.telekom.hu/lakossagi/english/plans/phone</a> <a href="https://www.telekom.hu/uzleti/main">https://www.telekom.hu/uzleti/main</a> <a href="http://www.t-systems.hu/home-page">http://www.t-systems.hu/home-page</a> <a href="http://kibu.hu/">http://kibu.hu/</a> <a href="http://www.kalasznet.hu/">http://www.kalasznet.hu/</a> (only HU) <a href="https://www.telekom.mk/prepaid-en.nsp">https://www.telekom.mk/prepaid-en.nsp</a>			✓
PA 11.	Initiatives to inform customers about product features and applications that will promote responsible, efficient, cost effective, and environmentally preferable use.	1. Climate and environmental protection 2.2 ICT for sustainability 2.3 Innovation for sustainability		<a href="https://www.telekom.hu/rolunk/fenntarthatosag/ugyfeleinknek">https://www.telekom.hu/rolunk/fenntarthatosag/ugyfeleinknek</a> (only HU) <a href="https://www.telekom.hu/rolunk/fenntarthatosag/ugyfeleinknek/fenntarthato_keszulekek">https://www.telekom.hu/rolunk/fenntarthatosag/ugyfeleinknek/fenntarthato_keszulekek</a> (only HU) <a href="http://www.t-systems.hu/a-t-systemsrol/iranyelveink/gyartoi-tajekoztato">http://www.t-systems.hu/a-t-systemsrol/iranyelveink/gyartoi-tajekoztato</a> (only HU)			✓
<b>CATEGORY: TECHNOLOGY APPLICATIONS</b>							
<b>ASPECT: RESOURCE EFFICIENCY</b>							
TA 1.	Provide examples of the resource efficiency of telecommunication products and services delivered.	1.1 Emissions and energy efficiency 2.2 ICT for sustainability					✓
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 Emissions and energy efficiency		<a href="https://www.telekom.hu/rolunk/fenntarthatosag/ugyfeleinknek">https://www.telekom.hu/rolunk/fenntarthatosag/ugyfeleinknek</a> (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.	1.1 Emissions and energy efficiency 2.2 ICT for sustainability		<a href="https://www.telekom.hu/rolunk/fenntarthatosag/ugyfeleinknek">https://www.telekom.hu/rolunk/fenntarthatosag/ugyfeleinknek</a> (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.	1.1 Emissions and energy efficiency 2.2 ICT for sustainability					✓
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.		✓