



# SUSTAINABILITY REPORT

# 2017



EGYÜTT. VELED

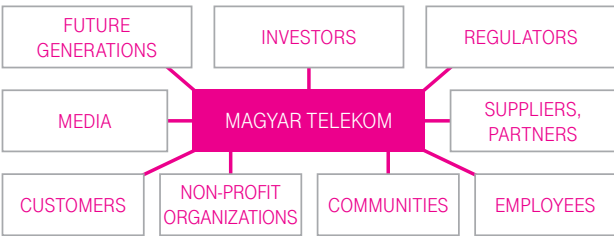


# STAKEHOLDERS

## STAKEHOLDERS

The stakeholders of Magyar Telekom Group include all those groups, which have an influence on, or hold an interest in the implementation of the objectives of the Company. The Company earlier identified its stakeholders through review of its management systems and benchmark studies, and keeps continuous contact with them to ensure that their interests are taken into consideration in the course of its operations. Their opinion and critical comments are important for us in respect of our sustainability activities. We had the opportunity to meet with our stakeholders on several occasions at forums and surveys as well as in person where we could discuss our sustainability activities and challenges.

Our most important stakeholders are considered to be the regulators, investors, employees, communities, NGOs, suppliers, partners, the media and future generations.



In 2017, we organized the 18th Sustainability Roundtable, which aimed to host an open discussion platform in order to get a better insight about the sustainability expectations of different stakeholder groups towards Magyar Telekom Group. We also use this opportunity to carry out fruitful discussions about the problems raised, and also to provide an appropriate background for the presentation of our sustainability achievements and further goals. Organizers and participants have a free platform to share their thoughts and cooperate in building a sustainable future together.

In the first part of the program Katalin Szomolányi, manager of Magyar Telekom’s Corporate Sustainability Centre, outlined the first year results of the company’s fourth sustainability strategy (2016-2020). The participants of the panel discussion, Zsuzsanna Friedl, Chief Human Resources Officer, Katalin Szomolányi, Emese Gulyás (Chairperson of the Association of Conscious Buyers) and Péter Fülöp (researcher at NRC Marketing Research and Consulting Kft.) discussed if “Sustainable consumers exist at all?”. The presentations are available [here](#).

## MATERIALITY EVALUATION BY STAKEHOLDERS

As part of the preparation process of Magyar Telekom’s Corporate Sustainability Report we rely on our preliminary research findings and regularly monitor the opinions of our

stakeholders concerning the importance of our sustainability topics. We conduct an annual survey along which we wish to find out how different stakeholder groups evaluate the corporate sustainability practices of our company. Our questionnaire offers the rating of 37 topics on a 1-5 scale where 1 stands for the least important and 5 for the most important topic.

The analysis and evaluation of the answers plays a crucial role in the evaluation and materiality rating of our sustainability activities for this report. All of the topics are important contributing elements to the successful delivery of our strategic goals, nevertheless we pay particular attention to those that our stakeholders pointed to with high level and medium level importance.

Next to the rating of topics our stakeholder survey asks the following questions as well:

- suggestion of other relevant sustainability topics that are not listed
- examples of important scientific findings that would be important and worth for consideration for ICT companies.
- threats and opportunities for companies in relation to their sustainability approach
- the most commonly used communication platforms of Magyar Telekom from where its sustainability activities and approach is accessible.

According to the answers received for the above questions in the latest survey conducted in January 2017 we can state that most of our stakeholders confirm the importance of the goals of our corporate Be Smarter (2016-2020) Sustainability Strategy. They found that apart from the continuing importance of reduction of our emissions our contribution to digitally enabled sustainability and to bridge the digital divide also plays a crucial role in contributing to our shared and sustainable future. In relation to the important scientific findings, several stakeholders mentioned factors of safe mobile phone use and electromagnetic fields, a topic which deserves a separate subchapter in our current report at 2.6. Safe use of mobile phones, electromagnetic fields.

According to our stakeholder feedbacks Magyar Telekom is in leading position when it comes to mapping key threats and opportunities of sustainable corporate operations, whereas they suggest the company should continue its joint work with the NGO community, it should put increased efforts in the increase of cyber safety education. Further suggestions were to synchronize innovations with measures to protect natural resources, which is also a crucial part of our corporate 2016-2020 sustainability strategy. Most of our stakeholders get information about our sustainability approach and activities through our corporate sustainability website, our dedicated social media channels and the public media.

### TOPICS EVALUATED BY THE STAKEHOLDER GROUPS AND THEIR IMPORTANCE

	NGO	Supplier, partner	Regulator	Employee	Media	Customer	Future generation	Investor	Local community
Customer satisfaction	3,42	3,32	4,00	3,33	3,36	2,94	2,76	2,73	2,49
Management of customer complaints	3,47	3,32	4,00	3,27	3,36	2,70	2,69	2,91	2,49
Corporate governance	3,53	3,46	4,00	3,23	3,36	2,80	2,57	2,58	2,44
Data protection	3,18	3,05	4,00	3,30	3,20	2,89	2,61	2,67	2,60
Protection of minors in the Digital Age	3,53	3,31	4,00	3,24	2,36	2,69	2,87	2,47	2,40
Informing our customers	3,18	3,16	3,00	3,21	3,04	2,80	2,70	2,55	2,37
Service availability	3,10	3,34	4,00	2,98	2,84	2,66	2,29	2,62	2,17
Occupational health and safety	3,20	3,01	3,00	3,20	3,16	2,77	2,63	2,51	2,46
Climate protection and energy efficiency	3,12	3,06	3,00	3,14	3,04	2,85	2,70	2,55	2,39
Sustainability in the supplier chain	3,28	3,00	4,00	2,95	2,72	2,55	2,56	2,42	2,17
Innovation for sustainability	3,23	3,19	3,00	3,05	3,20	2,60	2,55	2,47	2,21
Resource consumption	3,08	3,06	3,00	2,93	3,04	2,72	2,50	2,75	2,21
Supplier relations	3,02	2,99	4,00	2,95	2,68	2,49	2,30	2,47	2,10
Human rights, equal opportunities	3,05	3,11	2,00	3,14	3,36	2,64	2,81	2,47	2,35
Initiatives to eliminate the digital divide	3,07	3,05	3,00	2,81	2,84	2,60	2,57	2,35	2,24
Emissions	2,97	2,92	3,00	2,88	2,88	2,66	2,45	2,53	2,17
Safe use of mobile phones, electromagnetic fields	3,03	3,07	3,00	2,91	2,72	2,64	2,30	2,20	2,42
Risk management	2,87	2,88	4,00	2,91	2,16	2,56	2,23	2,49	2,13
Talent management	3,08	2,94	3,00	2,90	3,00	2,40	2,40	2,22	2,20
Addressing legal and ethical aspects of content service providing	2,83	3,08	3,00	2,81	3,04	2,47	2,23	2,33	2,28
Environmental targets, costs and compliance	3,10	3,16	3,00	2,84	2,88	2,50	2,23	2,15	2,15
Regulatory compliance	2,67	2,46	4,00	2,71	2,24	2,35	2,16	2,40	1,92
Involvement of our employees	2,90	3,14	2,00	2,85	2,56	2,56	2,37	2,35	2,12
Local procurement	3,03	3,20	1,00	2,89	2,88	2,55	2,60	2,27	2,34
Corporate compliance	2,67	2,58	4,00	2,76	2,04	2,32	2,21	2,27	1,90
ICT products for sustainability	2,92	2,66	3,00	2,80	2,20	2,33	2,37	2,02	1,93
Managing changes	2,85	2,87	2,00	2,68	2,32	2,29	2,10	2,35	1,94
Professional cooperation	2,83	2,75	2,00	2,81	2,32	2,24	2,23	2,24	1,95
Our employees as corporate citizens	3,23	2,61	2,00	2,70	2,52	2,18	2,26	1,89	1,91
Involvement of our customers	3,02	2,67	2,00	2,61	2,52	2,00	2,15	2,09	1,95
DELFIN Award for Responsible Companies	2,45	2,95	3,00	2,24	2,20	2,22	2,15	1,76	1,83
Cooperation in environmental and social issues	3,05	3,00	1,00	2,45	2,52	2,15	2,19	1,76	2,05
Donation	2,98	2,71	1,00	2,39	3,00	2,09	2,18	1,56	2,01
Sponsorship	3,13	2,53	2,00	2,15	3,00	1,76	1,86	1,58	1,79
Investor relations	2,57	2,47	2,00	2,50	2,20	2,08	1,97	2,36	1,64
Political presence	1,18	1,49	1,00	1,50	1,32	1,37	1,53	1,55	1,15

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

## STAKEHOLDER INVOLVEMENT

In order to successfully operate the company it is essential to have strong relations with stakeholders. Below you will find a list of our key activities with our stakeholders the details of which are elaborated in the respective chapters of this Report:

- Investors – Investor (and responsible investor) assessment
- Customers – Sustainable products and services, hello holnap! mobile application
- Employees – community solar project pilot, corporate diversity culture survey, hello holnap! points
- Regulators – conformity, regulatory relations
- Local communities – Digital Bridge, 2nd Telekom Voluntary Day, Autistic Art strategic partnership, Telekom Community Gardens
- Non-profit organizations – sustainability panel discussions, Sustainability Day
- Suppliers – sustainable supplier chain, Magyar Telekom TOP3 sustainable supplier award
- Media – Sustainability Media Club, Sustainability Press Award
- Future generations – Become an IT expert!, sustainable innovation

## FREQUENCY OF THE INVOLVEMENT OF OUR STAKEHOLDERS AND KEY EVENTS IN 2016

### CUSTOMERS

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

In 2017, for the first time on the second day of T-Systems Symposium, we opened the gates for the students as the digital future is already being built together. In addition to the innovations in the field of entertainment, the university students were able to listen to exciting presentations and a roundtable conversation hosted by Kiss Imre youtuber.

On November 28, 2017 T-Systems Hungary Symposium was organized for the sixth time in the Budapest Congress Centre with almost 2000 registered guest. The Symposium, considered as the biggest whole-day professional event of the industry, presented how digitization can bring businesses and communities closer to their own success. In 2017 the motto of Symposium was “Building the Digital Future” to showcase the digital future, what social, cultural, business and economic effects it brings and what does this mean technologically.

The presenters of the plenary morning session of the Symposium included Derek Woodgate, president and chief futurist at The Futures Lab who presented the humas aspect of the digitalization. As a novelty of the event, a round table discussion was held in the program, where the economic and social impacts of artificial intelligence were discussed in human, technical, security and economic aspects. In 2017, the „Project of the Year” Award was won by OTP Bank by introducing the ITSM (IT Services Management) solution.

In 2017, for the first time we opened the gates for the students on the second day of T-Systems Symposium. In addition to the innovations of the Jövőtér, the university students were able to listen to exciting presentations and a roundtable discussion hosted by Kiss Imre youtuber.

Within the confines of Contact person satisfaction survey at the end of each quarter the T-Systems Hungary asked their customers who used T-Systems' telephone or email based service deficiency reporting and administration processes. The T-Systems Hungary summarized results of the research quarterly. Based on these they made the contact person satisfaction report which is presented to the management of the company.

### SHAREHOLDERS

The Chief Executive Officer and the Chief Financial Officer presented quarterly results to the representatives of investors four times during 2017 (22/23 February 2017: Release of fourth quarter 2016 results; 10/11 May 2017: Release of first quarter 2017 results; 2/3 August 2017: Release of first half 2017 results; 8/9 November 2017: Release of third quarter 2017 results).

On 7 April 2017 the Annual General Meeting was held, convened by the Board of Directors of Magyar Telekom Telecommunications Public Limited Company, at which the AGM approved the audited consolidated and standalone financial statements of the Company, as well as the Corporate Governance and Management Report of the Company for the business year of 2016, and decided on the use of the profit after tax earned in 2016.

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

- 21 March 2017: Citi European & Emerging Markets Telecoms Conference - London
- 22 March 2017: PKO CEE Capital Markets Conference - London
- 27-29 March 2017: Raiffeisen Centrobank Investor Conference - Zürs
- 5 April 2017: Concorde investor Meetup – Budapest
- 6-7 June 2017: US roadshow organized by Berenberg – New York, Boston
- 10-11 October 2017: Erste Group CEE investor conference – Stegersbach

Magyar Telekom's top management and staff from the Investor Relations department spend 20–25 days abroad every year at various roadshows and conferences in the main centers of the financial world, where the vast majority of fund managers and investors are active. Around 150–200 meetings take place annually with investors and analysts.

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

In addition to the above, the corporation assesses investor needs each year with the help of a questionnaire. An independent specialist firm is commissioned to prepare a so-called perception study, which assesses investors' opinions, needs and expectations with the help of a series of detailed questions asked to a representative sample. The summary of the final results of the survey is prepared by the Investor Relations department, and presented to the members of the Management Committee.

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



FTSE4Good

Magyar Telekom has been listed among the CEERIUS (Central Eastern European Responsible Investment Universe) Index companies of the Vienna Stock Exchange that offer outstanding performance. In 2017 Magyar Telekom was listed again in the FTSE4Good Emerging Index. Due to its environmental and social performance Magyar Telekom was assessed by ISS-ekom. According to their April 2018 report ranked Magyar Telekom the first among 118 telecommunication companies worldwide based on December 2017 data and listed as Prime B category, recommended for investment. Trucost has also rated the company in 2017 and we have continued our participation in the Carbon Disclosure Project (CDP), in the framework of which the largest companies report on their climate protection measures, the related risks and opportunities and their CO<sub>2</sub> emissions to the key investors.

Corporate  
Responsibility

Prime

rated by

ekom research

REGULATION AUTHORITY

In case of industry-specific draft strategies and draft legislations circulated by the lawmaker for public discussion Magyar Telekom harmonizes with authorities mainly by invitation.

Magyar Telekom regularly contributes to harmonization with interest representation forums (in particular with the: Communications Reconciliation Council [HÉT], IVSZ Alliance for the Digital Economy) where the company's key objective is to establish a common legal and professional opinion on the legislative process. HÉT is the dedicated consultation partner of the telecommunication industry in respect of the Digital Welfare Program (DJP) – the former Digital National

Development Program (DNFP) – launched as a result of the InternetKon national consultation that determined the future of the domestic internet market. During the planning and implementation of the government decree, issued to ensure the implementation of the DJP, the HÉT represents the standpoint of the industry.

Magyar Telekom's regulatory area eventually organizes the so-called Regulatory Forum event where in-house stakeholders are informed on the most important regulatory changes and processes.

A LIST OF THE MAIN MEMBERSHIPS OF MAGYAR TELEKOM GROUP OF INDUSTRIAL AND OTHER ASSOCIATIONS, NATIONAL OR INTERNATIONAL ADVOCACY ORGANIZATIONS

Name of Association	Strategic membership	Holding position in the governance body
Magyar Telekom Plc.		
European Telecommunications Network Operators Associations (ETNO)	✓	
GSMA Association	✓	
Joint Venture Association (JVSZ)	✓	Curatorium membership
German-Hungarian Chamber of Industry and Commerce	✓	Curatorial membership
Telecommunications Advocacy Council	✓	Chairmanship
ICT Association of Hungary	✓	Chairman of multinational department
Hungarian Association of International Companies		
Hungarian Business Leaders Forum (HBLF)	✓	
Employers' Equal Opportunities Forum	✓	
Hungarian Chamber of Engineers		
Hungarian Logistics, Procurement and Inventory Management Association		
Large Enterprise Logistics Managers Club		
T-Systems Hungary		
ICT Association of Hungary	✓	
American Chamber of Commerce in Hungary	✓	
Hungarian Outsourcing Association (HOA)		
Hungarian Hospital Association	✓	
Hungarian Water Utility Association	✓	
Hungarian Project Management Association	✓	Mihály Kiss -vice president
Scientific Association for Infocommunications		
Hungarian Librarian's Association	✓	
Lobby Club Association		
Hungarian Chamber of Engineers		

A LIST OF THE MAIN MEMBERSHIPS OF MAGYAR TELEKOM GROUP OF INDUSTRIAL AND OTHER ASSOCIATIONS, NATIONAL OR INTERNATIONAL ADVOCACY ORGANIZATIONS

Name of Association	Strategic membership	Holding position in the governance body
Agro ICT Cluster	✓	Szilárd Gombos chairman
Buday Business Club		
Association of Health Technology Suppliers and Medical Device Manufacturers (ETOSZ)	✓	Bende Richárd member of the board
it Service Management Forum (itSMF)		
Chamber of Bodyguards, Property Protection and Private Detectives		
Chamber of Architects		
Makedonski Telekom		
International Telecommunication Union (ITU)	✓	
European Telecommunications Network Operators Associations (ETNO)	✓	
RIPE Network Coordination Centre	✓	
GS1 Macedonia (bar code association)		
Economic Chamber of Macedonia	✓	
AmCham - USA		MKT representative is BoD member
Macedonian-German Business Association		MKT representative, CFO is President of the BoD
European Business Association		
MASIT/ (Macedonian IT Chamber)		
GSMA Association	✓	MKT representative is BoD member
Chamber of authorised architects and engineers of Macedonia	✓	

SUPPLIERS

Magyar Telekom has invited his suppliers to fill out the EcoVadis assessment, which evaluates companies in terms of their economic, environmental, social and responsible procurement operations. Together, with the results of previous years we have received 35 responses from our direct and indirect suppliers. Magyar Telekom Sustainability web audit is a series of questions on environmental, social and business ethics topics. 35 companies participated directly in the survey in 2017. Respondents were informed about their results, where they have received topic specified feedback on their performance.

The best rated suppliers in 2016 were awarded on June 12 at the 18th Sustainability Roundtable Discussion event. At the event, the „Magyar Telekom's TOP3 sustainable supplier” title was given to: the American Infinera Corporation and the Romanian ROMKATEL SRL, as well as the Hungarian Nokia Solutions and Networks TraffiCOM Ltd. companies.

T-Systems Hungary organizes every year the T-Systems Symposium ICT conference, where we present in cooperation with our partners the innovations and trends in the ICT world, as well as a vision of the future.

Deutsche Telekom conducts worldwide audits of selected suppliers. The uniform auditing system promotes and ensures compliance with the minimum social and environmental standards. As part of the system, in 2017 a total of 16 indirect Magyar Telekom suppliers were audited.

Deutsche Telekom's cross-border initiative 'Together for Strong Brands' (previously known as 'Together for Sustainability') was created in 2014. This is a supplier development program, and this cooperation expanded by three key ICT product suppliers to 11 members in 2017.



## EMPLOYEES

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



In 2017 Magyar Telekom supported the 32-year old Telekom Vivicittá city run as a naming sponsor. The event was simultaneously held in Budapest, Szeged and Pécs. Nearly 30 000 people from 84 other countries came to participate in the big run. Our colleagues were encouraged to take part in the city run with preliminary internal campaigns and by an option of preferential admission. Nearly 900 employees - together with their families - took part in the biggest sport event of springtime, with a total of 1,200 race numbers for the city and supported the Autistic Art Foundation. Depending on the distance completed the participants were awarded with hello holnap! points and could collect one extra point only for cheering.

Several hundreds of employees took part in the Y2017 "It is good to give!" cookie campaign. The event was organized by 50 volunteers in 16 sites where 240 employees made cookies that were sold to several thousands of employees on December 4. On the day of the event almost 1.7 million HUF was raised for the Autistic Art Foundation.

In 2017 our education programs were continued. 10 485 children attended our Become an IT expert! career orientation program. Across Hungary Telekom volunteers gave 267 lessons in 93 schools.



At the Kick-Off event the Group CEO presented the Y2016 results and outlined the objectives and expectations for 2017.

In 2017 an Autumn Health Program was organized for our colleagues who could participate events to support their physical and mental health for 3 months, in more than 50 locations across the country. A total of 1233 colleagues used the refreshing, relaxing and stress-relieving massage service, more than 2500 Telekom and T-Systems employees took part in healthcare screening examinations and could discuss their problems with 6 internal and 19 external coaches to work off their everyday stress and to strengthen their awareness. After the Autumn Health Program the company continues to support the employees' health preservation efforts with making available in-house gyms, medical services and regular blood donation opportunities.

For more information about the community investments of Magyar Telekom Group please visit chapters 5.2 Involvement of employees and 6. Social engagement.

## MEDIA

Magyar Telekom's sustainability center and the organization responsible for media relations organized two meetings for the members of the Sustainability Media Club, composed of the most important Hungarian publishers.

In 2017 27 applications were submitted to Magyar Telekom's Sustainability Media Award. Projects could be nominated in three categories: „TV/radio/video content”, „written content (print, online)” and „blog, vlog”. The projects were required to address environmental, social or economic phenomenon. The awards were distributed among the winners on the ninth Sustainability Day.

## NON-PROFIT ORGANIZATIONS

Everyone had the opportunity to exchange ideas and experience with NGOs at the annual Sustainability Roundtable discussions, in Budapest. In 2017 the panel discussion was organized on 12th June.

The Sustainability Day of Magyar Telekom has been organized for tenth time on the last Saturday of September. In 2017 there was a record number of visitors, 9000 people wanting to know more about the topics raised. They could visit more than 40 exhibiting stands at the event, and receive information about the work of non-profit organizations who were also present.



In 2017 the following organizations became beneficiaries in the hello holnap! mobile application: Autistic Art Foundation, ArtMan Association, the Budapest Bike Maffia, the Heroes of Responsible Dining, the Humusz Waste Prevention Alliance, the Hungarian Food Bank Association, the National Society of Conservationists - Friend of the Earth Hungary, the Suhanj! Foundation, and the WWF Hungary.

Magyar Telekom launched its Civil Tariff Package service for NGOs in March, 2004 with beneficial rates and service package. In 2017 the Company invited applications on one occasion and provided discount schemes to 35 organizations in an overall value of 4.4 million HUF.



## LOCAL COMMUNITIES

Within the frame of our Become an IT expert! Program Telekom volunteers gave lectures for 10 485 across Hungary in 2017. Magyar Telekom Digital Bridge initiative is designed to bring the accomplishments and inherent opportunities of information and communication technologies to those areas where the digital gap is present and may widen to a dangerous extent within course of time. In 2017, we held 3 Digital Daycare events in Debrecen during the summer school holiday and we organized 4 Digital Bridge for Small Settlements events.

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



## FUTURE GENERATIONS

In 2017, some of the elements of the Smart Digital Program have been incorporated into Become an IT expert! program so our volunteers can train children with a more complex thematic training program. In addition, in November 2017, the Smart Digital Program was taken over by Deutsche Telekom's initiative to promote trustful and conscientious internet use by Teachtoday.

On the 10th Sustainability Day in 2017 – where the target group was young, educated city-dwellers within the age group of 18–40 – a record number of 9000 persons visited the event that was comprised of four panel discussions.

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

Music and festivals are among the main targets of Magyar Telekom's sponsoring efforts. The company has been supporting the VOLT, the Campus, the EFOTT and the Sziget Festival. Besides offering a great opportunity to present our brand these events are also important occasions for the event-specific presentation of our ICT products and services. By way of supporting festivals Magyar Telekom reached more than 800 000 young adults in 2017: 160 000 persons partied at the VOLT, 216 000 at Campus Festival and EFOTT, and 450 000 at the Sziget Festival.



## ENVIRONMENTAL AND SOCIAL COOPERATIONS

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:

- Diversity Working Group
- Equal Opportunities Working Group
- Environmental Protection and Sustainability Working Group

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.

In 2017 we reconsidered 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** – 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.

**ROMASTER** – Magyar Telekom is a member of the program together with other major players of the business sphere. This is the first initiative aiming to join forces, without any state involvement, in order to address the urgent and sensitive social issue of roma people's integration and working closely together in improving or solving the situation.

## SUSTAINABILITY DAY

The **Sustainability Day** (FN10) was organized on the tenth occasion on September 30th. The conference with the slogan “**FLOW or FOLLOW**” was organized in the Aquarium club and a record number of 9000 visitors were interested in. It was opened by **inspirational discussion** by „Hello, WMN!” which was moderated by Kriszta D. Tóth. Her guest, Hesna Al Ghaoui, Gergely Litkai, Réka Lukoviczki and Anna Pásztor talked about their own flow experiences.



At the **environmental section** the experts discussed flow in environment. After that, the participants of the **social section** discussed the flow of information, knowledge and people. In the **economy section**, the experts discussed the flow of money. The **+1 section** was organized around the individual in 2017, too.



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



Several awards were distributed at the FN10 event. For example the winners of the “**Neked merre van előre?**” (“Which is the way forward for you?”) application for funds were announced as well as the awardees of the Sustainability Press Award.

Within the frame of the Sustainability Press Award the applications were submitted in three categories. The winner „TV/radio/video content” category was a journalist from 24.hu, Bea Belicza with her „Egy nyelven sem beszél, mégis három nyelven ért és ír” (“Egy nyelven sem beszél, mégis három nyelven ért és ír”). In the „written content” category the members of the jury, delegated by Telekom and the Sustainability Media Club, gave the first prize to Veronika Bordás for the „Magyarország: nemek és igenek” („Hungary: noes and yeses”) article at National Geographic. In the „blog, vlog” category the first prize was given to Dóra Melis from Rundebella travel blog for her article: „Ahol még a postás sem jár - tíz nap a felhők fölött” (“Where not even the postman goes – ten days above the clouds”).

In line with our traditions acknowledgments were given to the three most popular exhibitors on the basis of the attendees' votes. This year the acknowledgment was given to the Meixner School, the Motar carpooling system and the reGARDEN - újraKERT.

The all-day event was closed by a huge party to the music of Irie Maffia.

## THE HELLO HOLNAP! APPLICATION

In 2017 Magyar Telekom concluded donation contracts with nine nonprofit organizations within the framework of the **hello holnap! application** keretein belül. The **ArtMan Association, Autistic Art Foundation, Budapest Bike Maffia, Heroes of Responsible Dining, Humusz Szövetség, Hungarian Food Bank Association, Hungarian Nature Conservation Association, SUHANJ! Foundation, WWF Hungary Association** could collect donation until 31st December, 2017. At the end of 2017 new tender was announced for the year 2018. In 2018 11 organizations can collect donation from the hello holnap! application: **Foundation for Africa, ArtMan Association, Autistic Art Foundation, Society for animals of Etyek, Heroes of Responsible Dining, Humusz Szövetség, Hungarian Food Bank Society, Hungarian Nature Conservation Association, Patrónus Ház, SUHANJ! Foundation, Transparency International Hungary.**

The hello holnap! application is available for iOS, Android and Windows phone. This is one of the most popular Magyar Telekom application and has been downloaded more than 11 000 times.

## DELFIN AWARD

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

Any Hungarian enterprise could apply for the DELFIN award in 2017 – with implemented and running programs in 4 categories:

- sustainable innovation category,
- equal opportunity category,
- climate protection category,
- awareness category

The award ceremony was held on June 12, 2017 at the 18th Sustainability Roundtable discussion. The roundtable discussion and the DELFIN Award ceremony was organized in Akvárium Klub. The professional jury of the event rewarded exemplary sustainability solutions and performance among the competing companies.

Winners of the DELFIN Award in 2017:

- In „Sustainable innovation” category:
  - Villam Translation Services
  - FORNAX ICT In
- In „Equal opportunity” category
  - Alko-soft Bt.
- In „Climate protection” category:
  - Budapest Waterworks
- In „Sustainable awareness” category:
  - ELTE EKSZ
  - Impact HUB Budapest

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

Magyar Telekom also rewarded the TOP3 Sustainable supplier. The title based on the results of the sustainability web audit conducted in 2016. The Infinera Corporation, the Nokia Solutions and the Networks TraffiCOM Kft. were rewarded in 2017.

## PROFESSIONAL COOPERATION

Upon the initiative and by funding of T-Labs (Telekom Innovation Laboratories, Berlin) the faculty Data Science and Engineering began to operate at Eötvös Loránd University from September 2016. The objective of the initiative was to create a researcher network of EU Labs, of which Hungary shall be the first pillar. The inauguration of the faculty took place on September 6th, 2016, on the day of innovation at ELTE.

The role of Magyar Telekom will be manifested in the support of education (apprenticeship positions, knowledge transfer, an external consultant role) and research (R&D funding) activities. Additionally, Magyar Telekom, as a partner of EIT Digital, promotes and supports even more intensive cooperation among institutions of higher education and their industrial partners. Within that framework, The Budapest University of Technology

and Economics, and the Eötvös Loránd University provide professional support for students within their EIT Digital doctoral programs. In 2017, among the previous year's projects, the Telekom Open Services project was implemented.

In recent years the international cooperation between DT companies has come to the forefront to exploit synergy opportunities within the group. We are playing an important role in the international program started for transformation of the parent company's operating model. Its objective is the development of an infrastructure and a range of services to support future operations, contributing to DT Group's being Europe's leading service provider, and to that the optimization of network infrastructures and resources takes place at group level.