



# SUSTAINABILITY REPORT 2023



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your world.



## LETTER FROM THE CEO

Dear Reader,

Green energy in the middle of the desert, pedestrian-friendly cities, solar trucks, urban forests. Just a few positive sustainability initiatives from around the world, all proving that wherever we live, we all need to do our part to save the planet. When it comes to sustainability, especially as a big business, we cannot point fingers at each other and say „as long as he doesn't do anything, I won't either". Magyar Telekom, as a responsible market player, knows that although there are many changes and uncertainties in the world, sustainability-related tasks should never slip to the bottom of the to-do list. We acted in this spirit in 2023 and will continue to do so in the years to come, and it is along this principle that I share with you now what steps Magyar Telekom is taking to assume responsibility for the protection of our environment and society.

In our constantly changing world, the key to success and sustainable operation is to react and adapt as quickly as possible. And in 2023, there was no shortage of changes and challenges. Just think of the dramatic rise in energy prices affecting all market players while meeting ever-increasing energy demands.

Continuous change therefore requires continuous adaptation. In this spirit, we renewed our sustainability strategy in 2023, but our three pillars - climate protection, digitalisation and an inclusive and diverse workplace - remain unchanged, as does our commitment to remaining one of the leading companies in Hungary in the field of sustainability.

We remain determined on climate action. All of our Group's electricity use, including in our data centres, has been sourced exclusively from renewable energy since 2021 and we are now in our ninth year of offsetting our scope 1 and 2 emissions. Our next step is to expand our own (onsite) renewable energy capacity.

We are also constantly looking for areas where we can do more to improve energy efficiency. To this end, in 2023, we tested a proprietary energy management solution at our headquarters in Budapest, which has helped us to achieve significant energy savings.



The circular economy is the second important element of our climate ambition, and in 2023 we made it a priority. As the first service provider in Hungary, we are now offering our customers not only new devices, but also fully refurbished ones, ensuring that we can meet the needs of our residential and business customers who are also striving for a more material-efficient and circular economy. However, we do not stop here. In line with our parent company's ambitions, we are exploring our opportunities to be at the forefront of the circular economy by 2030.

We also made significant progress in digitalisation over the past year. We continued our network modernisation programme, which brought the number of gigabit-enabled access points to more than 3.6 million across the country by the end of 2023. In the coming years, we will increase this even further: our goal is to provide gigabit-enabled access to 4.5 million households and businesses by 2027.

The fastest possible roll-out of 5G is essential for Hungary's digitalisation. We are committed to ensuring 99% population coverage of 5G by 2026. I am proud that, thanks to the dedicated and efficient work of our employees, this figure already exceeded 65% in 2023. At Magyar Telekom, we prioritise not only infrastructure but also the digital skills development of people, because we are convinced that everyone can benefit from digitalisation. It is in this spirit that we launched our Hello Business and Hello Parent platforms and Nettlevalók programme.

The employees of Magyar Telekom Group are the key to the implementation of our sustainability strategy, which is why it is of paramount importance for us to provide an inclusive and accepting work environment for all our colleagues.

We are continuously working to deliver our commitment to provide 100% accessible customer experience and services to our customers by 2030. As an important step towards this, in 2023, we made KONTAKT sign language interpretation services available free of charge in 29 of our designated stores and our call centre nationwide, in partnership with the Hungarian Association of the Deaf and Hard of Hearing.

Our work towards sustainability continues to be guided by the objectives of the UN Global Compact and the Sustainable Development Goals (SDGs). In order to provide investors and value chain partners with an accurate and detailed picture of Magyar Telekom Group's climate protection activities, we have been reporting annually to the CDP (formerly Carbon Disclosure Project) online platform since 2010. Thanks to the expertise and dedication of our staff, we achieved an A- rating again in 2023, despite the increasingly stringent requirements. The CDP's increasingly demanding requirements have played and continue to play a role in the development and continuous improvement of our new sustainability strategy, too.

I am proud that our sustainability activities and achievements in 2023 were also recognised by the Budapest Stock Exchange (BSE): Magyar Telekom Plc. won the Best of BSE Award in the category of Responsibility, Sustainability, Responsible Corporate Governance.

I firmly believe that our renewed sustainability strategy will enable us to provide real answers to real problems in this different and ever-changing environment. But one thing will certainly remain the same: our commitment to sustainability, to the continued improvement and progress on this path. I hope that Telekom can serve as an example and inspiration for others to take on this responsibility in their own areas.

Budapest, April 16 2024



RÉKASI TIBOR  
vezérigazgató





# SUSTAINABILITY APPROACH



# SUSTAINABILITY APPROACH

Magyar Telekom HU has long recognized the importance of sustainable development and the fact that it is essential for its future business activities, and therefore remains committed to conducting its operations, corporate governance and activities in this spirit at Group level, both in Hungary and in all countries where it is present on its own merit or in cooperation with other entities. This is not only an inherent key for the Group's long-term success, but also a fundamental value in terms of its role in the region and its social, environmental and economic impact through its services.

Sustainable development is not a single-person challenge. It affects everyone personally and permeates the whole company and corporate group. It cannot be treated in isolation as the responsibility of a single organisational unit. Each business unit learns about and applies sustainability practices in its own area through internal workflow policies. The company-wide sustainable operating policies are provided to and acquired by new employees as an integral part of the company culture. Each task is carried out by a different area of the Group and often requires the cooperation of remote units. Magyar Telekom HU's corporate governance practices from a sustainability perspective are summarised in the chapter on Corporate Governance.

## SUSTAINABILITY STRATEGY

The main objective of Magyar Telekom HU's 5th Sustainability Strategy is to remain the country's leading sustainable company by putting digitalisation at the service of the development of people, families

and businesses, and the protection of the environment. The main guiding principle of the company's new strategy is to maintain its leading role in sustainability, both as a company and as an ICT service provider. It has therefore set long-term goals up to 2030, which it will monitor and update as necessary in line with the emerging trends.

At the beginning of 2023, Magyar Telekom HU revised its strategic objectives in order to respond to the changing external and internal circumstances and to set its objectives along even more accurate calculations. This is because the strategic sub-objectives are affected by risks related to the price and availability of fuels, as well as the increased energy demand for 5G services and data centres. In addition to external changes, there have also been changes in the structure of Magyar Telekom Plc: T-Systems Hungary Ltd. Co. has undergone a transformation. Despite the changes, Magyar Telekom Plc is still subject to the 2019 renewed emission reduction commitment - approved by the Science Based Target Initiative (SBTi). For more information, see the Climate and environment protection chapter.

## SUSTAINABLE DEVELOPMENT GOALS (SDGS)

In 2015, the UN adopted its sustainable development blueprint to be implemented by 2030. These 17 goals and 169 targets determine the main direction towards resolving the most urgent problems posing a threat to humanity and the planet. Magyar Telekom HU also elaborated its Sustainability Strategy encompassing the period from 2021 through 2030 in line with these SDGs.

\* The present Sustainability Report presents the results of Magyar Telekom Plc, Telekom Rendszerintegráció Ltd. Co. (formerly T-Systems Hungary Ltd. Co.) and Makedonski Telekom. Magyar Telekom HU refers to Magyar Telekom Plc. and Telekom Rendszerintegráció Ltd. Co. collectively. In this Sustainability Report, the term Magyar Telekom Group refers to Magyar Telekom Plc, Telekom Rendszerintegráció Ltd. Co. and Makedonski Telekom collectively.

# STRATEGY

## CLIMATE PROTECTION

Magyar Telekom HU (Magyar Telekom Plc. and Telekom System Integration Ltd. Co.) has set a target to reduce its extended scope emissions (see Climate and environment protection section) - direct (scope 1) and indirect (scope 2) - by a total of 80% by 2030 compared to the 2015 base year.

### The above is to be achieved by the following steps:

- Reduction of electric power consumption of **55%** by 2030 compared to 2015 base year through modernisation of the fixed network
- **Green transition of data centres** following the EU Taxonomy\* recommendations
- Continue to cover **100%** its electric power demand from renewable sources
- Efforts to further increase the share of **local renewable energy**
- **Energy efficiency investments** in Magyar Telekom HU buildings and infrastructure
- Gradual **green transition of the vehicle fleet**

### Decrease other indirect emissions (Scope 3):

- Strive to reduce Magyar Telekom HU suppliers' emissions associated with the Group by **30%** by 2030
- Striving to lead the way to **implement a circular economy** by 2030

## DIGITALIZATION OF HUNGARY

### Magyar Telekom HU's contribution as committed:

- **4,5 million** households and businesses to be **Gigabit-enabled** by 2027
- Achieve **99%** outdoor **5G population coverage** by 2026
- Provide various programs to **support digital maturity**

## DIVERSITY AND INCLUSION

### Magyar Telekom HU's committed:

- |  |   |
|--|---|
| <p><b>Inclusive employer (2025):</b></p> <ul style="list-style-type: none"> <li>● <b>100%</b> accessible workplace</li> <li>● Ratio of women in management to reach minimum <b>35%</b></li> <li>● <b>100%</b> WCAG-compliance</li> </ul> | <p><b>Inclusive employer (2030):</b></p> <ul style="list-style-type: none"> <li>● Ratio of women in management to reach minimum <b>40%</b></li> <li>● Introduction of an internal <b>education program</b> for Telekom HU employees to promote inclusion and the related mindset change.</li> </ul> |
|--|---|

\*Decree 2020/852 of the European Parliament and the Council (EU)

A conceptual image for corporate governance. A hand is shown holding a globe. The globe is partially covered by green leaves, symbolizing nature and sustainability. A blue and purple network of lines and dots is overlaid on the globe, representing technology and digital connectivity. The background is dark with a pinkish-purple gradient at the bottom. A solid pink rectangle is in the top left corner.

# **CORPORATE GOVERNANCE**



# CORPORATE GOVERNANCE



Public, listed companies are expected by their professional peers and the investment community to make it clear what governance model they follow and how it is applied in practice. As a corporation listed on the Budapest Stock Exchange, it is of paramount importance for the Company to meet this expectation and to comply with the relevant legal and stock exchange requirements.

In order to ensure transparency in the matter, Magyar Telekom Group provides information on its corporate governance on [this page](#).

Information relevant to the General Meetings and the resolutions adopted at them can be found on [this website](#).

## Sustainability coordination

In 2023, sustainability activities were governed in a structure as shown in the chart below. From 2023 onwards, the ESG Squad (formerly the Sustainability Squad) led the coordination at Group level.

From 2020 to 2022, the Chief People Officer (CPO) was the executive responsible for sustainability and the relevant activities were coordinated by the Corporate Communications Hub of the People Unit. From January 01, 2023, the CPO remained in charge of social issues, while corporate governance and environmental tasks, as well as general sustainability coordination tasks were transferred to the Capital Market Relations Hub under the Chief Financial Officer (CFO), where a dedicated ESG expert was put in charge of Group-wide coordination and management of the ESG Squad.

The ESG Squad provides its opinion and assists the responsible area in strategy development and management. Each strategic topic has a CxO-level responsible person and a dedicated sponsor from the leadership team.

Operational implementation is carried out by cross-functional working groups, whose task is to refine objectives, develop business plans and timelines, as well as implement them.

The operation of the ESG Squad is governed by the Group Directive “On the regulation of Magyar Telekom Group’s sustainability operations, responsibilities and powers of participants”.

As required under the Directive, the ESG Squad meets regularly, at least quarterly, in order to effectively coordinate the company and group-wide sustainability tasks, and adopts its resolutions by a simple majority of its members.

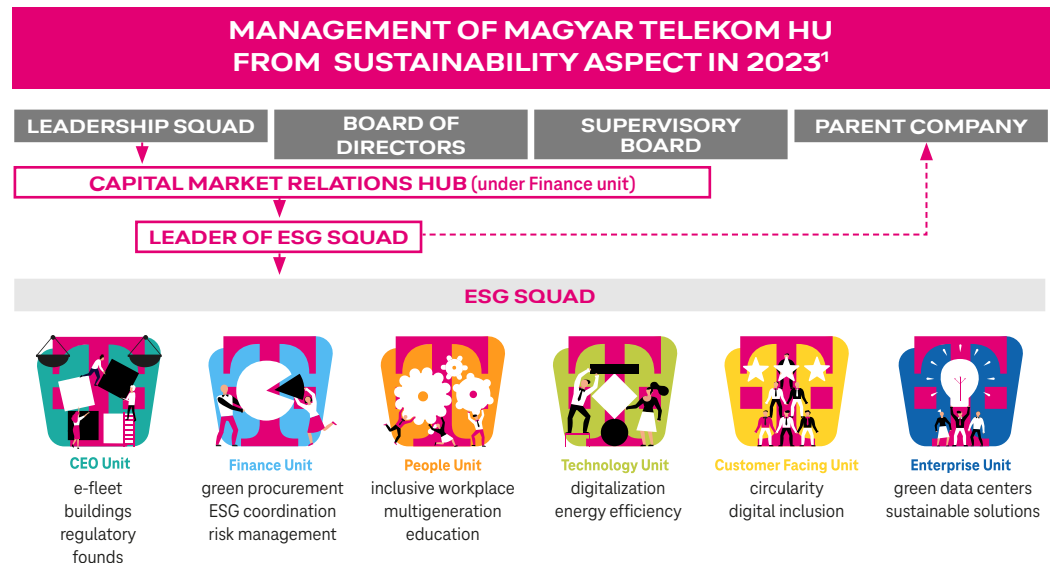
The ESG area submits regular reports and presentations to the management body responsible for corporate governance (hereinafter: Leadership Squad\*), based on which it determines the main direction of Magyar Telekom HU’s sustainability activities and adopts decisions on the following topics:

- Group-wide policies
- Group-wide sustainability strategy
- Group-wide sustainability development goals

The Leadership Squad liaises with stakeholders directly or through the responsible unit. Incoming requests are passed on to the individual areas, with critical sustainability-related requests being forwarded to the relevant ESG Squad members. It is important that Magyar Telekom Group is to meet the parent company’s sustainability expectations, therefore regular consultation and reporting on Group level is also a priority.

Communication is based on the results of the above activities, one important element of which is the annual Sustainability Report, which in 2023 was overseen by the CFO, i.e. the executive responsible for sustainability, and compiled by the Capital Market Relations Hub.

COMPETENCE	RESPONSIBLE
Determine main directions of the activities, adopt main decisions.	CEO, CFO
Provide a framework for and supervise the activities.	CFO, member of the Leadership Squad
Adopt the decisions, resolutions necessary for operations, provide a coordination forum to carry out the tasks.	ESG Squad
Professional governance, management; take part in local and international professional activities.	Leader of ESG Squad – ESG expert delegated from the Corporate Communication Hub
Implement the tasks the governance area / unit / affiliate is in charge of, provide information, attend meetings, provide data, carry out relevant operative tasks.	ESG Squad members



<sup>1</sup>Social topics has being managed by People Unit.

## CASCADE OF SUSTAINABILITY ACTIVITIES

The changes in the hierarchy of Magyar Telekom HU's sustainability activities and in the Group's structure during the agile transformation can be tracked in the annual sustainability reports. Magyar Telekom HU defines its sustainability strategy on the basis of its business strategy, taking into account domestic and international trends (climate protection, electromagnetic fields, responsible content provision, etc.) and the expectations of stakeholders (suggestions made at various sustainability forums, comments received by e-mail, public surveys etc.), as well as the goals and tasks derived therefrom, which are regularly updated.

All activities are supervised by the Leadership Squad.

A sustainable supply chain management process has been developed to manage the risks affecting business operations.

Incidents are managed by working groups established by the ESG Squad and measures are developed to mitigate any risks that may arise.

## ENVIRONMENT PROTECTION POLICIES

Magyar Telekom Group first expressed its commitment to sustainable development and, within its context, its efforts and commitments aimed at environmental protection in its [environmental policy](#). The policy contains obligations for the affiliates of Magyar Telekom Group individually and for the Group as a whole, as well.

In addition to the policy, an [Environment Protection Guideline](#) was also published, which defines

in more details the Company's commitments and requirements.

Finally, in 2022, Magyar Telekom Group published its [Biodiversity Policy](#).

## CORPORATE COMPLIANCE

In developing Magyar Telekom Group's Corporate Compliance Program, the goal was to ensure that Magyar Telekom Group conduct its business with maximum awareness of and commitment to, as well as in compliance with applicable laws and regulations, and in accordance with the highest standards of ethical business conduct.

To this end, directives have been issued to address any compliance risks that may arise, and the procedures contained therein are applied, with ongoing training provided to the employees on the matter. Clear processes are in place to report, investigate, follow up on and remedy any suspected instances of non-compliance.

The Corporate Compliance Program is overseen by the Group Compliance Manager. The Group Compliance Manager reports directly to the Audit Committee and cooperates with the Board of Directors, the Supervisory Board and management (i.e. the Leadership Squad).

At the heart of the Corporate Compliance Program is a Code of Conduct applicable to all employees, which summarises the company's compliance requirements and ethical standards. Employees can ask compliance-related questions through the „Ask a question” portal.

During the year, the validity of all reports of alleged unethical behavior was checked and, where necessary, the reports were further investigated. Where abuse was found to have occurred, the necessary actions were taken. Complaints and comments regarding violations of internal and external rules can be submitted through Magyar Telekom Group's „Tell us!” portal.

## INTERNAL CONTROL SYSTEM

Magyar Telekom Group's management is committed to establishing and operating an adequate level of internal controls to ensure the reliability of financial reporting and to minimize operational and compliance risks. The control environment to ensure the reliability of financial reporting has been designed to provide reasonable assurance that financial reports and financial statements prepared for external purposes comply with the International Financial Reporting Standards (IFRS) adopted by the European Union.

From 2021 onwards, the internal control framework includes Corporate Responsibility as a separate area, with dedicated controls to cover the risks associated with this function, the number of which significantly increased in 2023. For the financial year 2023, the documentation and assessment of controls is supported by an IT system.

The operation of the internal control system is also audited by the independent Internal Audit function, which also monitors the implementation of the measures defined on the basis of the audits. The Supervisory Board and the Audit Committee, among others, are regularly informed of the findings of the audits, the resulting actions and the fulfilment of the tasks.

In line with the requirements of the internal control framework in place, management assesses the effectiveness of the internal control system every financial year. The assessment for 2023 was completed and based on the information gathered, the internal control framework had been effective in preventing any materially incorrect data to be included in the financial statements and mitigating operational and compliance risks

## INTERNAL AUDIT

Magyar Telekom HU's internal audit organisation is located in the Group Internal Audit and Risk Management Hub. Functionally, this area reports to the Audit Committee and the Supervisory Board, while administratively it is the responsibility of the Chief Financial Officer. The head of the area also reports regularly to the Board of Directors on the results of audits and other audit activities.

The internal audit function operates in accordance with international standards, following regulated procedures set out in the Group Audit Charter and Group Audit Manual. The internal audit function is independent and objective; its activities encompass assessing and improving the operation, processes and efficiency of organisations and providing advisory services.

The Head of this area is responsible for preparing the annual audit plan, submitting it to the Audit Committee for information and to the Supervisory Board for approval, and regularly reviewing and amending it in accordance with changes affecting Magyar Telekom HU's business, risks, operations, programs, systems and controls.



In developing the plan, due consideration is given to the risks and trends that could potentially impact Magyar Telekom HU, and accordingly ESG considerations were incorporated into the 2023 Annual Audit Plan, supporting the organization in improving the effectiveness of internal controls and processes.

It is the responsibility of the head of the area to ensure that the tasks set out by the annual audit plan are fulfilled. As part of the audit reports, corrective measures and recommendations are made, the implementation and follow-up of which is actively supported by the internal audit function.

## RISK MANAGEMENT

It is Magyar Telekom Plc's policy that disclosures to shareholders and market players should give an accurate and complete picture of the Group and reflect in all respects its financial position and operational results. These disclosures are made on a regular basis in accordance with applicable laws, rules and regulations.

In order to meet these objectives, the functionality and effectiveness of the components of the risk management system are regularly reviewed and continuously improved.

The standard risk management process established provides a framework for the following program components:

- Full identification of risks by involving all organizations;
- Once risks have been identified, more detailed analysis, assessment and quantification of risks. Risk assessment allows management to focus more effectively on risks that have a significant impact on the Group's strategic objectives.
- A decision is then taken on the specific course of action to be adopted in order to mitigate the risks.
- The relevant risk owner implements, monitors and evaluates the related actions.
- These steps are repeated as necessary to reflect current developments, decisions.

For the effective operation of the risk management system, it is necessary to ensure that management make its business decisions in possession of all relevant risks, which is supported by regular risk reporting at Magyar Telekom Group level. At the same time, risks related to our business plans are also continuously assessed, managed and taken into account in the risk management process.

Risk factors affecting the operations of Magyar Telekom Group are reviewed regularly. All our subsidiaries and organisations are required to identify and report the risks of their operations.

After the evaluation of these risks, the results are forwarded to the Board of Directors, the Audit Committee and Deutsche Telekom's Risk Management organization. This regular reporting ensures that the most significant risks are monitored, that up-to-date risk mitigation measures are in place and regularly followed up.

Our quarterly risk reporting system is complemented by ongoing proactive reporting at Group level. As part of this, Group entities and subsidiaries are required to report promptly any new facts, information or risks that come to their attention that meet the criteria for mandatory reporting. The information so reported is assessed by the Risk Management function and the Chief Financial Officer is informed, if significant new risks or information emerge. The responsibility of staff for monitoring and managing risks is governed by the relevant directive.

Magyar Telekom Group conducts the risk assessment for a three-year period. If significant risks exist beyond this risk assessment time horizon, they are monitored on an ongoing basis.

In addition to the systematic management of risks, the identification of opportunities and their strategic and financial evaluation is an essential part of Magyar Telekom Group's annual planning process.

Information on the Company's approach to climate risks and opportunities is provided in Climate and environment protection chapter.



# CLIMATE AND ENVIRONMENT PROTECTION



# CLIMATE AND ENVIRONMENT PROTECTION

## CLIMATE STRATEGY AND GOVERNANCE

In the first part of the chapter on climate and environmental protection, one of the pillars of Magyar Telekom Group's sustainability strategy, the climate strategy, is presented. In line with the [TCFD](#) recommendations, the risks and opportunities related to climate change are then discussed. The climate protection results start with a presentation of energy use, followed by a breakdown of Magyar Telekom Group's greenhouse gas emissions broken down to affiliates. The results are concluded with energy and climate efficiency indicators. In the environmental chapter, activities related to biodiversity, air pollution, water use, circular economy and waste are discussed.

The EU taxonomy is an important tool for financing sustainable economic activities, and it is in Magyar Telekom Group's interest that the Regulation recognise the central role of electronic communications networks in supporting the economy through more environmentally friendly solutions. The current reporting system fails to show how investments support the green and digital transition. The telecommunications sector, including Deutsche Telekom Group, is therefore working to ensure that the sector's green transition activities are duly recognised within the taxonomy. The chapter concludes with a summary of the reporting obligations under the current state of the EU Taxonomy Regulation.

In the Sustainability Coordination chapter, it has already been mentioned that in 2023, the governance of the sustainability strategy within the company will be completely overhauled. However, the priorities and key objectives of the longer-term strategy, which were developed in 2021 and cover 5+5 years, have not changed. In line with its mission, Magyar Telekom Group, as one of the leading ICT service providers in Central Europe, is committed to climate and environmental protection. Its emission reduction commitments made in 2018 - approved by the Science Based Target Initiative (SBTi) - were replaced by more ambitious targets in 2019 in response to the IPCC's 1.5°C report and became the main focus of the strategy

### SUCCESS STORY

Magyar Telekom HU's strategic goals include the expansion of onsite renewable energy production. To this end, in 2023, in the framework of an energy efficiency project financed by the parent company, it installed solar systems in different configurations at 8 base stations to gain a precise understanding of the system's operation. It also installed battery energy storage at 6 of the pilot stations. At these sites, these renewable energy devices have been able to provide approximately one third of the base stations' energy consumption.

The commitments made in the strategy to the SBTi have been maintained by Magyar Telekom Plc as valid until 2030, i.e.

- reduce Scope 1–2 emissions by 84% compared to 2015;
- reduce Scope 3 emissions by 30% compared to 2017.

From 2022, climate protection targets will also be included in the remuneration system of Magyar Telekom Group's senior executives (CEO and CxOs, as well as certain categories of senior management).

### SUCCESS STORY

In 2022, the European economic environment changed significantly, making the procurement of renewable energy from the domestic market a priority. To this end, a short-term power purchase agreement (PPA) was concluded in 2022, which has partially replaced and will continue to replace the purchase of renewable certificates (GoOs), which were previously the exclusive source, from 2023. The 3-year PPA is a fixed-price contract with a Hungarian solar farm for the production of approximately 13.2 GWh of electricity per year.

To maintain market leadership, a company must be able to react quickly to external market, geopolitical and environmental changes. As in previous years, at the beginning of 2023, it was clear that Europe would need to prepare for a number of changes affecting strategic sub-objectives, such as the risk of fuel price and availability, as well as the accelerating energy demand from

5G networks and data centres. In addition to the external changes, there have also been changes in the way Magyar Telekom Group serves its corporate customers: from February 2023, Magyar Telekom Group provides telecommunications and IT services to its mid- and large-sized corporate customers under the brand name „Telekom”. In addition, the name of T-Systems Hungary Ltd. Co. has been changed to Telekom Rendszerintegráció Ltd. Co., as that of a company that supports the specific system integration needs of Hungarian companies.

### SUCCESS STORY

Energy management - measurements and savings: the energy management software uses the established WIFI and LAN network to montage the areas of the analysed properties based on the utilisation of the mapped zones. The visualisation of the use allows lighting and heating recommendations to be made for each area, and to optimise them in terms of energy savings

Illustration of the operation of the energy management software of Magyar Telekom Plc.



The structural change facilitates the implementation of the strategy by centrally and uniformly addressing the challenges. The strategy has therefore had to be adapted accordingly, with the Group's primary focus now being on reducing energy consumption that is still based on fossil fuels. The coverage of scope 1 and scope 2 emissions (leakage of fluorinated refrigerants, fuel consumption of emergency power sources) has been increased through a more thorough mapping of emissions. It was also important to keep the base year (2015) for the sub-targets the same, in line with the SBT commitment. It should be highlighted that the company has also started to develop a detailed transition plan to achieve an overall greenhouse gas emission reduction of 80% in scope 1–2 for the Hungarian member companies, including the expanded range of sources.

The [European Green Deal](#) also prioritises energy use and emissions in the ICT sector, recognising that this sector can make a significant contribution to achieving climate neutrality by 2050 through 5G, artificial intelligence, IoT and cloud services, but that its energy use may also increase. Magyar Telekom's first step is to increase energy efficiency in data centres and achieve climate neutrality by 2030. This is also one of the main pillars of Magyar Telekom Group's new climate strategy, in addition to the fact that the Group's entire electricity consumption, including that of its data centres, must be covered by renewable energy from 2021, in line with the parent company's expectations. Magyar Telekom Plc. is also leading the way in this in Deutsche Telekom Group, as it has been following this practice since 2016, and Telekom Rendszerintegráció Ltd. Co. (formerly T-Systems Hungary Ltd. Co.) has done so since 2018. For the time being, this has been predominantly done with purchased guarantees of origin (GoO), but the strategic goals include the expansion



sion of own (onsite) renewable capacity and the conclusion of a long-term power purchase agreement for renewable energy.

For its emission reduction sub-targets, the base year has been set to 2015 everywhere to be consistent with the scope 1–2 SBTi approved commitment. This chapter therefore presents data for 2015 and the last 5 years.

In order to provide investors and value chain partners with a very accurate and detailed picture of Magyar Telekom Group's climate protection activities, the Group has been reporting to the [CDP](#) (formerly Carbon Disclosure Project) online platform every year since 2010. Despite increasing requirements, it has achieved an A- rating in 2023. In the development and continuous improvement of the new strategy, the requirements of CDP, which have continuously become stricter and stricter throughout the years have also played a major role.

The strategic goals continue to include that Magyar Telekom offsets its remaining emissions for the Group each year. In 2023, the Group purchased certified emission reduction units for the ninth time. In the past years, the granting of allowances has resulted in significant risk for corporate green transition, and Magyar Telekom Group has introduced a quality assurance process for the purchase of allowances in 2023. It will select the most suitable project to be supported based on

the scoring system established by the Carbon Credit Quality Initiative, and will check whether the project can meet other quality requirements, such as the various safeguards set out in the CDP questionnaire or CORSIA, based on the available documentation. The company also considers it important that the implementation of the emission reduction projects and the compensation period be as close in time as possible, so another criterion for the selection was that the project should start as soon as possible after 2020. Based on this, in 2023 Magyar Telekom HU purchased 15,000 verified emission units (VERs) from the Ganzhou Swine Farm Animal Manure Management System GHG Mitigation Project, and the Macedonian member company compensated its emissions with an additional 1,400 VERs. The project supports the UN Sustainable Development Goals (SDGs) through social contributions in addition to emission reductions.

## CLIMATE RISKS AND OPPORTUNITIES

In October 2022, Magyar Telekom Plc became an official TCFD sponsor, expressing the importance it attaches to the structured way in which climate change-related corporate actions are reflected in the company's operations and reporting. In 2022, the assessment of physical risks affecting its operations started. Based on past technical experience, flooding, flash floods, stormy winds, bush/forest fires and extremely hot days are challenges for the network and the future behaviour of these climate-related elements has been assessed. The 2023 Annual Report also includes the identified climate risks.

In the first round, the physical risks of climate change on infrastructure were analysed for Hungarian member companies, using different

climate scenarios for extreme temperatures (RCP4.5 and RCP8.5). It should be noted that the geographical distribution of the data could be improved for flash floods and forest fires, but a more detailed data set is not yet available. Flash flooding has been identified as the most risky weather event, and (depending on the scenarios) 19–24% of infrastructure operations could be negatively affected by extreme warm weather in the coming decades. This analysis can help to make infrastructure more resilient to the expected changes as part of its upgrades.

The financial impact of the above risks has been quantified in line with the inventory of assets and buildings. There are different categories of sites within Magyar Telekom HU, the average value of each site category has been used for the estimation, this can be further refined in the future.

In the modernisation of its infrastructure - for which Magyar Telekom Plc. has invested HUF 2 billion in 2023 - the company has prioritised the following technological applications to improve the resilience of the network to climate change:

- more heat-resistant batteries,
- more efficient air conditioning systems and
- open-air ventilation.

By using these three technologies together, Magyar Telekom Plc. has significantly reduced the use of air conditioners on an annual basis, resulting in significant energy savings. In line with previous plans, 1200 units were modernised/replaced in the network, not only to support energy saving targets but also to respond to the challenges of weather/climate changes at the sites. The Company does not stop there, but will continue in 2024 as it plans to carry out infrastructure upgrades of a similar magnitude this year.



The transition under the [Paris Agreement](#) could also entail a number of risks for companies. Deutsche Telekom, the parent company of Magyar Telekom Group, and its largest subsidiaries, including Magyar Telekom Group, have carried out a detailed analysis of the legal, market, environmental, technological and even reputational changes that are likely to occur during the transition, in 2023, and the extent to which they will affect the company's position. In the analysis, the biggest risks identified by Magyar Telekom Group were related to changes in the energy supply. A particularly high risk is that with the roll-out of 5G, users will generate more and more data traffic - and thus energy consumption - which energy efficiency measures will not be able to compensate. However, it should be stressed that the increase in energy use in the ICT sector should not be seen as a clear negative impact. This transition is similar to the shift from fossil fuels to electricity, with the difference that digitalisation can trigger not only energy use but also material use. Magyar Telekom Group is of course continuously working to reduce its energy consumption, maintain security of supply while using renewable energies, and contribute to the domestic net-zero transition with its own transition plan.

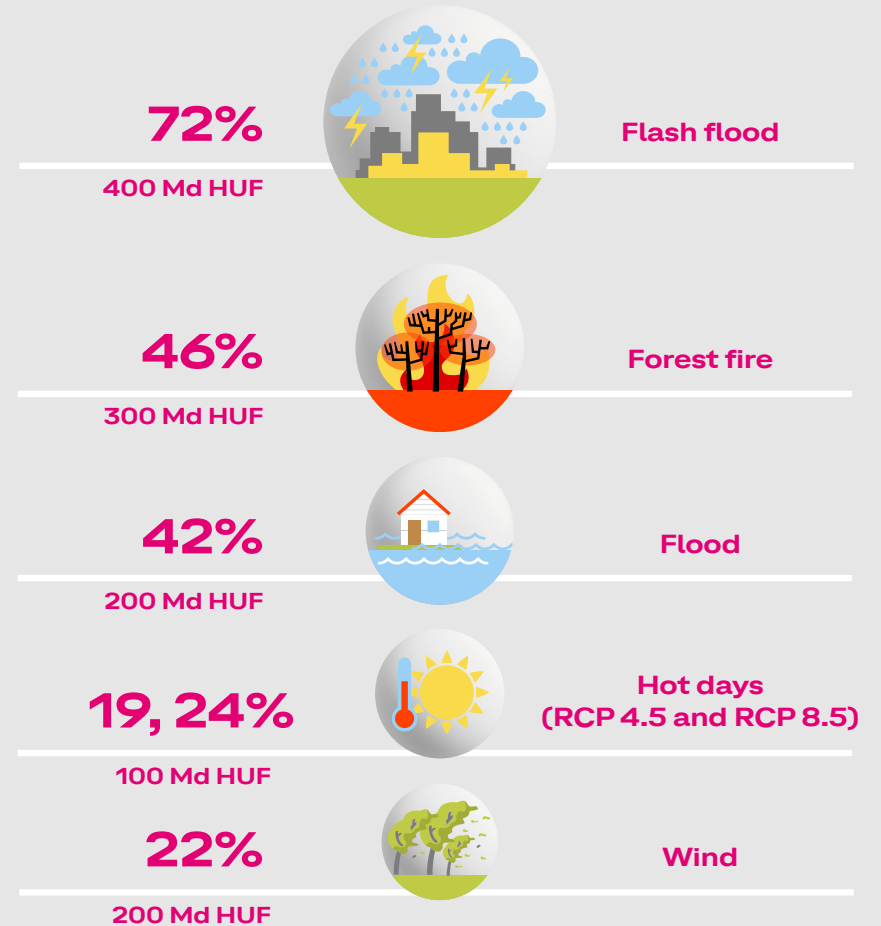
Deutsche Telekom has joined the RE100 initiative, under which all its member companies are to consume 100% renewable electricity from 2021. Renewable energy certificates will have to meet stricter requirements under the RE100 - to be applied by all Deutsche Telekom member companies from 2024 at the latest - and will therefore lead to a reduction in supply and a higher financial burden for Hungarian member companies, which will result in higher operating costs. In order to make costs

more predictable, Magyar Telekom Plc. has signed a 3-year direct renewable power purchase contract starting in 2023 and plans to move forward with more long-term contracts from 2024. Customers are increasingly looking for sustainable products and services, and in the case of Magyar Telekom Group, ensuring the long-term use of renewable energy sources is an important measure to this end. In addition to the above, Magyar Telekom HU's solutions also include the generation of its own (onsite) renewable energy and the reduction of electricity consumption from the grid.

As the European Union and Hungary undergo an economic transition in line with the 1.5°C vision, experts point to the potential instability of the electricity system. Therefore, it was important to assess the capacity of Magyar Telekom Group's infrastructure to handle the risk of electricity outages. In order to decrease service downtimes, Magyar Telekom Group has already equipped its mobile base stations and critical infrastructure sites with batteries in preparation for shorter periods of power outages. In order to be able to respond flexibly to a sudden or planned power outage, it has internal capacity to generate electricity at the affected location using mobile diesel generators, so that it can restore power at the most critical location within 2 hours. Although the network has been designed with a certain logic to ensure that it can provide a continuous service in the event of a longer-term and national blackout by supplying its own power to priority sites, it is dependent on diesel generators to operate. Makedonski Telekom A.D. is currently also dependent on the use of diesel generators due to local power supply uncertainties, so dependence on fuel supply is already present.

## CLIMATE RISKS

The exposure of the entire infrastructure of the Magyar Telekom HU to an environmental/weather event and the estimated value of the infrastructure affected.



Damages in 2023: 18,55 M HUF, 591 notifications examined

The value of damage did not exceed the threshold for action (50 M HUF) in any month.

In 2023 Magyar Telekom HU has explored what additional products and services it can offer to help mitigate or adapt to climate change. Some of these are in the testing phase, such as the energy management solution, which was the first to be tested in the operation of its own headquarters. Among the risks associated with the 1.5°C transition, it should be noted that maintaining climate neutrality is becoming increasingly costly as expectations rise, and increased attention needs to be paid to the quality of the project chosen for support to reduce reputational risk. This ambition is reinforced by the fact that Deutsche Telekom will compensate the remaining scope 1–2 emissions mandatory at group level from 2025 as part of its climate targets.

Another option to reduce the use of fossil fuels, which will become even more expensive due to the expansion of EU emissions trading, would be to use electric vehicles, but this is still only a planned solution due to the lack of national charging capacity, especially for service vehicles.

Changing customer preferences not only creates a high risk but also an opportunity through early detection. In addition to the Eco Rating, initiated by Deutsche Telekom and other European mobile operators, which allows customers to make more informed purchases, Magyar Telekom Plc. has entered the market with refurbished mobile phones in 2023 to help its residential and corporate customers who are aware of material consumption and the circular economy to find options to their liking.

In recent years, business as usual has been greatly transformed by the pandemic. More than half of the working hours of Magyar Telekom Plc. and Telekom Rendszerintegráció Ltd. Co. employees

were teleworking, which slightly reduced the energy consumption of the buildings. The continuous application of the new standard means energy savings for Magyar Telekom HU, while it is of business importance in the field of services, as Magyar Telekom HU is not the only company in Hungary to have introduced teleworking and online meetings. It should be noted that this enablement in the telecommunication sector increases energy use while reducing overall greenhouse gas emissions from fossil fuels, thus contributing to climate change mitigation.

**JOIN FORCES FOR SUSTAINABILITY**

**ExtraNet Green 1 GB data extension option**

Magyar Telekom Plc also offers its customers the opportunity to choose services that contribute to climate protection. This is why in 2019 it created the ExtraNet Green 1 GB data extension option, where the Company guarantees that the energy needed to transmit the 1 GB of data will be covered by Magyar Telekom Plc’s own solar park. In 2023, approximately 5% of customers using data extension took advantage of this option.

**Motivating vendors**

Not only the company’s own operations but also its supply chain could be adversely affected by climate change. This risk can be managed through supplier assessment. In 2023, Magyar Telekom Plc. attempted to map more accurately the Telekom-related emissions of its suppliers as part of the assessment, and also introduced an environmental performance assessment on the procurement side in the selection process. Further information can be found in the Stakeholders / Suppliers chapter.

**Employees’ community solar panel project**

Magyar Telekom Plc. was the first in Hungary to introduce the community solar project. Under the project, employees lease solar panels from the Company for one year and the energy generated is used locally. In the first project, solar panels were installed on the Kékvirág street training facility, and after 2020, units at two more Szeged solar systems could be leased. In 2023, 200 employees participated in the staff solar project again. The continued success of the programme is demonstrated by the fact that the quantity offered was sold out even earlier than before. Since their installation, the solar systems have generated a total of around 411 MWh of clean energy, of which 93.1 MWh in 2023. For [Kékvirág street I.](#) and [Szeged II.](#), the current production can be monitored.

**Managing comments received regarding environment protection**

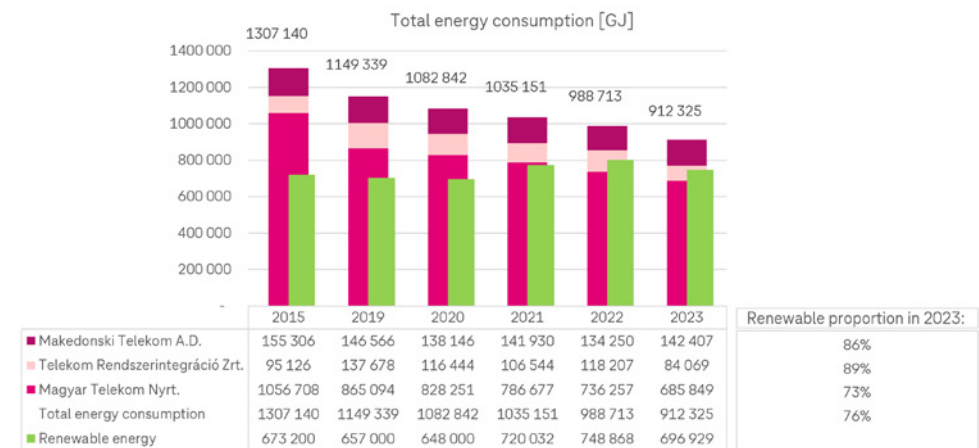
The management and supervision of the environmental remarks made by stakeholders is the

responsibility of Magyar Telekom Plc. ESG Center of Expertise team and the ESG Squad. The contact details for Magyar Telekom to receive comments have not changed (fenntarthatosag@telekom.hu and kornyezetvedelem@telekom.hu).

**ENERGY CONSUMPTION – GRI-302**

Magyar Telekom Group is continuously striving for energy efficiency and thanks to the measures taken, the Group’s total energy consumption has significantly decreased compared to 2015.

For the market-based zero-emissions operation, Magyar Telekom Group purchased 193 592 MWh of renewable energy in 2023, generated by solar, wind and hydro power plants, secured by a Guarantee of Origin or a direct contract. In addition, from 2023, a part of this was generated in a solar power plant in Hungary, which was also part of Magyar Telekom Plc.’s electricity purchase under a three-year power purchase agreement. In 2023, the Group was able to cover 76% of its total energy consumption with renewable energy sources from the market.



**Electric power consumption**

Magyar Telekom Group continued to strive for energy efficiency in 2023, with electricity consumption decreasing by 6.9% compared to 2022, and by 9% for Magyar Telekom HU. Electricity consumption accounted for 76% of total energy consumption. Magyar Telekom Group is increasing energy efficiency in line with its sustainability strategy, and the Hungarian member companies also take into account the guidelines of the ISO 50001 certification.

As a responsible company, Magyar Telekom HU gives priority to energy efficiency issues. It continuously measures, monitors and assesses its energy consumption and the significant influencing factors related to it, both in terms of real estate and technological infrastructure (or technology and related service equipment). On the basis of these measurements, energy efficiency opportunities are continuously explored and implemented in the form of projects, in line with energy management objectives.

Thanks to the improvements implemented in 2022 and 2023, the energy consumption of Magyar Telekom Plc. decreased by 11 500 MWh. The improvements consisted of the following:

- phasing out copper networks and replacing them with optical networks,
- full switch-off of 3G network in 2022,
- modernisation of mobile network equipment,
- intensive use of energy-saving software applications,
- complete switch-off of obsolete transmission technologies (e.g. PDH/SDH),
- replacement of batteries,
- replacement of charging equipment,
- replacement of technological air conditioning systems,
- optimisation of sites.

Thanks to the energy efficiency and other measures implemented in 2022 and 2023, Telekom Rendszerintegráció Ltd. Co. reduced its electricity consumption by more than 5,000 MWh in 2023. The improvements consisted of:

- upgrading the uninterruptible power supply system,
- upgrading of secondary pumps in the cooling system,
- review of sites, optimisation of used/rented space,
- organisational restructuring.

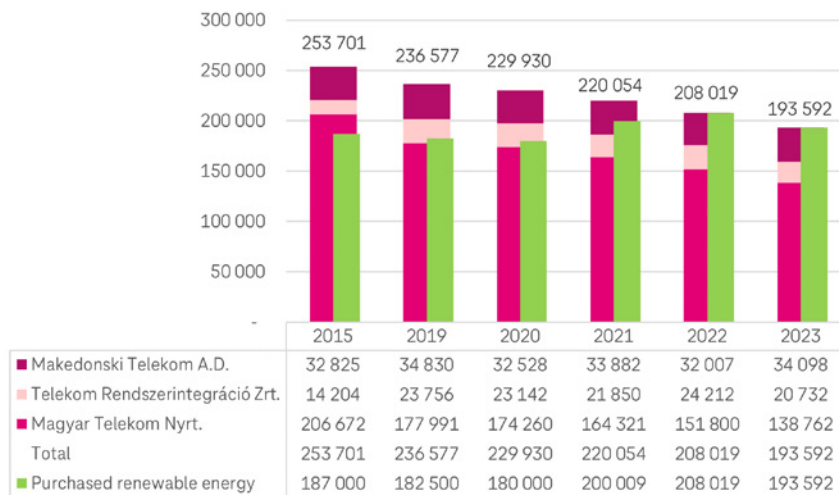
Magyar Telekom HU has invested significant resources in the development of the energy management system and related automation and intelligence, and in increasing the number of metering points. This has made it possible to identify anomalies in energy consumption in time and to deal with them as soon as possible in order to prevent unnecessary and unjustified consumption.

The electricity consumption of Magyar Telekom Group has been changed for methodological reasons in 2023. All consumption that is not billed to customers has been taken into account as own consumption for data centres, so the figures in the current report differ from those reported in previous years. In 2022, Magyar Telekom HU purchased renewable energy according to the new methodology, so 100% coverage was already achieved for the extended data set.

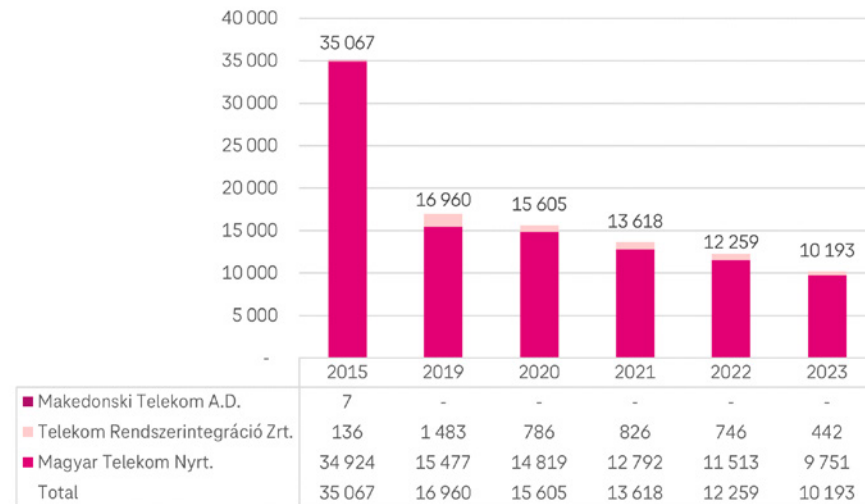
**Natural gas consumption**

Among the climate protection efforts of Magyar Telekom Group, the reduction of fossil fuels played a prominent role. Magyar Telekom Plc. moved to a new headquarters in 2018, which resulted in a significant reduction in the total natural gas consumption of its buildings in 2019. Further energy savings were achieved in 2023, thanks to the optimisation of sites and the use of energy management software at rural sites.

Electricity consumption [MWh]



Natural gas consumption [MWh]



Power purchased, does not include power generated by the company.



### District heating

In 2023, Magyar Telekom HU achieved significant energy savings in district heating consumption. The energy management software tested in the headquarters, the higher outdoor temperatures during the heating season, the controlled temperature range in the buildings and the lower temperatures introduced during the winter break together contributed to a 34% reduction in district heating consumption in Magyar Telekom HU. In Makedonski Telekom A.D. there was no reduction in district heating energy consumption.

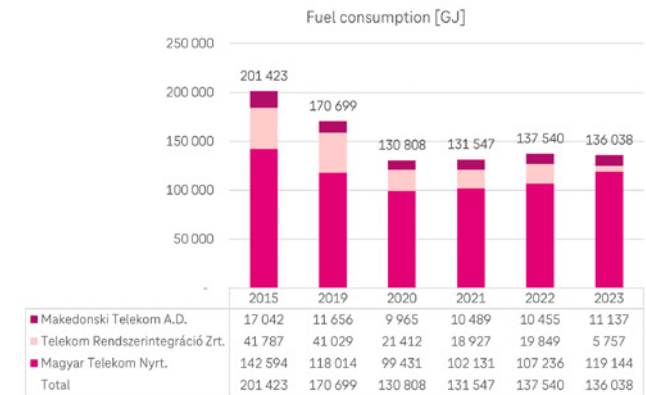
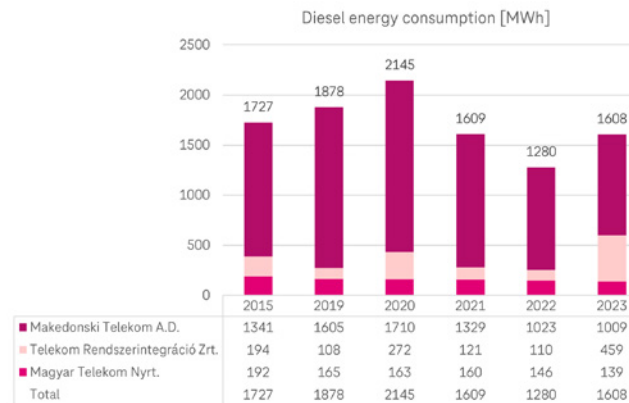
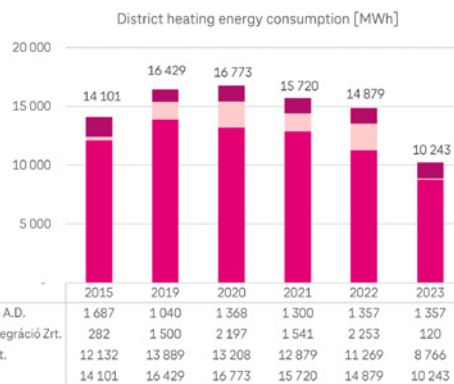
### Diesel consumption

Magyar Telekom Group operates diesel generators as a source of emergency power to ensure continuous service. The generators are activated in the event of a malfunction or at regular intervals to test availability. The amount of diesel used is currently based on estimated technical data, but in 2023 the measurement of consumption data will start to be compiled into a uniform database. The time series has been reconstructed using expert estimates taking into account the change in the number of generators. Within the Group, Makedonski Telekom A.D. is the largest user due to the uncertain operation of the local electricity system.

### Fuel consumption

Magyar Telekom Group's vehicle fleet is currently dominated by pure petrol and diesel vehicles, but hybrid cars are becoming more and more popular, and electric cars have also appeared. The consumption of the latter two categories has already been included in the electricity consumption in the Electricity consumption chapter, so the figures shown in the graph only include fossil fuel consumption.

The changes in corporate customer service, which have resulted in the movement of employees within the group, have caused the opposite trend in fuel consumption in the Hungarian member companies. Overall, however, there was a slight decrease (1.7%) for Magyar Telekom HU, due to changes in the composition and size of the fleet.



## GREENHOUSE GAS EMISSIONS – GRI 305

Magyar Telekom Group continues to use the carbon dioxide equivalent (CO<sub>2e</sub>) as an indicator to quantify GHG emissions from its activities, taking into account the global warming potential according to the IPCC 5<sup>th</sup> Assessment Report. Emissions are not measured but are calculated using the [Greenhouse Gas \(GHG\) Protocol](#)<sup>1</sup> methodology. Emissions from the bio-component of fuels are not included in the calculations. This is because there is no more precise information available on the quality of the fuels purchased, so a conservative estimate is made assuming the worst case, i.e. full fossil fuel use. Following the GHG Protocol, the indirect (scope 2) emissions are reported by Magyar Telekom Group on both a local (location-based) and a market-based basis. For the ninth consecutive year, Magyar Telekom HU has compensated its market-based emissions with purchased emission reduction units.

From 2023 onwards, Makedonski Telekom A.D. reports on the basis of Deutsche Telekom's emissions calculations and compensates its emissions. Previously, Magyar Telekom's own calculations were included in the report. This change was necessary because Makedonski Telekom A.D. needs to be consistent with the climate and energy targets set by Deutsche Telekom and applicable to the company's management. The calculations do not differ methodologically, and therefore do not deviate in the activity data used either, only in the emission factors applied. It should be noted here that the emissions from F-gases - a new category that is difficult to plan - are not fully compensated by Makedonski Telekom A.D. in 2023. Details of the GHG emissions of Magyar Telekom Group are presented in the following table.

## Magyar Telekom Group's GHG emissions in total and by affiliates (tCO<sub>2e</sub>)

GHG emissions [tCO <sub>2e</sub> ]	2015	2019	2020	2021	2022	2023
Natural gas	7 103	3 417	3 144	2 754	2 479	2 061
Oil	1 145	503	574	431	343	431
Fuel (total)	14 748	12 649	9 687	9 739	10 177	10 059
Fuel (diesel)	7 731	7 394	5 987	5 984	6 006	5 820
Fuel (gasoline)	7 017	5 254	3 700	3 756	4 170	4 239
Electric power	105 640	79 514	69 162	68 791	68 895	64 564
District heating	2 994	3 380	3 048	3 068	2 838	1 866
F-gases - Magyar Telekom HU	1 767	2 258	2 201	1 655	1 764	1 879
F-gases - Makedonski Telekom A.D.	N.a.	N.a.	N.a.	N.a.	N.a.	202
<b>Total emissions: scope 1+2 w/o market measures</b>	<b>133 398</b>	<b>101 721</b>	<b>87 816</b>	<b>86 438</b>	<b>86 495</b>	<b>81 062</b>
Magyar Telekom Plc.	98 653	66 021	58 329	58 677	58 019	54 756
Telekom Rendszerintegráció Ltd. Co.*	8 472	10 281	8 289	7 924	9 723	6 933
Makedonski Telekom A.D.	26 273	25 419	21 198	19 837	18 753	19 373
<b>Total emissions: scope 1+2 w/o market measures**</b>	<b>63 970</b>	<b>49 723</b>	<b>39 692</b>	<b>23 678</b>	<b>17 601</b>	<b>16 498</b>
Magyar Telekom Plc.	36 565	16 931	14 590	14 146	13 542	14 099
Telekom Rendszerintegráció Ltd. Co.*	13 869	17 313	15 162	12 028	2 629	859
Makedonski Telekom A.D.	25 590	22 291	16 281	2 518	1 430	1 540

Time series for Makedonski Telekom A.D. is not consistent due to the data source change in 2023.

\* T-Systems Hungary Ltd. Co. continues to operate under the name Telekom Rendszerintegráció Ltd. Co. from February 01, 2023.

\*\* In the case of market-based emissions, only electricity has been 100% covered by certificates purchased with renewable energy. In the case of Magyar Telekom HU, the emission factors of 0 CO<sub>2e</sub>/MWh are guaranteed for renewable energy sources.

<sup>1</sup>Greenhouse Gas Protocol is a standard developed to calculate GHG emissions, which is a methodology also recognized by the Science Based Target initiative. <https://ghgprotocol.org>

More precise calculations for the new strategy

With the new strategy launched in 2021, the Group refined the calculations to reflect reality even more closely. In 2023, a further adjustment was necessary: the range of activities taken into account (certain consumption data for data centres, consumption of emergency power sources) and the range of greenhouse gases taken into account (fluorinated refrigerants and fire extinguishing gases containing fluorine) were extended. Changes have also been made to the emission factors used: estimates have been dropped, more accurate energy and density conversion factors have been applied, and new data publications have been taken into account. Activity data (energy consumed) have been only partially changed, with the addition of new sources. For Magyar Telekom HU, country-specific emission factors have continued to be used in the calculations to increase accuracy. In many cases, the emission factors for a given year are available after the publication of the report, so retroactive corrections are made depending on availability, while the factors available closest in time are used. The reported emissions data for the last two years therefore show a higher uncertainty compared to the previous period.

For emissions from electricity use, the emission factors of Hungarian member companies were calculated using the emission factors given in the AIB<sup>1</sup> publication. These emission factors only provide information on carbon dioxide, not on methane and nitrous oxide. In previous years, a correction was made to account for this shortcoming, but due to the error that can be introduced by the estimation, this correction is no longer applied<sup>2</sup>. For fuels, the [Hungarian National Inventory Report \(2023\)](#) was the source for emissions data. In the case of district heating, the largest consu-

mer is Magyar Telekom headquarters building, so the data of the Budapest district heating system serving this building were taken into account in the calculations. For diesel used in emergency power sources, the default factors of the [IPCC 2006 Guidelines](#) were used. For consistency, Magyar Telekom HU reports the recalculated data for the whole time series.

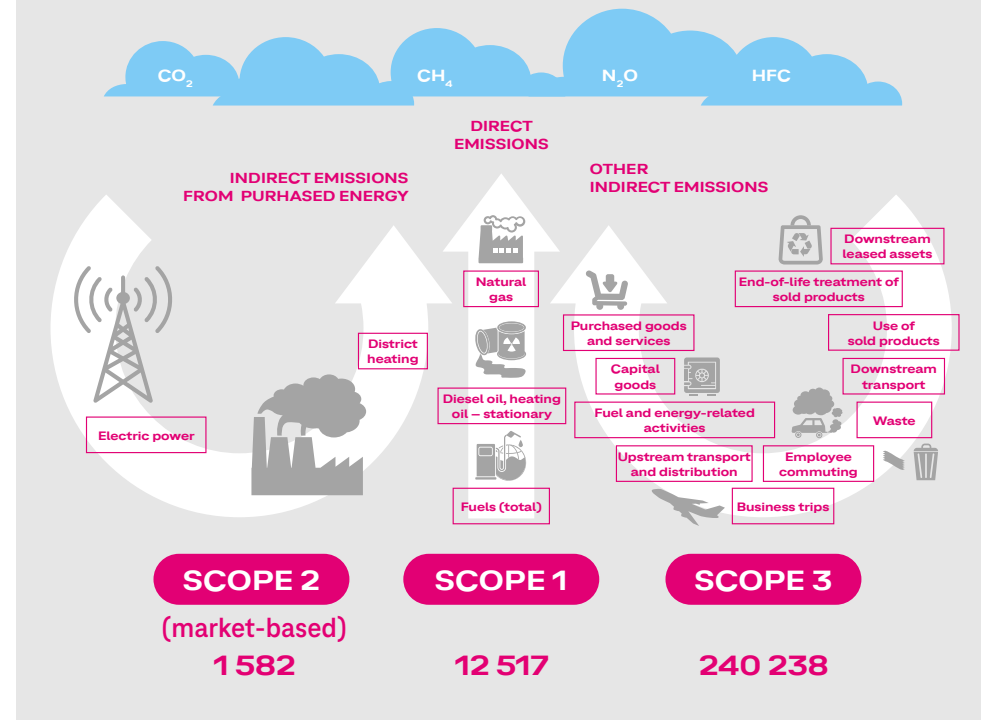
In 2023, the total scope 1 and 2 GHG emissions of Magyar Telekom HU decreased by 42% compared to 2015, amounting to 61 691 tonnes of CO<sub>2e</sub> on a local basis, with a total energy consumption of 912 325 GJ. And the market-based emissions for Magyar Telekom HU, the new strategic target, were 60% lower compared to the 2015 base year. A total of 14,958 tonnes of CO<sub>2e</sub> GHG emissions were achieved in 2023, which the company fully covered through the purchase of emission reduction credits.

In 2023, the total scope 1 and 2 GHG emissions of the Magyar Telekom Group amounted to 81 062 tonnes CO<sub>2e</sub>. For Makedonski Telekom A.D., no data for F-gases back to 2015 is available, so the change compared to 2015 has not been quantified at group level.

Within Magyar Telekom Group, Magyar Telekom Plc. is responsible for the vast majority of scope 1+2 emissions, accounting for 68% of the Group's emissions applying location-based calculation, and for 85% applying market-based calculation. The table shows the direct and indirect emissions of the member companies for the years 2015-2023, calculated on location-based and market-based.

More details on scope 1 and scope 2 emissions can be found in the Annexes.

## MAGYAR TELEKOM PLC. TOTAL GHG EMISSION IN TONNES OF CARBON DIOXIDE EQUIVALENT IN 2023



Magyar Telekom Plc. is the only company within the Group with SBTi commitments for other indirect (scope 3) issues. The company-related emissions in 2023 are presented in the chart. Scope 3 emis-

sions reported in previous years have changed significantly due to the calculation methods used and expanded data sources. A detailed presentation of scope 3 emissions can be found in the Annexes.

<sup>1</sup> The following site contains data going back to 2015, currently up to 2022: <https://www.aib-net.org/facts/european-residual-mix>

<sup>2</sup> Though the earlier AIB publications include total GHG emission factors, they can only be used for lifecycle analysis, they are not aligned with the GHG Protocol methodology.



## ENERGY AND CLIMATE EFFICIENCY

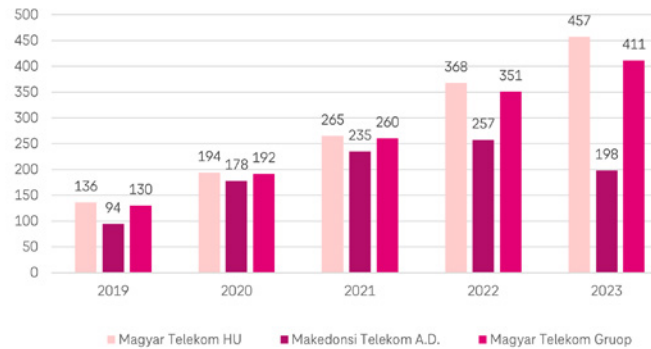
Energy efficiency remains a priority among the efficiency targets identified in previous years, while climate efficiency indicators have been introduced from 2021, in line with the new strategy. Two of the intensity indicators are sector-specific, while the revenue share of emissions is a general indicator. Magyar Telekom Group aims to continuously improve the indicators in line with the digitalisation and climate protection objectives of its strategy.

The energy intensity is measured by the electricity intensity of the telecommunications network, i.e. the amount of data transmitted per unit of electricity consumption (in GBit/kWh), as measured by Magyar Telekom Group.

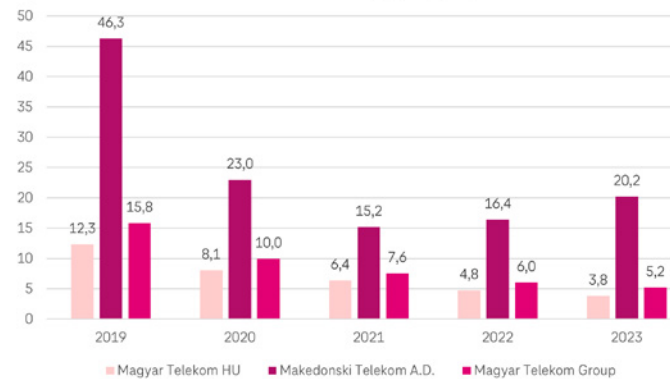
The climate efficiency indicator of Magyar Telekom Group indicates the amount of greenhouse gas emissions per unit of data transmitted on a local basis, and is shown in kg CO<sub>2e</sub>/TB. Only the electricity consumption associated with the technology has been taken into account in the calculations. Due to the data transmission calculation methodology, Magyar Telekom HU is shown in one indicator.

A universal indicator of climate efficiency, not specific to the ICT sector, is the emissions per revenue. The figure shows the emissions (local and market-based) for the entire Magyar Telekom Group.

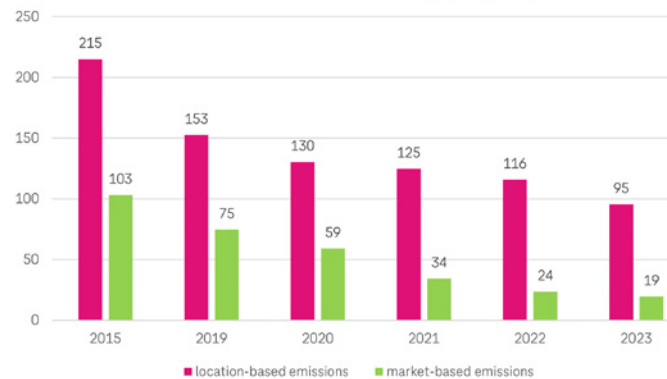
Energy efficiency [Gbit/kWh]



Climate efficiency [kgCO<sub>2e</sub>/TB]



Revenue related emission intensity [kgCO<sub>2e</sub>/Mft]



## ENVIRONMENTAL EFFECTS

### Telekom's business network for sustainability

Magyar Telekom Plc. has implemented a predominantly paperless operation in all its stores across the country, with contracts typically being concluded electronically (on tablets). Customers can request bags made from recycled paper or recycled PET bottles. All shops offer the possibility to drop off mobile devices that are no longer in use, and the collection of unused but working smartphones continued in 2023 under the so-called „mobile donor” programme.

In addition, since 2020, many shops have introduced environmentally friendly design elements. For example, „living” green walls to improve air quality, floors made of organic materials and lighting with recyclable LED lights. The use of sustainable materials is an important aspect for the company, which is why it uses PVC-free paints and decorative elements in the design of its latest stores. This design can be found in 17 stores with all the elements listed, but one of the above solutions can already be found in one third of the store network (60 stores).



<sup>1</sup>The previously published data only included traffic on the IP core network, so the current data does not match the previous data release.

### BIODIVERSITY AND ECOSYSTEMS

Magyar Telekom Group summarizes its commitment to the conservation of species diversity in its Environmental Policy and Biodiversity Statement.

Magyar Telekom's developments are generally not subject to an impact assessment. In 2023, a construction permit was required for a fixed line development project.

In the case of the development of mobile networks (construction of towers and base stations), an environmental and nature conservation permit was required in five cases, none of which concerned a nature conservation area. Hortobágy, Duna-Ipoly and Kiskunság National Park Directorates were involved in the authorisation procedure.

Magyar Telekom Plc. also takes care to ensure that work outside nature conservation areas is carried out with as little inconvenience as possible, too. To this end, it avoids unnecessary tree felling, carries out night work only by installing motion detectors in the interests of protected species, and handles waste generated during the work in accordance with the law.

### LAND USE, LANDSCAPE IMPACT

It is important to the Group that its investments are made with the necessary land use, preferably maintaining the original environment, and that its buildings are as in keeping with the appearance of the area as possible.

The composition of the mobile network shows no significant change, with Magyar Telekom Group operating 8254 sites (base stations, repeaters, micro-connections) in 2023, 139 more than in the previous year, reflecting the expansion of the 5G network. The number of shared towers was 1,884, 13 more than in the previous year. The total number of towers in use also showed an increase.

### NOISE AND VIBRATION PROTECTION

In the operation of the sites, the company pays particular attention to the impact of outdoor air conditioning systems and diesel-powered emergency generators as potential noise sources. In 2023, there were only three cases of noise problems reported by residents, all of which were investigated and resolved by Magyar Telekom Plc.

### AIR POLLUTANT EMISSIONS

The boilers and diesel generators of Magyar Telekom Plc. cause air pollution during their operations. Pursuant to Decree 53/2017 (X. 18.), the operation of combustion plants with a thermal output of 140 kW is subject to a permit, and the emission limit value for the technology must not be exceeded during operation. Magyar Telekom Plc. always registers the equipment concerned with the environmental authority and carries out the statutory air pollution measurements every five years with an accredited measuring station. Compliance with the limits is checked annually by the authority by means of self-declaration via the National Environmental Information System.

#### Boilers

Magyar Telekom Plc. owned 21 boilers subject to licensing in 2023. The amount of air pollutants emitted can be determined by the operating time, emission factors and mass flow of the gas boilers, which is documented. The specific quantities of pollutants emitted by the company-owned boilers are available per boiler based on the relevant air quality monitoring reports. The operating hours for the specific equipment have been determined by technical estimation.

Annual emissions from boilers in 2023 were as follows:

NOx: 0.25 t  
CO: 0.11 t

#### Diesel generators

The function of diesel generators is to avoid loss of service due to power outages. Since extended power outages (which cannot be bridged by batteries) are very rare, their operation is negligible. In order to maintain service continuity, it is important that these devices are operational when needed and therefore a trial run of approximately 1 hour is required every quarter.

As a consequence, the equipment does not exceed the legal limit of 40 hours of operation per year, which requires accredited measurements every five years. It is compulsory to record in the logbook of the equipment the hours of operation together with the consumption, in order to verify that the 40 hours per year are not exceeded (the logbook is kept electronically).

Magyar Telekom Plc. owned 50 diesel generators requiring a licence in 2023. The authority required the verification of the relevant limits by measurement for 8 large installations. Emissions from the equipment are determined by technical estimation in the absence of measurements.

Annual emissions from diesel generators in 2023 were as follows:

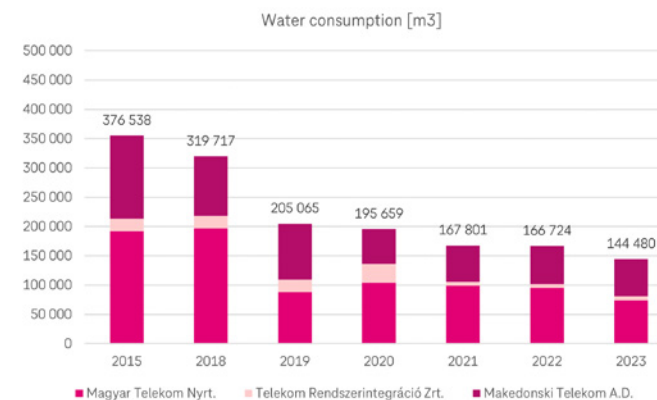
NOx: 0.22 t  
CO: 0.06 t  
PM10: 0.003 t

In accordance with the Hungarian legislation, Magyar Telekom Plc. pays an air pollution fee determined by the authority for the emissions of air pollutants into the atmosphere. In Hungary, only desulphurised fuel is sold, so sulphur dioxide emissions are kept below the limit value, no measurement is required.

### WATER CONSUMPTION

Magyar Telekom Group uses water exclusively for municipal purposes. In the case of Magyar Telekom HU, the water consumption costs - and thus the quantities consumed - are allocated between the companies in the headquarters on a per-area basis. On May 30, 2023, Deutsche Telekom IT Solutions moved into the Magyar Telekom headquarters in order to make more efficient use of synergies within the Deutsche Telekom Group and to ensure sustainability. The new tenants were accommodated by the established teleworking arrangement, which also had an impact on office water consumption, which was noticeably reduced.

Magyar Telekom Group has very little involvement in water protection issues as it does not use industrial water. The amount of wastewater discharged is the same as the amount of tap water consumed due to the applied practice of settlement of accounts.



## CIRCULAR ECONOMY AND WASTE – GRI 306

## SUCCESS STORY

## Refurbished phones

From October 2, 2023, you can buy refurbished A+ premium-rated handsets from Magyar Telekom Plc, which are phones in almost new condition, with only minimal aesthetic defects and at least 85% battery capacity.

By providing access to refurbished devices, Magyar Telekom Plc. provides all the means customers need to take advantage of the digital world, tailored to their needs and life situation, in one place. In addition to being available at a lower price than new ones, customers who choose these devices can not only increase the lifetime of their device, but also reduce the amount of electronic waste.

The refurbishment is carried out by a refurbishment centre certified ISO9001, ISO14001, ISO27001, ECOVADIS PLATINUM LABEL, RCUBE MOBILE LABEL. Before sale, the equipment must pass 56 technical tests (this number may be extended in the future).

## Fulfilling manufacturer and distributor obligations

Magyar Telekom Group, in cooperation with manufacturers, strives to ensure that environmental awareness is also part of the manufacturing and recycling processes of the devices. Procurement requirements are discussed in more detail in the Stakeholders/Suppliers chapter. For more information on products with sustainable features, see the chapter on Digitalisation.

Magyar Telekom Plc. considers it a priority to limit its impact on the environment, and therefore pays

particular attention to the inspection, repair and re-deployment of equipment used in the network, as well as equipment used at customers' premises. For the latter, i.e. CPE equipment, the recycling rate was 53% in 2023. For the network equipment purchased, the primary consideration is to assess its energy efficiency.

Magyar Telekom HU fulfills its obligations as a manufacturer and distributor as follows:

- For electronic equipment also subject to the Product Charges Act, it has opted for the payment of the product charge, the state recovery system.
- It pays the EPR fee for packaging, packaging purchased from abroad, electronic equipment purchased from abroad, batteries and furniture purchased from abroad.

Magyar Telekom HU informs its customers on its websites about the possibility to return used and waste devices and batteries in accordance with the legal requirements. The manufacturers of all the equipment it sells are certified for energy efficiency in the European Union and comply with the environmental protection requirements laid down in the legislation.

Customers can obtain information on the lifetime of the appliances, their recycling and the materials used from the manufacturer's declarations in the shops.

Since July 01, 2023, the public waste management tasks of the municipalities and the state has been replaced by a centralized waste management system, with the abolition of the former and the creation of a new public waste management system, where the state's public waste management tasks includes the public waste management service and the institutional waste management activities.

Thus, MOHU MOL Waste Management Ltd. Co. has control over certain waste streams, which includes transport, disposal and recycling. All

economic entities, including Magyar Telekom HU, had to conclude a contract with MOHU until July 01, 2023 for the waste streams generated by the company and covered by the concession.

Accordingly, certain waste streams can only be transported from Magyar Telekom's sites by MOHU's partners. The employees of Magyar Telekom Plc. needed to be much more careful in their waste management in terms of waste sorting and collection. All employees concerned were provided with training material to help them carry out the new tasks, which facilitated collection in compliance with the legislation. The types of waste handled by MOHU were presented with photographic illustrations.

From 2021, Deutsche Telekom's member companies are also in the process of switching to a circular economy, reducing waste and thus contributing to global climate protection. Targets include increasing the take-back of mobile phones used by customers, keeping technology waste out of landfills and ensuring 100% sustainable packaging of own-brand products. Makedonski Telekom A.D.'s „eco-campaign" for mobile phones achieved outstanding success in 2023: 23% of mobile phones sold (excluding accessories) were taken back compared to the volume sold.

In order to reduce the environmental waste burden, the following measures have been taken at Magyar Telekom HU:

- the used assets are reused within Magyar Telekom, if possible, sold, rented/leased or donated to employees or external partners;
- provide for the separate collection of waste on the sites where this is possible;
- improve efficiency by reviewing contracts and collection points, carrying out inspections and communicating;
- In 2015, the DT Group-level regulation on cable waste management was published, compliance with which is ensured at Group level.

The amount and quality of waste generated de-

pends largely on ongoing telecoms projects and developments. At Magyar Telekom Plc. level, the total amount of waste increased by 1.6% in 2023 compared to the previous year, while at Group level the increase was 8%.

There is a significant increase in non-technological hazardous waste due to the purchase of disinfectant gels in connection with the pandemic, which have now expired. This type of waste is not expected to be generated in the future. Magyar Telekom transfers the hazardous waste to a business authorised to treat and dispose of it in accordance with the legal requirements.

The amount of non-hazardous technological waste has increased significantly due to the generation of waste from obsolete equipment decommissioned in connection with modernisation efforts.

The 38% increase in other hazardous waste was due to the number of waste batteries that were replaced and destroyed in 2023. Batteries play an important role in Magyar Telekom Group's uninterrupted service availability.

Paper waste decreased by 11% due to fewer document disposals and building clearances at Magyar Telekom Plc. in 2023.

In the case of municipal waste, the local public service is mandatory in Hungary, but only an estimate is available because the public service provider does not measure the amount of municipal waste it collects. The company does not transfer waste directly for incineration or composting. The disposal of the transferred municipal waste is the responsibility of the public operator. At Magyar Telekom Plc, 35% of municipal waste was collected separately.

Also in 2023, Magyar Telekom Group transferred all the technological waste generated for recycling, of which 88% was actually recovered in Hungary as a result of the current waste processing process. And 54% of all waste generated by the Magyar Telekom Group's activities was recycled.

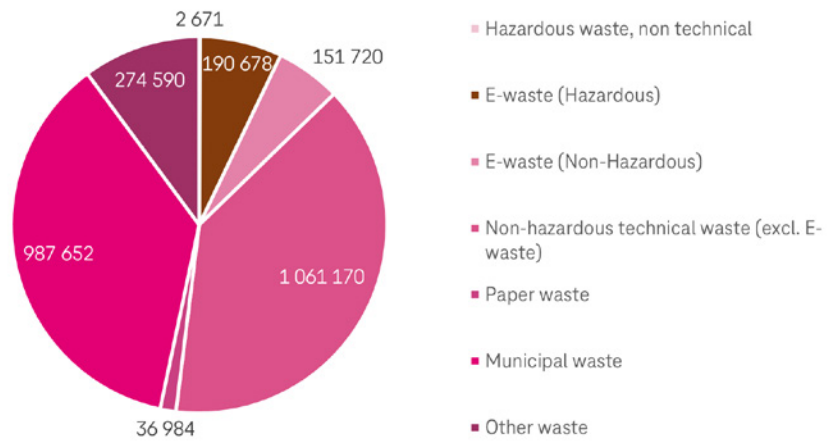
<sup>1</sup> Sustainable packaging means completely plastic-free, with boxes made from recycled paper to the extent while they still retain structural integrity, and non-toxic vegetable-based inks.



Quantity of waste generated (kg) and ratio of recycling, Magyar Telekom Group, 2015–2022

	2015	2019	2020	2021	2022	2023
Total waste [kg]	3 865 417	4 221 577	2 632 698	2 087 143	2 500 763	2 705 465
Recycled waste [kg]	528 307	973 447	776 650	906 307	1 431 096	1 452 543
Utilization rate (%)	14%	23%	30%	43%	57%	54%

Type of waste in 2023 [kg], Magyar Telekom Group



## EU TAXONOMY COMPLIANCE

The EU taxonomy aims to provide a common picture of which activities and investments are sustainable. To do this, the European Commission has defined criteria with indicators. The companies concerned are obliged to report on the share of their turnover derived from economic activities covered by the EU taxonomy. In addition, companies must disclose the extent to which they invest in these economic activities and the level of operating expenditure associated with these activities.

An agreement was reached in 2020 on which economic activities are considered environmentally sustainable under the EU taxonomy. The regulation summarised the list of sustainable activities in six environmental targets, which are:

- Mitigate climate change
- Adapt to climate change
- Sustainable use and protection of water and marine resources
- Transition to a circular economy
- Pollution prevention and control
- Protecting and restoring biodiversity and ecosystems

The EU taxonomy distinguishes between taxonomy-eligible and taxonomy-aligned economic activities. The precise list of activities that can be taxonomy-eligible is set out in the delegated legislation for the specific environmental objectives. Taxonomy-aligned activities must fully meet the criteria set out in the legislation, and it is necessary to assess whether the activity does not have a significant negative impact on other environmental objectives. The legislation also requires social safeguards to be in place so that a company can claim that an activity is sustainable.

Through a Group-wide governance system, Deutsche Telekom ensures compliance with minimum social standards for all taxonomy eligible activities. Magyar Telekom fulfils its human rights due diligence obligations by applying a risk-based management system covering both the Group and the supply chain. It also engages in a trust-based dialogue with employee representatives and trade unions.

The aggregated group figures used as the basis for the calculation according to the EU taxonomy in the reporting year were revenue of HUF 849,372 million, capital expenditure of HUF 105,114 million and indirect costs of HUF 205,889 million.

Revenue and capital expenditure are determined on the basis of the consolidated accounts. In accordance with EU taxonomy rules, the disclosure of capital expenditure is not part of the taxonomy-eligible capital expenditure plan for the expansion of economic activities (CAPEX). Operating costs relevant to the EU taxonomy represent a small proportion of total operating expenditure. They include costs related to research and development; measures to remediate buildings; short-term leasing; maintenance and repair; and all other direct expenditure related to the day-to-day maintenance of property, plant and equipment.

As Magyar Telekom's core business is not yet adequately covered by the criteria in the EU taxonomy an aggregate view of the taxonomy eligibility of all economic activities results in 2023 in very low proportions of taxonomy-eligible revenue (2.17 percent), capital expenditure (0.19 percent), and operating expenditure (0 percent).

In the 2023 financial year, the taxonomy-aligned proportion of all economic activities of the Magyar Telekom Group was 0.01 percent of revenue, 0 percent of capital expenditure, and 0.16 percent of operating expenditure.

The disclosure required by the Taxonomy Regulation is provided in the Annexes.

A woman with long dark hair, wearing an orange sweater, is sitting at a desk and smiling while looking at a tablet. The background shows a modern office environment with other people working. A white mug is on the desk next to her. The word "DIGITIZATION" is overlaid in large white letters across the center of the image. There is a solid pink rectangle in the top left corner.

# DIGITIZATION



# DIGITIZATION

## STRATEGIC OBJECTIVES (2021–2030)

### Digitization of Hungary

In order to achieve the goals of the Digital Decade 2030 Policy Program (hereinafter: Policy Program), set out by the European Parliament and the Council in December 2022, Hungary's National Strategic Roadmap has been prepared, which contains detailed measures to promote digital development and strengthen the digital economy. The Policy Programme aims to create new opportunities for citizens and businesses in terms of a reliable and secure digital infrastructure, digital transformation of businesses and access to digital skills by 2030, including through the following objectives:

- every household in Europe should be covered by a gigabit network and 5G coverage should reach all populated areas
- 75% of European businesses should use cloud services, big data and AI and at least 90% of European SMBs should achieve at least basic digital intensity
- 20 million employed ICT professionals, with a convergence of the share of women and men
- 100% of key public services should be available to European citizens and businesses online

The strategic objectives of Magyar Telekom Plc. contribute to the fulfilment of the Policy Programme and the National Strategic Roadmap of Hungary, and to the achievement of the objectives of the digital transformation of the country. In the long term, state-of-the-art infrastructure is essential to enable homes and businesses to be successful players in the digital transformation. In this context, on September 05, 2023, the Government of Hungary and Magyar Telekom Plc. signed

a Joint Declaration confirming that the company will continue its long-term cooperation for Hungary's digital transformation. The development of fixed and mobile infrastructure contributes to the improvement of digital skills, fostering businesses' competitiveness, integrating digital solutions, encouraging greater use of emerging technologies, strengthening research, development and innovation, and increasing the uptake of data-based solutions. Under the Joint Declaration, Magyar Telekom Plc. commits to deploying a fixed line network with gigabit bandwidth covering an additional 1 million households within four years. By that, Magyar Telekom Plc. will provide 4.5 million Hungarian homes and businesses with access to a fixed gigabit-capable network infrastructure by the end of 2027. It will also accelerate the roll-out of 5G coverage, increasing outdoor 5G coverage to nearly 99 percent of the population by 2026.

### ACHIEVEMENTS IN 2023

#### Fixed-line and mobile network development

Magyar Telekom Plc. continued its multi-year fixed and mobile network modernization programme in 2023, which aims to modernize, maintain and improve service quality and increase capacity in line with the continuous growth in voice and data traffic demand from its customers.

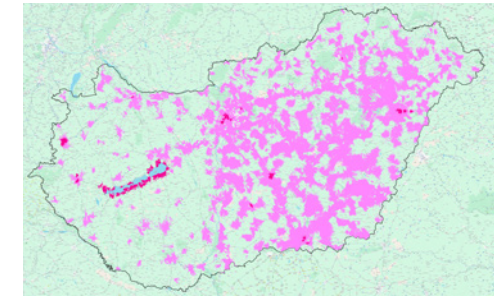
In 2023, Magyar Telekom Plc. added 200,000 new gigabit-enabled access points to its existing fixed network, bringing the total number of gigabit-enabled access points to more than 3.6 million. A total of 80% of the fixed network is gigabit-enabled. The focus of the company's unwavering commitment remains the ambition to deliver stable connectivity and an outstanding customer experience. As a result, 50% of Telekom's customers already opt for gigabit-capable packages.

In terms of mobile network development, the modernization programme continued, with the

aim of making the entire 4G network 5G-capable. As part of the overall programme, the modernization of mobile base stations covers not only active and passive radio equipment, but also the infrastructure necessary for their deployment and operation. The replacement of this equipment with their more modern counterparts in itself create additional capacity, which could lead to technological advantages accessible by modern devices, more reliable service and lower energy consumption.

In doing so, Telekom is creating technological capabilities that allow for immediate or future service expansion at the given stations and nationwide. The flexibility of a more modern network lays the ground for the ability to respond more quickly and in a more customised way to customer needs. The upgraded towers have been selected on the basis of customer needs and from a range of base stations serving the busiest areas. A significant number of the modernised stations also received capacity upgrades. Telekom's 5G technology is available at 700 MHz, 2100 MHz and 3600 MHz, with the upgrades typically extending 5G coverage on the 700 MHz frequency. By the end of 2023, Telekom had upgraded 80% of its mobile network, resulting in outdoor residential 5G coverage reaching 65%. From June 2023, the company's 5G network is now available in

Budapest, county capitals, numerous other towns and villages, and around Lake Balaton, Lake Velence and Lake Tisza, and it automatically made 5G available for several months to its customers with mobile internet service and 5G-enabled devices. Further information: 5G network - Magyar Telekom Group  
Current coverage is available at the following [website](#).



#### Availability of services

Magyar Telekom Plc. ensures the rights of its customers regarding the availability of the service and the elimination of errors based on preliminary information provided to customers regarding the summary of customer contracts and based on the General Terms and Conditions (GTC) available both on its website and at customer services.

Annual service availability (%)	2018	2019	2020	2021	2022	2023
Cable television analogue/digital	99.98/99.50	99.98/99.82	99.99/99.82	99.982	99.98	99.98
SatTV	99.91	99.919	99.928	99.935	99.941	99.941
IPTV	99.84	99.896	99.904	99.906	99.915	99.893
Fixed line internet (ADSL/GPON/CableNet)	99.90/99.95/99.92	99.93/99.96/99.94	99.93/99.96/99.94	99.94/99.97/99.96	99.95/99.97/99.96	99.93/99.97/99.95
Mobile internet (2G/3G/4G)	99.893	99.878	99.87	99.866	99.921	99.953
Telephone/VoIP/VoCa	99.94/99.93/99.95	99.93/99.95/99.95	99.94/99.96/99.96	99.95/99.96/99.97	99.95/99.97/99.97	99.96/99.97/99.96
Mobile telephone (2G/3G/4G)	99.906	99.878	99.873	99.889	99.906	99.949

## SAFE MOBILE USE, ELECTROMAGNETIC FIELDS

In order to ensure that the needs of Hungarian and Macedonian mobile subscribers are served to a sufficiently high standard by mobile telecommunications networks, UMTS licences were allocated by tender among Hungarian operators in December 2004 and Macedonian operators in June 2009. In December 2011, Magyar Telekom Plc. also obtained the right to introduce the LTE service, which was commercially launched in 2012. By the end of 2017, the frequency usage rights acquired in the 800 MHz band enabled almost 100% of the country's population to use Magyar Telekom Plc.'s LTE service. In March 2020, Magyar Telekom Plc. acquired rights in the 700 MHz and 3.5 GHz frequency bands, which enabled the launch and the continuously expanding roll-out of 5G services.

The developments needed to provide 5G services have raised the interest of communities in electromagnetic fields, which increases the importance of a corporate strategy to address the issue.

In Hungary, the limits for electromagnetic fields are set according to the ICNIRP (International Commission on Non-Ionising Radiation Protection) guidelines, which are based on the practice of several European countries and the European Commission Recommendation 1999/EC/519. As a result of the Hungarian decree (Decree 63/2004 (26.VII.) ESzCsM), which came into force in August 2004 on the basis of the ICNIRP guidelines, the legal situation in Hungary is in line with the EU regulations on electromagnetic fields.

As part of Magyar Telekom Group's general training programme, all new employees can also receive information on electromagnetic field issues during their mandatory onboarding training. Customers can find detailed information on this topic on the Health and Safety [page](#). Within Deutsche Telekom Group, issues related to electromagnetic fields (EMF) are addressed by the EMF-related objectives, the so-called EMF policy recommendations, with an emphasis on transparency, information provision, support to and participation in research.

In support of preventive measures, both Magyar Telekom Plc. and Makedonski Telekom have established a

dedicated EMF working group, which continuously monitors domestic and international research and events related to electromagnetic fields, and answers questions raised by authorities, citizens and employees. Further information on the T-Mobile International EMF policy recommendations adopted by Magyar Telekom Plc. can be found in English on Deutsche Telekom's [website](#). The EMF policy has also been adopted by Makedonski Telekom. The policy sets out principles for the responsible use of mobile telecommunications technologies. In the document, we commit to greater transparency, provision of information and participation in the respective appropriate processes.

## EMF measurements

In 2023, Magyar Telekom Plc. carried out electromagnetic radiation measurements at 11 stations after modernization and contracted periodic measurements at 5 stations. The measurements complied with the relevant radiobiological limits in all cases.

Name of station	Date of measurement	Reason
<b>Investment</b>		
Árpádföld 4	2023.12.14	measurement after modernisation
Balatonakarattyá 3	2023.11.07	measurement after modernisation
Bárdudvarnok 1	2023.11.07	measurement after modernisation
Békásmegyér 2	2023.05.22	measurement after modernisation
Békásmegyér 3	2023.05.22	measurement after modernisation
Budafoke 1	2023.11.06	measurement after modernisation
Drégelyvár u 1	2023.02.02	measurement after modernisation
Ilonatelep 1	2023.12.08	measurement after modernisation
Madárhegy 1	2023.04.28	measurement after modernisation
Rákospalota 3	2023.12.08	measurement after modernisation
Széna tér 2	2023.05.18	measurement after modernisation
<b>Operation</b>		
Kőszeg 5	2023.01.25	contracted periodic measurement
Órmező 2	2023.04.18	contracted periodic measurement
Hajdúböszörmény 8	2023.06.20	contracted periodic measurement
Virányos 1	2023.09.26	contracted periodic measurement
Balatonfüred 1	2023.10.12	contracted periodic measurement

## Mobile network, network development

At base stations, it is standard practice to install radio equipment in such a way that, as far as possible, workers are not allowed to be in the area in front of the antennas, work cannot and should not be carried out in this zone, and transit routes do not cross this area.

If, under some particular special circumstances, it is still necessary to pass or work in front of the antennas, the values of safety distances are available. If necessary, it is also possible to carry out measurements on site or, if justified, to temporarily relocate the antennas or reduce the transmission power accordingly. If employees working in the vicinity of the antennas encounter an unknown radiofrequency source, they use their RADMAN personal radiation detectors to determine the boundary of the safety zone, thus avoiding any health risks that may arise. The compliance of the mobile network of Magyar Telekom Plc. with the current legal limits is verified and certified by independent agencies, if necessary.

The company follows the processes required by the relevant regulations and consults and cooperates with stakeholders before each base station or tower installation. Where there is a need, it strives to reach an agreement through a public forum held with the participation of residents affected.

## Communication

Despite the fact that Magyar Telekom Plc. always remains below the limits set by the ICNIRP guidelines - both for handheld devices and base stations - it considers it important to inform its employees and customers alike.

In 2023, there were also several meetings with the expert colleagues of the National Media and Communications Authority to provide data for their measurement needs.

In addition to internal communication, Magyar Telekom Plc. was open to answer all inquiries related to safe mobile use in 2023, too.

SAR values for handsets can be found in the user manuals in the boxes of the handsets and are also available in Telekom shops.

## Research

In civilised society, the use of equipment emitting non-ionising electromagnetic radiation, including mobile communication devices, satellite and terrestrial television/radio broadcasting equipment, cannot be eliminated, thus environmental and public exposure is expected to continue to rise. The World Health Organization (WHO) and several international organisations and research groups are investigating the impact of technological developments on human health.

The supposed health effects of mobile telephony have been researched and analysed for more than thirty years. To date, scientific research has failed to demonstrate that mobile telephony has any negative health effects on the human body. The largest such study to date, the WHO-IARC (International Agency for Research on Cancer) INTERPHONE project involving 13 countries, was completed in 2011. Following the INTERPHONE project, the WHO-IARC classified radiofrequency electromagnetic fields as a possible human carcinogen, Group 2B, on May 31, 2011. According to the WHO-IARC Task Force Chair, „the evidence is strong enough to support classification 2B and the conclusion that there may be some risk. Therefore, the link between mobile phones and cancer risk needs to be further investigated.”

Currently, agents classified in Group 2B include black coffee, petrol, petrol engine exhaust, nickel and its alloys, talcum powder, magnetic fields at power frequencies and mobile phone use. Magyar Telekom Plc. has indirectly contributed to the progress of independent research on the health effects of mobile networks through its membership of the GSM Association.

All Deutsche Telekom Group companies are committed to supporting independent research that increases knowledge about the effects of electromagnetic fields. Deutsche Telekom Group is one of the world's largest contributors to such research.

### AGILE PRODUCT DEVELOPMENT FOR MIDDLE AND LARGE BUSINESSES

As of February 01, 2023, Magyar Telekom Group serves its medium and large corporate customers under the Telekom brand name, and T-Systems Hungary Ltd. Co.'s new name is Telekom Rendszerintegráció Ltd. Co. Following the change, Magyar Telekom's mid and large corporate customers are provided telecommunications and IT services under the Telekom brand name, on a monthly fee basis, from a single provider, while the individual system integration needs of domestic enterprises are served by Telekom Rendszerintegráció Ltd. Co.

The primary aim of the transformation was to unlock the potential for innovation: to create an agile, start-up-like operation. T-Systems Hungary Ltd. Co. established the E2E (end-to-end testing) product development process for efficient idea management, incubation and dynamic product development. On the one hand, product development is based on the company's existing and under-utilised products and product development experience, with a focus on real customer needs, and on the other hand, independent new innovation ideas are supported and efficiently implemented, under close financial control. The competences of the different units are supported by a knowledge-based development process, the Idea Management Team and a network of Subject-matter Experts.

In the framework of E2E product development, which ensures an ownership approach throughout, the development of the ideas received is supported by incubation, and the creation of pilots and product prototypes is supported by start-up-based operations. The new approach is that the project is based on a specific market need at the start of product development, validated by continuous customer feedback and sales commitment. The prototypes produced feed back into the

process of identifying customer needs as precisely as possible, so that a specific sales target can be defined at the end of product development. The method minimises risks and optimises costs, resource use.

The Investment Committee has become the main resource allocation body, with experts from finance, accounting and controlling as permanent participants, in addition to the professional, strategic and commercial areas. The Investment Committee decides on the launch of pilots, PoC (Proof of Concept) projects and the allocation of OPEX and CAPEX resources on the basis of proposals from the Idea Management Team. As part of the E2E process, all departments in the company work together to maximise the innovation potential. Sustainability is given high priority in product development.

### INNOVATION PROJECTS AND PRODUCTS IN 2023

#### NB-IoT Thermometer

Office and workplace temperature measurement and control is a key task for companies to meet sustainability targets. They are supported in this by Telekom's NB-IoT thermometer, which helps to save energy and is a new, cost-effective form of temperature measurement. Thanks to the special network provided by the solution, the thermometer's data communication is highly reliable and secure, the analysis of the measurements can be linked to the existing building management system on demand, and a multi-sensor version with humidity sensor can be added. The measured temperature data can be easily viewed on Telekom's own web interface and allows the business owner to monitor the office/work temperature remotely.

You can read more about the solution [here](#).

#### 4G/5G Campus Network

In parallel with the roll-out of the 5G network, the demand for fast and secure private mobile network access in the corporate environment is also steadily increasing, so Telekom also offers its business customers a Campus Network private (non-public) mobile network as a commercial service, which provides fast and flexible network connectivity disconnected from the public network. This helps to avoid unwanted interference between commercial and residential activities. The Campus Network solution is a mobile data communications service for a well-defined geographic area that provides a suitable basis for Industry 4.0 solutions.

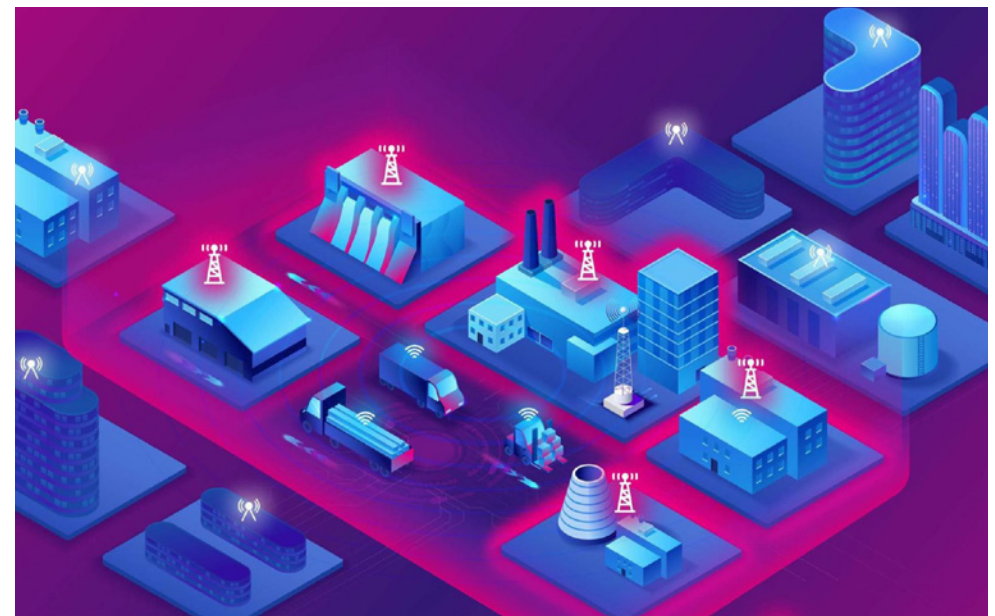
Campus networks are exclusive mobile networks for industrial sites or office buildings, for example. The design allows devices to use the network capacity independently of other - public - users,

as the campus network gives the user exclusive use, so they do not have to share resources. This guarantees the functionality essential for modern business processes and innovative Industry 4.0 applications.

A special example of the campus network solution was the 2023 Blue Ribbon Sailing Race, where for the first time in Hungary a 5G Campus Network was used to broadcast a sports event, which was followed online in real time by nearly 62 000 fans. The private 5G network for live streaming was provided from 5 motorboats over a water surface of about 600 km<sup>2</sup>.

In addition, in 2023, three festivals, Sziget, Balaton Sound and Strand Festival, were running Telekom 5G Campus Network solutions for credit card payments.

More information about the solution is available [here](#).





### Energy management at its most efficient form: Telekom Smart Energy software

Telekom's Smart Energy software, which combines a smart approach to energy consumption and production with real-time data collection and efficient forecasting, can also make a significant contribution to companies' sustainability and climate goals. The software not only provides data on equipment, but also collects real-time consumption and production information, enabling customers to understand their energy usage accurately.

What is special about Telekom Smart Energy is that it not only collects data passively, but also actively predicts electricity consumption and production. It does this based on previously recorded data and information gathered by the software, helping customers optimise their energy use and reduce their costs.

The solution also plays a prominent role in supporting financial decisions by accurately calculating energy costs based on the data collected and the customer's electricity tariffs, enabling decision makers to make informed, data-driven decisions in financial planning and energy strategy.

The reporting feature allows detailed financial and energy reports to be generated, giving customers an overview of their costs and consumption, enabling them to use energy more efficiently and develop more sustainable business strategies.

### Hosting

Telekom's physical and virtual hosting solutions enable companies to optimally scale their IT capacities and thus save significant energy. The solution is highly flexible: in case of change requests, customers can receive a quote within 24 hours via Telekom's online hosting platform instead of a lengthy procurement process, allowing them to expand the IT infrastructure they really need in the shortest possible time and in the most efficient way.

### DIGITAL SKILLS DEVELOPMENT

Magyar Telekom HU, as a responsible service provider, plays a role in creating equal digital opportunities for the Hungarian society. It addresses social problems that prevent people from having equal access to the opportunities offered by the digital world. It does this in a way not only engaging them in this world, but also by guiding them to see the opportunities and the threats. Its initiatives pay particular attention to the online and physical safety of children. The effort to improve digital literacy also aims to promote the digital transformation of businesses and encourage the development and take-up of digital solutions and technologies. Magyar Telekom HU also supports the promotion of R&D and innovation activities of educational institutions and research centres.

### „Be part of Generation NOW!”

The „Be part of Generation NOW!” program launched in 2019 is one of the initiatives to achieve digital skills development goals. Magyar Telekom considers it important that older people should have access to the opportunities offered by digitalisation, but knows that most of them need support and guidance to do so. In line with this thinking, it has developed a program of digital awareness for members of senior citizens' communities in cooperation with secondary schools, conducted as part of the school community service.

In 2023, the „Be part of Generation NOW!” initiative was available in schools in 16 cities across the country, and with the introduction of online tutoring, anyone could join without geographical barriers. The programme reached a total of 443 000 people, 485 secondary school students participated in conducting face-to-face sessions and preparing online learning materials, and 20 740 retired people studied the materials through face-to-face sessions and online platforms.

### Netrevalók

In October 2023, Magyar Telekom Plc. in cooperation with the Szabó Ervin Library of Budapest (FSZEK) launched the renewed version of the „Be part of Generation NOW!” programme called Netrevalók, in the framework of which secondary school students introduce older people to digital solutions that can provide real help in their everyday lives, in library sessions tailored to their own level of knowledge and interest.

The renewal of the programme was necessary because previous experience had shown that in order to bring young and old together, a permanent physical space was needed that was easily accessible to both ages and where both felt at home. This common meeting point is provided by libraries: on the one hand, many children and the elderly are library users, and on the other hand, Szabó Ervin Library of Budapest has been organising basic Internet training courses for two decades now, which have already been attended by thousands of people, mainly the elderly, initially with the help of librarians, but in recent years increasingly with the involvement of community service students. The FSZEK has been working with edu-

cational institutions on school community service for 10 years and this year has already partnered more than 220 schools.

The free Netrevalók sessions take place once a month, on the second Wednesday of every month, at a fixed time in 24 designated libraries in Budapest, where students cover topics such as social media use, e-books, internet safety, online communication and administration, entertainment, hobbies, transport, travel planning, photo editing and digital photography, health and sport. During the sessions, topics of interest to older people are explored together with young people online, using the smart devices that older people often carry in their pockets, but do not yet know all their potential. The ambassadors of the programme represent the two generations targeted by the initiative, Judit Endrei, a retired television personality, and Dániel Ungvárszki, aka Ungdani, a popular young influencer.

Following the launch of Netrevalók in October, the online campaign reached 18 110 people, with 50 students and 92 seniors participating in face-to-face sessions in Budapest libraries.



### Digital class trip

For Magyar Telekom Plc. it is important to show the opportunities offered by the digital world not only to the elderly, but also to young people in education, because it believes that the use of digital tools can make teaching and learning more enjoyable. As part of this, the company has organised, as in previous years, digital class trips for schools in disadvantaged municipalities in the first half of 2023, with the full cost of the trips covered by the company. In addition to the robotics programmes at the Edu&Fun Digital Experience Centre, the children were given the opportunity to learn how to install smart devices, set up a wifi password, try on VR glasses, visit Telekom's network operations centre and were introduced to Vanda, Telekom's virtual assistant, in a playful digital education session at the Future Zone in Magyar Telekom HU's headquarters. The programme was enriched by a full day of digital games featuring Sesame, Telekom's treasure hunt app.

A total of 150 children participated in the 5 class trips organised in the first semester of 2023, and gained a wealth of experiences and new knowledge.

Since autumn 2023, the digital class trips have continued with the Edu&Fun Digital Experience Centre, as part of the **Hello Parent platform**.

### TALENT MANAGEMENT

In 2021 Magyar Telekom Plc. entered into a strategic cooperation agreement with the Puskás Tivadar Technical School of Telecommunications and Information Technology of Budapest, the Kandó Kálmán Technical School of Information Technology of Miskolc and the Széchenyi István Technical School of Székesfehérvár. The aim of the cooperation is to help the company update educational materials as far as possible and to support

the partner institutions in promoting telecommunications professions. As part of the agreement, Telekom will also provide student work placements for students from the institutions.

Magyar Telekom also has cooperation agreements with several technical universities, such as Széchenyi István University, where it provides the dual electrical engineering faculty's apprenticeship, and the Faculty of Electrical Engineering and Information Technology of the Budapest University of Technology and Economics, where it is part of the plant engineer-IT cooperative training to enable students to learn the practical part of their future profession under the guidance of experienced professionals. And in December 2021, the „Deutsche Telekom Group IT External Department” was established at the University of Óbuda, which is a joint educational platform of Deutsche Telekom IT Solutions and Magyar Telekom.

A total of 90% of the first class of the Kickstart career programme launched by Magyar Telekom in 2020, i.e. 18 people, continued their careers in full-time positions at Magyar Telekom. In September 2021, 22 higher education students joined the second class of the programme, while the third class started with 27 participants and the fourth class, in 2023, with 30 participants. During the one-year programme, the trainees will participate in professional, soft-skills and design thinking training sessions, working on joint six-month project assignments in all areas of the company, using the agile methodology, thus strengthening the ability to work in cross-functional teams, which is increasingly important today. Joint project assignments are based on real business needs, reinforcing the relevance of the programme.

Magyar Telekom has re-opened the 24-hour trainee hiring initiative in 2023. In the unique selection process, the company recruited 30 talented young people out of more than 300 applicants in one day. In the spring of 2023, the „Own your ma-

genta career” internal career day was held again, giving trainees the opportunity to learn more about the job opportunities within the company, while inspiring them with presentations encouraging them to take the first step towards the next stage of their career.

### TELEKOM KRAFT

Telekom Kraft, which was launched in March 2020, gives young people the chance to demonstrate their skills. On the one hand, it does this through the KraftRoad programme, which helps participants to design and develop their own projects through training and events. But young people cannot only present ideas, they also have the opportunity to participate in various Telekom projects and thus gain professional experience: for example, the work of a talented young person who has since become a Kraft graphic designer was placed on the wall of a Telekom store, and a young, freshly graduated director contributed to several Kraft films.

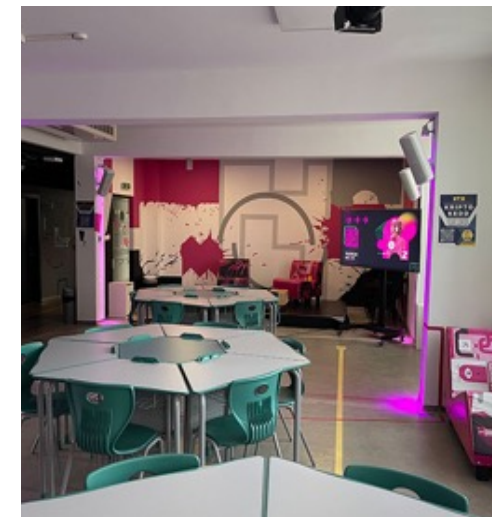
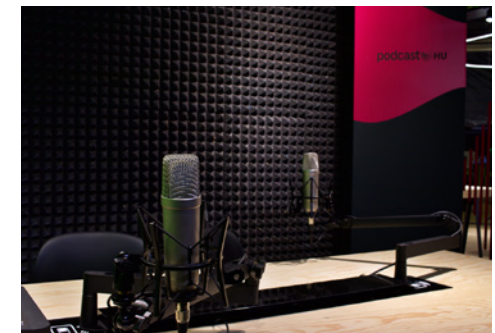
### Debrecen KraftLab community creative space

KraftLab, Telekom's community creative space in Debrecen, opened in September 2021, providing young people with opportunities and tools for their development, allowing them to experiment without risk and to use digital tools and the possibilities of the digital world for their own development, alone or in collaboration with each other. To do this, they have a range of tools at their disposal, from video studios to podcast studios and programmable robotic arms.

**In 2023, the community space ran again a full house, with nearly 3,500 visitors.** This was the number of people who used the Podcast, Video and Music rooms, who organised programmes and events in the KraftLab and attended events organised by Telekom.

### Arena mall hybrid shop

In December 2023, Telekom's completely renovated store reopened in the Arena Mall in Budapest. The Telekom Arena Shop has been significantly enlarged to include a studio for recording and streaming audio and video, a 20-seat event hall and a point of sale. The new space can be booked free of charge for workshops, events, vlogs or podcasts, after registration.



## EDUTAINMENT, INSPITAINMENT

### Hello Parent digital platform for parents

Magyar Telekom launched its new platform for parents and families in mid-October 2023, under the title of Hello Parent, which aims to serve as a versatile, continuously expanding digital knowledge repository for families. A platform that helps them to navigate the ever-changing modern world and, among other things, to better understand and use digital opportunities in their everyday lives.

The platform addresses a myriad of family issues, dilemmas and taboos, and offers a wealth of methods, practical knowledge, articles, interviews, podcasts, video content, and Telekom commercial topics and propositions, organised around four themes: staying safe online, smarter everyday, learning and development, happy family.

The themes of the previous I am a Digital Parent initiative were also integrated into the Hello Parent platform, including the cooperation with the Hitalovon Foundation, where representatives of the Foundation participate as experts in the development of the Hello Parent platform content, and a child protection workshop was held for the stakeholders who shape the Hello Parent platform and produce content for it. Since its launch, the Hello Parent platform has had nearly 130,000 visitors by December 31.

One of the key partners of the platform is the Edu&Fun digital experience centre. Within the framework of this cooperation, it is possible to apply through the site for programmes aimed at young people and digital learning and development. Since the launch of Hello Parent until the end of 2023, a total of 200 students participated in such programmes.

### Hello Parent Roadshow

In connection with the launch and promotion of the platform, Telekom held roadshow sessions in Debrecen, Szeged and Győr in the autumn of 2023, where they explored the topics presented on Hello Parent with the help of professionals working with children, young people and families. **The roadshow was attended by around 150 participants.**

### Hello Business

The Hello Business programme helps small businesses in Hungary navigate the maze of administration, workforce management, marketing, sales and finance. The initiative provides practical news and information in video and written formats on the Hello Business website. The programme's Facebook page already has 34,000 followers thanks to the continuous production of content. In addition, a dedicated Facebook group with twelve experts helps SMBs with their tax, legal, marketing and other questions.

### Hello Business Plan D

In the summer of 2021, a digitalisation programme to support the digital development of Hungarian SMBs was launched on the Hello Business education platform under the name Plan D. The epidemic in 2020 showed that digitalisation can be not only a way to proceed under difficult circumstances, but often the only way: entrepreneurs now know how important digital tools and solutions are, but not all small businesses are confident in using them, and some still have reservations about them. Telekom Hello Business Plan D provide businesses with easy-to-use, replicable

practical guides and proven, ready-to-use digital case studies, which are available free of charge to anyone on the programme's website. The success of the programme is demonstrated by the fact that since its launch, more than 21 000 Plan D templates had been downloaded by December 2023.

### Mobile Professors

Mobile Professors in the Telekom shops are ready to help all customers with information about devices and services. They also explain how and what to use the Internet for, and how it can help you in everyday life (administration, shopping, banking). The Mobile Professors also share their knowledge online: the Mobile Professor blog about the latest technical achievements, devices, useful information and interesting facts can be found on [Telekom's Facebook page](#).

### Telekom Forum

[Telekom Forum](#) is a community platform where existing or prospective Telekom customers can discuss and exchange information about Magyar Telekom's services, as well as get information on a variety of topics related to internet, smart device and content usage. It's worth a visit for everyone: many questions can be answered by those most knowledgeable: the users. The platform is moderated by experts from the company.

### Teachtoday – Telekom stands up for internet awareness

As a responsible large enterprise, Magyar Telekom's task is to help people use the Internet safely. Through the initiatives and programmes mentioned above, it aims to ensure that all age groups make smart and informed use of the opportunities offered by the digital world and to close the digital divide between different areas of the country. One of these initiatives is Deutsche Telekom's Teachtoday programme and platform, launched in November 2017, which Magyar Telekom also joined. The articles here are tailored to everyday life situations, tracking and explaining young people's internet usage habits, taking into account their different needs and life circumstances. The platform offers practical tips and solutions for parents, children and teachers on current topics such as data protection, Big Data, social networks, mobile use and popular apps. The topics are addressed in various formats: case studies, interviews, tips, infographics, magazine, games. The site also offers media-competence tests for two age groups.

In 2023 Magyar Telekom's digital responsibility programmes reached more than 2 million people nationwide.



## PROTECTING CHILDREN IN THE DIGITAL WORLD

Magyar Telekom is committed to supporting the safe consumption of content by children and their parents. It aims to ensure that all children and minors have access to the information they need in an enjoyable and safe environment. Magyar Telekom's Child Protection [website](#) helps children and their parents to prepare themselves for the threats of using digital interfaces by providing verified content, advice and education for children.

### Be safe while browsing the net!

Magyar Telekom firmly believes that all children have the right to benefit from the achievements of technology, to use the opportunities of digitalisation to live a better life, develop and succeed. Its aim is to ensure that children have the widest possible access to information, freedom of expression, privacy and equal treatment, at the same time it feels responsible for ensuring that they do so safely, behave appropriately online and do not become victims in any way.

### What does Magyar Telekom do?

It ensures all children have access to technology and a safe, age-appropriate online environment to minimise risks.

- In the shops, Mobile Professors provide technical assistance in setting up security features and installing content restriction software on the devices.
- The company sells devices with default high privacy settings.
- It keeps children's rights in mind when designing, developing and implementing products and services.
- It also provides parents with an easy-to-follow, illustrated guide to the security settings of the devices (phone, tablet, PC/laptop) used by children on the website [tudatosdigitalis.hu](http://tudatosdigitalis.hu).

It shares educational material on its online platforms to promote safe internet use and quality online content consumption.

- The company regularly participates in centrally organised programmes aimed at creating a safe environment and promoting digital literacy (e.g. Digital Theme Week).
- It supports parents in keeping their children safe online through the [Hello Parent](#) platform, including the distribution of educational materials.
- It provides educational materials for home and school use (e.g. AwareNessi publications, child protection e-learning)



A hand is shown holding several colorful paper cutouts of human figures in various colors (yellow, green, blue, orange, purple, pink). The background is a blurred indoor setting with a pink overlay. A solid pink square is in the top left corner.

# **DIVERSITY AND EQUAL OPPORTUNITY**

# DIVERSITY AND EQUAL OPPORTUNITY

5

GENDER  
EQUALITY

## APPLICABLE POLICIES AND GUIDELINES

### Code of Conduct

The rules and guidelines contained in the [Code of Conduct](#) apply to all employees of Deutsche Telekom Group and Magyar Telekom Group. In addition, the Code applies to all persons who are employed in a functionally equivalent way to employees, including, for example, leased labor force. It summarises the obligations of legal compliance and ethical conduct that ensure that Deutsche Telekom and Magyar Telekom Group are a transparent and monitorable company for all. Deutsche Telekom and Magyar Telekom Group therefore expects its suppliers and consultants to respect the standards of conduct set out in the Code of Conduct and will endeavor to contractually commit them to do so.

### Code of Human Rights and Social Principles

Magyar Telekom Group's [Code of Human Rights and Social Principles](#), as well as its Equal Opportunities Plan in force at any given time, set out the Group's general human rights principles and the provisions for the implementation of these principles. Magyar Telekom Group's decision-makers are aware that the diversity of the workforce is a prerequisite for sustainable and equal opportunities-based operations, while at the same time it represents a competitive advantage and increases business effectiveness.

The Code of Human Rights and Social Principles has been developed in accordance with the following international norms, guidelines and standards:

- basic international human rights treaties
- the core conventions of the International Labour Organisation
- the OECD Guidelines
- the UN Global Compact
- the International Labour Organisation's Trilateral Declaration on Multinational Enterprises and the Principles concerning Social Policy (Multinational Enterprises Declaration)
- the UN Guiding Principles on Business and Human Rights

### Group Policy on diversity, equal opportunities and inclusion

As an affiliate of Deutsche Telekom Group, Magyar Telekom Group renewed its diversity, equal opportunities and inclusion policy in December 2021, which remains unchanged in 2023. The [renewed policy](#) sets out their global vision for diversity, equal opportunities and inclusive interactions in their employee relations, with the aim of providing a consistent working, learning and development experience for all employees across the Group and fostering a sense of inclusion, acceptance and inclusion. The key elements of the renewed policy detail and clarify the company's views on diversity, equality and inclusion and cover all relevant aspects of the whole employee lifecycle related to company culture. It also extends to the Group's social and business responsibility by setting out a global framework for an equal opportunities and inclusive workplace, respecting the flexibility to adapt to different local regulations, legal contexts and cultural imperatives according to cultural and local specificities.

### Supplier Compliance

Magyar Telekom Group expects its business partners to be committed to respecting human rights. Magyar Telekom HU's supplier partners are required to register their business online in the Group's Procurement and Logistics Hub before being awarded a contract. (More detailed information can be found in the Suppliers section of the Stakeholders chapter.)

### Employee relations policy of Deutsche Telekom Group and Magyar Telekom Group

Digitalization, globalization and the opening up of markets have increasingly led to a world of knowledge-based work. New forms of collaboration and networking are changing communication, public impact, reputational and compliance challenges, and other key elements of corporate governance. The company has recognised the need to redefine the characteristics of the shared values that characterise its employee relationships in order to provide a consistent workplace experience for all its employees. As an affiliate of Deutsche Telekom Group, Magyar Telekom Group renewed its Group Policy on Employee Relations in December 2021. The [renewed policy](#) sets out the key elements of the people policy and lays down the values that characterise the relationship with employees. These values are derived from Deutsche Telekom's shared set of values and other corporate rules and policies. Sustainability is a key driver of this Group Policy and details the industry-relevant aspects of employee life.

### Equal Opportunities Plan

Magyar Telekom Group's priority is to ensure non-discrimination and equal opportunities in the workplace. Based on the possibility provided for in Act CXXV of 2003 on Equal Treatment and the Promotion of Equal Opportunities and the Group's practice introduced since September 2010, the Company has adopted an Equal Opportunities Plan for the fifth time in cooperation with the employee representative bodies in order to respect the principles of equal treatment, promote equal opportunities and monitor and improve the employment position of specific disadvantaged groups of employees. The current [Equal Opportunities Plan](#) of Magyar Telekom HU covers a five-year period.

In implementing the plan, the company plans measures to continuously improve the situation of disadvantaged groups of employees, in particular women, employees with families, employees on parental leave, employees with reduced working capacity or disabilities, young people starting their careers and employees over 50 years of age. The progress of each action and the results of the action plan is discussed once a year between the equal opportunities unit of the company and the employee representative bodies. A number of employee surveys are carried out each year to help ensure that improvements are tailored to current employee needs and requirements. The action points of the Equal Opportunities Plan have been set out in a way that is aligned with and complementary to the objectives of the diversity pillar of the Sustainability Strategy.



### European Union Diversity Charter

In 2016, Hungary joined the European Union's [Diversity Charter](#), and Magyar Telekom Plc. was one of the 50 signatory companies to declare its commitment to diversity as a core value. Every year thereafter, including in 2023, it was among the signatories.

### UN Guiding Principles on Business and Human Rights

In the spirit of the United Nations "Guiding Principles on Business and Human Rights", Magyar Telekom Group considers the principles set out in the International Bill of Human Rights and the International Labour Organization's (ILO) "Fundamental Principles and Rights at Work" to be binding on the Group in relation to its commitment to human rights.

### UN human rights treaties ratified by Hungary

As a business registered in Hungary, Magyar Telekom operates in accordance with the human rights principles guaranteed by the UN conventions ratified by Hungary.

In 2009, the company joined the [UN Global Compact](#) initiative and committed to the 10 principles in the areas of working conditions, environmental protection and anti-corruption. All its actions to promote equal opportunities for women and men will be guided by the principles of the next Global Compact:

- (1) Promotion of and respect for internationally proclaimed human rights
- (2) Ensuring that human rights are not violated in their activities
- (4) To eliminate all forms of forced and compulsory labour
- (6) Elimination of discrimination in respect of employment and occupation

### Applied review procedures

Magyar Telekom Group's Code of Conduct summarises the Group's corporate compliance requirements, sets out the Group's shared values and is also an underlying factor in Telekom's strong position, reputation and successful future. The Code of Conduct applies to everyone within Magyar Telekom Group, from employees to members of the Board of Directors. Furthermore, Magyar Telekom Group's contractual partners must also acknowledge and accept these values when registering on the procurement website.

As a member company of Deutsche Telekom, Magyar Telekom Group participates annually in the parent company's internal compliance review process on human rights and social principles. As of 2017, Deutsche Telekom's principles are set out by the Code of Human Rights and Social Principles, the Group Policy on Employee Relations and the Group Policy on Diversity, Equality and Inclusion. Compliance with these in the previous closed financial year is confirmed by Magyar Telekom Group's Chief People Officer, the senior executive responsible for the matter, in the form of a Social Responsibility Statement in January of each year.

For the purpose of compliance with the Code of Human Rights and Social Principles, participation in human rights training is mandatory for all Magyar Telekom Group employees.

As part of their orientation process, which takes place during the two months following their entry, employees of Magyar Telekom Group are familiarized with the above-mentioned policies and guidelines on social and employment issues and human rights, among others, and accept their contents as binding. The mandatory orientation training includes the Human Rights curriculum mentioned above and the e-learning on Increasing Awareness about Unconscious Bias. In line with the commitment to a non-discriminatory corporate culture,

the curriculum is available free of charge to all on the company's website.

Secure internal channels managed by the Corporate Compliance area are available for employees to share their complaints and comments about misconduct and violations through Magyar Telekom Group's Tell me! line or the Tell me! line managed by the Deutsche Telekom Group. They can also access a platform managed by a third party service provider to ensure full compliance with the law on whistleblowing and internal policies. The interfaces are available not only to employees but also to external partners and customers.

Employees can contact Magyar Telekom Group's Ask a Question line whenever they have a question or concern, or are unsure of the right course of action in any situation. If they have questions about human rights and equal opportunities, they can contact the company's equal opportunities officer. The main guidelines for the investigation of complaints and comments reported about abuse and misconduct, as well as the company's instructions on the process, are available on the company's internal employee platform. The key aspects of the policy are the protection of anonymity, confidentiality and personal security.

### Diversity and Equal Opportunity

As one of the largest ICT employers in Hungary, Magyar Telekom HU believes that diversity contributes greatly to the success of businesses and any other organisation, to increasing innovation and creativity, to attracting new customers and business and other partners, to responding quickly to change, to maintaining a non-discriminatory culture in accordance with the law and ethical standards.

In 2023, the company continued to implement its corporate sustainability strategy, which was adopted in 2021 and runs until the end of 2030. One of its focus areas, alongside climate protec-

tion and digitalization, is the implementation of diversity and equal opportunities for employees and customers. The aim is for Magyar Telekom to maintain its dominant role as a company and ICT service provider by taking an increasing range of actions and enabling the widest possible range of people in society to use the opportunities of digitalization to advance their own lives. That is why the company aims to achieve a 100% inclusive employee experience by 2030 and, as a service provider, a 100% accessible customer experience by 2030 (100% WCAG compliance by 2025, 100% accessible services by 2030).

As a sign of the company's commitment to the above goals, two colleagues are dedicated to the areas of diversity, equality and inclusion and are responsible for their continuous development and focus.

### Corporate Sustainability Strategy Diversity and Equal Opportunities targets 2021- 2025 - 2030 and 2023 results

#### Strategic Goals 2021 -2030

##### INCLUSIVE EMPLOYER

- Accessible work experience
- Increasing the proportion of female managers
- Reducing the gender pay gap
- Equal opportunities in care
- LGBTQI inclusive workplace
- Roma inclusion

##### ACCESSIBLE CUSTOMER EXPERIENCE

- Accessible customer care
- Accessible services



Details and 2023 results

1. INCLUSIVE EMPLOYER

SUCCESS STORY

Employee communities for diversity in the workplace

Magyar Telekom's employees are as diverse as the customers they serve, coming from a wide range of backgrounds and with a wide range of experience. The company believes that being yourself is essential for good performance, so that every employee can feel safe and secure at work. In today's world, it is increasingly important and essential for continuous innovation to bring together multiple perspectives, different experiences and different ways of thinking, and only a diverse and inclusive workplace can guarantee this.

To strengthen this, and bearing in mind that real change can only be achieved through employee involvement, the company encourages the creation of employee communities. 2023 was an important milestone for the company in this respect, as following preparatory work, 3 new employee communities were established and started operating at the company, in addition to Magenta Pride, which has been supporting the LGBTQ+ community since 2022. In March 2023, the Women in Telekom employee community was established, with the objectives of supporting women's career paths, highlighting women's health issues and supporting the reintegration of mothers. Separate working groups are working on these issues, with practical implementation starting in 2024.

The Accessible Telekom Employee Community was established in May 2023 to promote the integration of employees with a different work capacity or disability and to better understand and accept different groups of people with disabilities. In cooperation with Deutsche Telekom IT Solutions, the community organised the Accessible Day at the company's headquarters in Budapest. Through playful activities, presentations, round-table discussions, an inclusive brunch, and with the involvement of NGOs (Hungarian Association of the Deaf and Hard of Hearing, "Egy sima - Egy fordított" - Association for Inclusion), it brought the world and everyday challenges of people with disabilities closer to its colleagues.

Also in May 2023, the Telekom Families Community was established to support colleagues with families - parents, grandparents, caregivers to long-term sick relatives - and their first event was a Christmas arts and craft programme for children and adults at the headquarters during the Advent period. At the MagentaLand event organised for colleagues in September, the company dedicated a special section to presenting and promoting its employee communities.

Employee communities are voluntary, grassroots groups that aim to create a diverse and inclusive workplace in line with the company's goals. They are led by and involve employees who are connected by some common characteristic (e.g. gender, ethnicity, sexual orientation, physical condition, lifestyle or interests) or who are not affected themselves but who care about the group and/or issue and the diverse and inclusive company culture. The informal membership of the communities exceeds 200 people, with an active membership of currently 50. The company is proud that each community is sponsored by one (or even two) senior managers, signaling to employees their commitment and reinforcing the importance of the issue.



Accessible employee experience

Magyar Telekom Plc. strives to achieve an open and inclusive employee experience where everyone, regardless of background and ability, can make the most of their work in an accessible working environment. To this end, it strives towards a 100% accessible employee experience from recruitment through the entire employee lifecycle, in both digital and physical work environments.

Increasing the number of colleagues with disabilities and supporting this group within the company is a priority for Magyar Telekom Plc. To this end, a rehabilitation mentor has been supporting our employees since 2022. A company support package is also available for colleagues with disabilities, which includes an extra day of paid leave and a one-off cash benefit, making the rehabilitation process financially easier and helping the recovery of the affected employees.

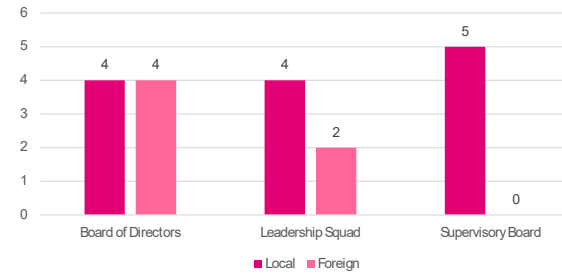
To help colleagues, a handbook containing all the relevant information on disability, compiled by the company's rehabilitation mentor, is also available to all employees on the company's intranet.

Women in management

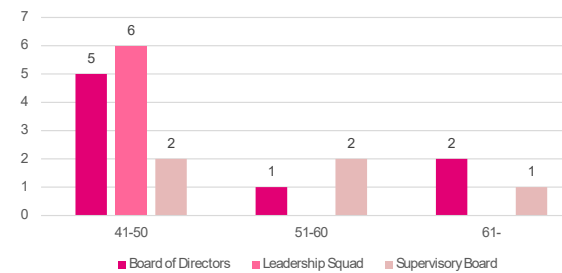
Magyar Telekom Plc., as an employer committed to diversity as a core value, attaches great importance to increasing the number of women in management. In line with the objective of the diversity pillar of its sustainability strategy, Magyar Telekom Plc. is committed to increasing the proportion of women in our overall management team to at least 40%. The company aims to achieve this target in line with the EU Directive 2022/2381 on the 40% female quota on the boards of listed companies, adopted in 2022. In 2023, the proportion of female executives in Magyar Telekom Plc. was 27.27%.

The company is not only internally committed to the cause of women leaders, but also supports it through partnerships. In 2023, Magyar Telekom's Budapest headquarters once again hosted the Equalizer Foundation's Women's Day conference, whose motto was "Let's break the glass ceiling". The event, which featured two of the company's female leaders as invited speakers, explored what organisations can do to increase female representation in leadership and how they can support the women leaders of the future.

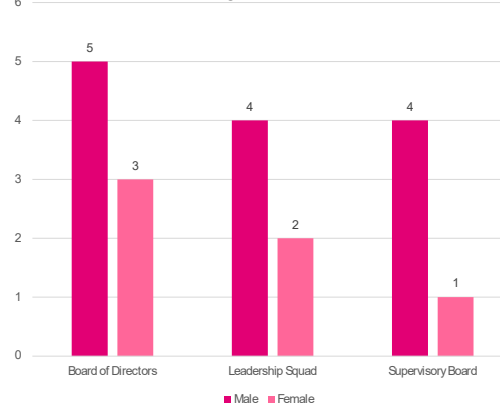
Magyar Telekom Group's breakdown of management by place of origin in 2023



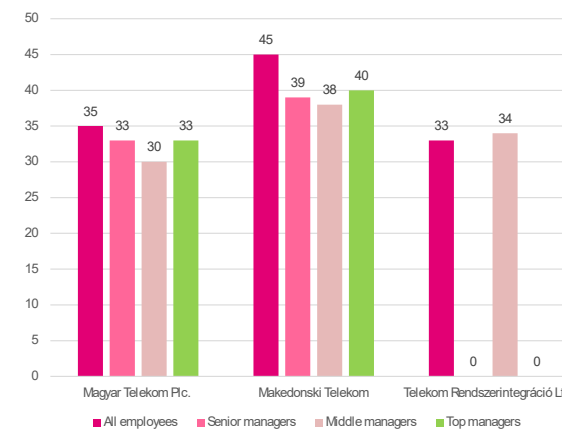
Magyar Telekom Group's age breakdown of management in 2023



Gender breakdown of Magyar Telekom Group's management in 2023



Ratio of women in the affiliates in 2023.



Reducing the gender pay gap

Magyar Telekom Plc.'s employees want security, stability, development opportunities and a competitive income. As a company committed to equal opportunities, Magyar Telekom Plc. attaches great importance to wage harmonisation and the elimination of unjustified wage differences. Its remuneration system is transparent and therefore its pay bands and the relevant regulations are available to all employees in the Collective Agreement. The dimensions of the job classification system are based on the competence levels of the agile organisations and there are some organisations where the job is defined on the basis of the Hay levels, as these organisations do not operate according to an agile methodology. The company takes particular care to ensure that there is no unjustified pay gap between colleagues performing similar types of work and that pay ratios between those performing different types of work are genuinely based on differences in actual work performance, while at the same time being aware as an employer of the gender pay gap in society and committed to eliminating the causes of this gap. The company tracks the causes of the pay gap and ways to reduce it through its proprietary pay gap dashboard, which provides insight into potential hotspots across 9 indicator groups. In July 2020, the company conducted a complex gender pay gap analysis, which identified an equal opportunities action plan to reduce the maternity deficit and the female career gap.

In 2020, it pledged to join Amnesty International Hungary's 'One Step Closer' campaign to publish annually the gender pay gap - the difference between the average pay of women and men - within their companies, thus contributing to raising awareness and reducing the pay gap within companies and society as a whole. Between 2019 and 2023, the average pay gap within the company decreased from 18.5% to 16%. (It is important to note that in 2020-22 the organisation gradually moved to agile operations (from the former Hay levels), which also entailed, among other things,

the elimination of middle management levels, where women have traditionally been more represented.)

The company reduced the gender pay gap by the following measures:

- a. **Pay gap dashboard as part of compensation processes** - provides continuous monitoring through 9 sets of indicators, which is an integral part of compensation planning processes. With HR Business Partner support, managers also have a transparent view of gender comparisons for their area, which experience has shown to contribute significantly to pay equity.
- b. **Equal opportunities focus in the nomination system** - the company strives to achieve a balanced female-male leadership ratio in its in-house succession planning and nomination processes, as well as during the course of organisational changes. It is actively involved in promoting female STEM careers.
- c. **Reform of the maternity leave and return to work process** - through conscious career planning, contact during absence, the availability of training and development solutions and the provision of up to 100% teleworking after return, the company has made the reconciliation of having children and working life a more plannable and predictable process, thereby significantly reducing the so-called 'maternity deficit' and the gap between the average wages of women and men by age group, the so-called 'generation gap'.

In the graphs presented in this chapter, the share of base wages by gender is presented in accordance with the GRI standard.



As a member of Deutsche Telekom Group, Magyar Telekom Plc. has also contributed by its equal opportunity achievements to the Group's inclusion in the Bloomberg Gender Equality Index (GEI) in 2023



Longer absence and return due to having children Magyar Telekom Plc. 2023

For years, one of the key elements of Telekom's diversity concept has been to improve the situation of employees on maternity/childcare leave, to support their contact to and reintegration into the labour market. Preparing for absence is supported by an internal process that helps both the employee and the manager to plan smoothly for the tasks ahead. Employees can access the company intranet throughout their absence, so they can stay up-to-date with company news, continue to have full access to HR information that affects them and have their questions answered, including via the live employee HR chat function. In addition, the company's free training and development portfolio is available throughout the period of absence, and can be accessed via a mobile app or desktop environment.

Work-life balance is also facilitated by the Children's Corner, a childcare facility for employees with families, open during school holidays and operated at Telekom's Budapest headquarters, and the optional tax-free nursery and kindergarten allowance, which also contributes to reducing the burden on parents with young children.

The company adds 5 days to the statutory paternity leave, giving them a total of 15 days (17 days for twins). In addition, the company is more flexible than the Labour Code in the use of the 5 days of paternity leave: the 5+5 days of paternity leave can be taken within 6 months from the 6th day after birth, with 100% pay for the whole period, and they can also work in a 100% telework setup for a limited period.

Longer absence and return due to having children	Men	Women	Total
On longer absence	16	294	310
Returns from longer absence	12	87	99
Ratio of further employment of people returning from longer absences	75%	70%	70%

\*The Associate category has been merged with the Expert, work coordinator category from 2021, so no separate data is available.



**Anti-discrimination, labor market integration**

**LMBTQI inclusive workplace**

Magyar Telekom Plc.'s goal is to create a diverse and inclusive workplace, and therefore the strategic objective is to reduce identity-based discrimination within the company. This is measured by the results of the biennial anonymous diversity culture survey, in which employees voluntarily and anonymously provide information on the extent of any identity-based discrimination they experience.

The Magenta Pride employee community, the first of Magyar Telekom Plc.'s employee communities to be established in 2022, is made up of members of the LGBTQI+ community and the employees who support them. In 2023, the community continued to work on providing an LGBTQI+ inclusive employee experience: their main events were the Living Library event in May and the discussion and film screening around the Coming Out Day in October. As in previous years, the company took part in the Budapest Pride Festival 2023, organised by Magenta Pride and the Deutsche Telekom IT Solutions employee community.

The company continues to operate trans-inclusive measures to ensure that affected colleagues are able to use their own name in all internal company access interfaces where possible. In addition, affected colleagues are supported through a buddy system, and their managers and teams receive support through inclusive training and personalised counselling as needed throughout the coming-out and transition process.

**Roma integration**

In line with its strategic goal, the company is working to reduce any experience of discrimination within the company against its employees who identify themselves as Roma, which is also monitored through the anonymous diversity survey above.

In 2023, Magyar Telekom Plc. continued to participate as a mentor company in Integrom's labour market integration programmes, supporting participating young people with mock interviews.

In 2023, the company entered its second year of cooperation with the Hungarian Business Leaders Forum (HBLF) Romaster programme, which supports the further education of two talented young people for 4 years with scholarships and mentoring support, the latter provided by its employee volunteers.

**2. ACCESSIBLE CUSTOMER EXPERIENCE**

**SUCCESS STORY**

Join our forces for society-wide accessibility: KONTAKT sign language interpreter services available at Telekom shops Magyar Telekom Plc.'s employees work every day to help everyone to take a step forward digitally, wherever they are in the digitalization process, and to make the company's products and services available to everyone.

In this spirit, as an equal opportunities and responsible service provider, the company aims to provide a 100% accessible customer experience and services to all its customers by 2030.

On September 24, 2023, World Deaf Day, the company, in cooperation with SINOSZ (Hungarian Association of the Deaf and Hard of Hearing,) and Samsung Electronics Hungary, made KONTAKT sign language interpretation services available in 29 designated stores and on its call centre nationwide. Developed and operated by SINOSZ, the video-based sign language interpretation system, called KONTAKT, is a video-based application that provides a great help in the everyday life of people with hearing impairment (deaf, hard of hearing and deaf-blind), via an internet connection.

Thanks to the cooperation, hearing impaired customers can use the KONTAKT app on a tablet provided by Magyar Telekom Plc. and Samsung to access free live sign language interpretation services at the designated stores. To do this, they can take a number by pressing the KONTAKT logo on the top right of the customer

caller line in the store. During the face-to-face service, the hearing-impaired customer and the receptionist are in the same place in the store, and the remote sign language interpreter can be reached via the KONTAKT app on the tablet. The sign language interpreter is virtually present in the conversation: information spoken in the video link is translated into sign language or converted into text on the tablet for the customer, and questions and answers spoken in sign language by the hearing impaired person are translated into spoken language.

The company believes it is important to support its customer-facing colleagues in gaining the right knowledge about how to deal with people with different disabilities and how best to help them in stores and in customer service. To this end, the launch of the service was preceded by a multi-stage training session, where, in addition to comprehensive knowledge about people with disabilities, two training videos produced with the help of a sign language interpreter from SINOSZ helped staff to learn more about the world and everyday life of deaf and hard of hearing people, and to learn how to provide accessible customer service using the KONTAKT app.





**Accessible customer care and accessible services**

In 2022 Magyar Telekom Plc. joined the Recommendation on the Accessibility of Electronic Communications Services for Disabled End-Users, established by the Telecommunications Stakeholder Council (HÉT). The aim of the Recommendation is to ensure that people with disabilities have equal access to all electronic communications services, whether digital customer access points or face-to-face services, before the 2025 deadline for accessibility set by the European Union.

With the participation and support of the main stakeholder organisations - SINOSZ (Hungarian Association of the Deaf and Hard of Hearing.), AOSZ (National Association of Autistic People), MGYOSZ (National Association of the Blind and Visually Impaired), MEOSZ (National Association of Disabled People) - the company has gathered the experiences of its disabled customers, which are the main determinants of their daily access to its services.

The Accessibility UX virtual squad, composed of employees from the customer-side expert areas, has the primary task of developing solutions based on the experience gathered, which, once implemented, can ensure full accessibility for customers with disabilities in all Magyar Telekom Plc. service segments.

In the spirit of inclusiveness, from September 24, 2023 Magyar Telekom Plc. will provide subtitles for all its television and online advertisements, and new episodes of its popular series Marsra Magyar! will also be available with subtitles. In addition, it has redesigned its processes to make door-to-door SIM card replacement available to its customers with reduced mobility.

In addition to its strategic priorities, the company continued the following practices to meet its Equal Opportunities Plan in 2023:

**Increasing the proportion of women in science and technology careers**

In April 2023 Magyar Telekom Plc. once again joined the Girls' Day initiative with great success. At Telekom's headquarters, 15–18 year old girls were given an insight into what makes a career in technology attractive to them through inspiring discussions and digital solutions. They were given the opportunity to meet female role models and explore different career paths in a round table discussion, followed by a tour of the headquarters, including Telekom's innovative Future Zone.

**Work-life balance**

Magyar Telekom Plc.'s primary obligation to its employees is to minimise the risks of stress, overwork and burnout at work. In addition to providing the conditions for employees to lead a healthy lifestyle, the company provides training and coaching, as well as an Employee Assistance Program to help them develop effective and successful ways to manage their responsibilities. In 2023, continuing the practice of previous years, the company continued to provide its colleagues with physical, mental and emotional support, ranging from expert presentations, coaching and thematic Teams sessions to personal training sessions in the TGym gym at Telekom's Budapest headquarters, and activities to promote a fitter lifestyle and build community through the Magenta Tour.

By increasingly using atypical forms of employment, the company supports work-life balance and offers opportunities to reduce overtime. Its internal policies and methodologies for part-time (4 or 6 hours), flexitime and flexible working hours help colleagues to choose the most optimal solutions. The concepts of flexitime, worktime reallocation or compressed working week are clarified in the collective agreement, the timeframe for part-time work is set out in the employment contract, and employees can manage their working time through an internal time management

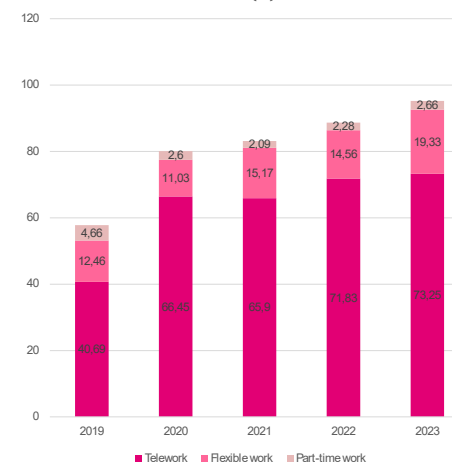
interface. Teleworking and hybrid working have become part of the corporate culture.

The company is constantly developing the office services and the network to ensure stable remote access for day-to-day work. Employees undergo mandatory training on how to avoid potential data security risks during remote access. Where the nature of the work allows and supports focused working, staff work full-time teleworking (e.g. customer service call centre). Telework as an opportunity is limited in case of shift-working colleagues, but their schedules are adapted to take into account their personal commitments as required.

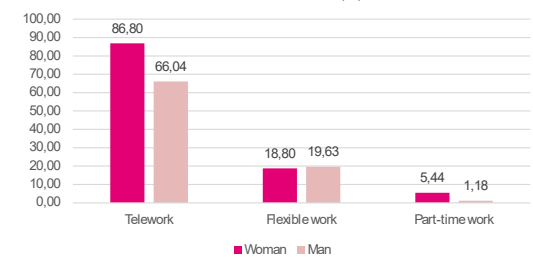
In 2023, 589,962 teleworking days were registered by the company's employees - an increase of 5.8% compared to 2022.

To prevent burn-out and to restore a potentially disrupted work-life balance, the company has been offering since 2016 a partly paid sabbatical of 1–6 months.

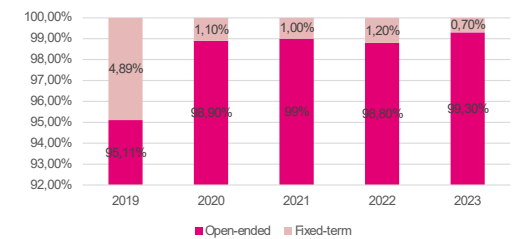
Atypical forms of employment as a percentage of the total number of employees at Magyar Telekom Plc. (%)



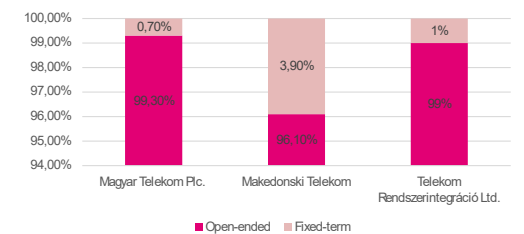
Atypical forms of employment by gender of employees at Magyar Telekom Plc. in 2023 (%)



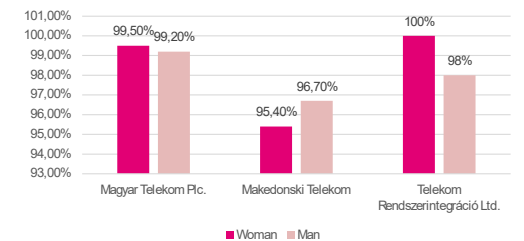
Ratio of fixed-term and open-ended employment contracts at Magyar Telekom Plc.



Ratio of fixed-term and open-ended employment contracts at Magyar Telekom Group



Ratio of open-ended employment contracts by gender at Magyar Telekom Group



### Family-friendly Telekom

What we do today will shape the lives of future generations. With a responsible approach and sustainable solutions, Magyar Telekom Plc. is working to make the world as liveable as possible. That's why we provide solutions that support the balance between work and family life and help our employees to take care of the whole family.

On the first day of the school holiday, as part of the „Show me! Where do you work?” Day, an annual event organized for the second time, nearly 400 children visited the company's headquarters in Budapest to learn about the company's digital products and what their parents, grandparents, uncles and aunts do. For the first time in the history of the event, not only the children were invited, but also the adult relatives of the employees, who were given guided tours of the headquarters.

Since 2016 Magyar Telekom Plc. is the „Family Friendly Mentoring Company” of the Three Princes, Three Princesses Movement. Raising their cooperation to a higher level, the Group has entered into an open-ended strategic framework agreement with the movement to help create a family-friendly workplace culture by sharing good practices and mentoring companies that wish to improve their practices. Every year, a large number of the company's employees participate in the Compass - Family and Career lecture series organised by the Movement. The lectures, which cover topics such as relationships, self-awareness, mental health and family management, are given

in the spring and autumn by some of the country's leading professionals.

Children who start learning about science and IT from an early age are more likely to choose a career in science and IT and to succeed in a labour market that is changing as a result of digitalisation. In this spirit, and at the same time to help colleagues with families to find childcare solutions, the company has offered free participation for employees' children in 3 sessions in 2023, in partnership with the Edu&Fun Digital Experience Centre. The Edu&Fun camps provided a great opportunity for children to learn through play, as they were able to learn about the latest technological trends through organised programmes: they could meet humanoid robots, get experience in robot programming, 3D printing, have a look around a smart home, try out virtual reality tools. A total of 36 children of primary school age participated in 2 summer and one autumn session.

In addition, as in previous years, the company's employees were also eligible for a discounted summer camp subsidy in 2023 under the Family Assistance Programme of the Dimenzió Mutual Insurance and Self-Help Association.

In addition, the cafeteria scheme includes a tax-free nursery and kindergarten allowance as an optional element, which also contributes financially to reducing the burden on parents with young children.

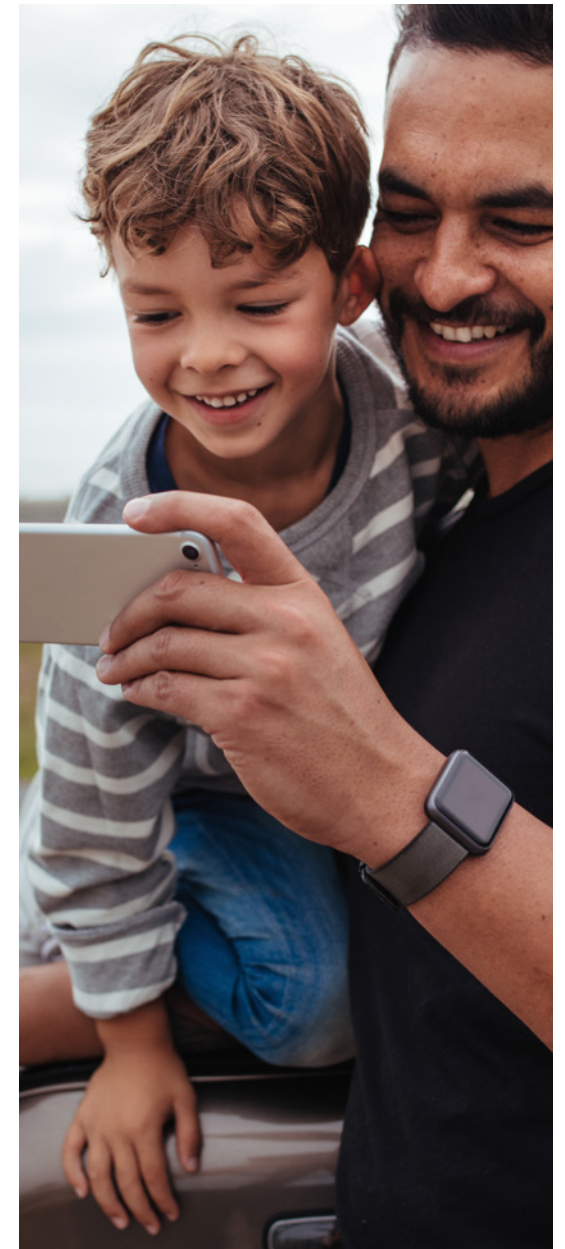
The EDU&FUN x Telekom Career Guidance Day, held in November 2023 at the company's headquarters in Budapest, helped parents and their

children to choose a career. On the first day of the event, the organisers welcomed secondary school students and their parents, while on the second day, the organisers helped young people in primary school grades 7–8 and their parents to answer the „What will I be when I grow up?” question. Using a special evaluation method, the young people were able to find out what personality traits, competences, skills, knowledge and abilities define them most. At the end of the one-and-a-half-hour assessment, they received a personalised analysis, supported by a professional discussion.

The high level of teleworking in the Group is a key factor in helping working parents and working grandparents to successfully reconcile their family and work roles.

Company employees may also be entitled to long-term unpaid leave under the Labour Code, due to their personal and family circumstances (e.g. to care for a sick or elderly relative at home). The facts justifying the leave must be provided to the employer and the maximum duration is 2 years. During the period of leave, the company continues to pay for the cost of the company mobile phone and home Telekom services.

Originally set up by CEO Tibor Rékasi to support employees who fell upon hardship due to the epidemic in 2020, Magenta Unity Foundation supported more than 100 employees with serious illnesses requiring long-term rehabilitation, and employees living with such relatives, in 2023, with grants totalling HUF 11 300 000.



**Generations at Magyar Telekom**

As a responsible employer, Magyar Telekom Plc. is committed to providing equal career opportunities for employees in different life situations.

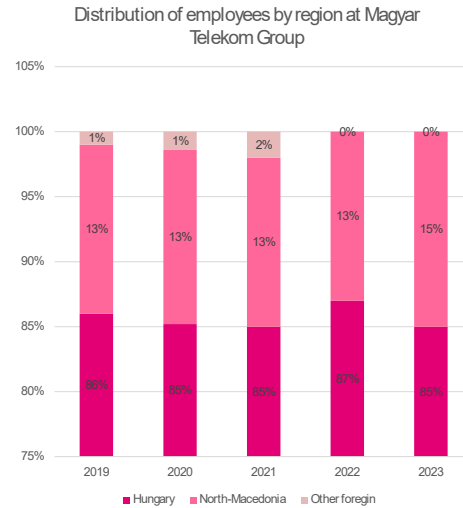
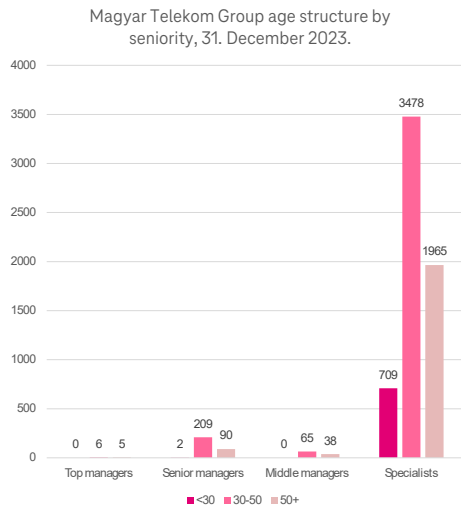
In the next phase of the Internship Programme for young people, the Group offers a number of young people their first jobs. Magyar Telekom came in second overall in the Zyn-ternship Awards, which ranked the most popular employers among young people (16–28 year olds), and first among students studying IT and humanities. The Telekom Kickstart Programme was voted the most popular internship programme in the country by young people who completed the survey. The survey, which was completed by nearly 3,000 young people, included questions on young people’s job choice factors, their starting salary demand and the most attractive employers.

The group of experienced professionals, who make up the largest part of the company’s seniority, have a somewhat narrowing career path, and can gain marketable skills largely laterally, in other professional fields. This is supported by the company’s considerable resources devoted to external and internal training, with a large proportion of vacancies advertised internally. Magyar Telekom Plc. expresses its appreciation for its experienced employees’ dedication and loyalty through a number of awards (e.g. the Role Model Award, the Telekom Success Story, the Loyalty Award).

The company also promotes intergenerational cooperation, better understanding of each other through various programmes (lectures, workshops).

PwC Hungary carries out a comprehensive annual survey to identify the most important factors influencing job choice. As a result of the survey, Magyar Telekom Plc. won the Most Attractive Workplace Award in the telecommunications sector for the sixth consecutive year in 2023. In the survey, the opinions of young people aged 16 and over, career starters and experienced employees were gathered. The online preference questionnaire resulted in 15 focus areas. The survey shows that 16–28 year olds are less concerned about losing their jobs and more focused on factors such as increasing their base wage or finding a work-life balance.

Magyar Telekom Plc. won the Most Attractive Workplace in the Telecommunications Sector Award for the fifth time in a row at the Randstad Awards, which recognise the performance of the most attractive employers in Hungary, for the tenth time in 2023.





A close-up photograph of two hands shaking in a firm grip. The hands are positioned in the center of the frame, with fingers interlaced. The background is a blurred, light blue-grey color. A solid magenta square is located in the top-left corner. The word "STAKEHOLDERS" is written in large, bold, white, sans-serif capital letters across the middle of the image, overlaid on the hands.

**STAKEHOLDERS**



# STAKEHOLDERS



Magyar Telekom HU's first step in the review of its sustainability strategy was to revise and update the list of stakeholders with its in-house professional team and the ESG squad. Stakeholders include groups that have an influence on or interest in the achievement of the company's objectives. The company also keeps in touch with stakeholders previously identified through the revision of the company's governance systems and benchmarking studies, because their views and suggestions are greatly appreciated. A number of forums, surveys and face-to-face meetings have been organised to meet this group and present sustainability activities.

## STAKEHOLDER SURVEY TO SUPPORT THE STRATEGIC PLAN

The professional team and the ESG Squad mentioned in the previous chapter ranked the identified stakeholders using the Saliency model. The Saliency model is based on the following criteria for assessing and aggregating the level of interest:

- Power – what power does the stakeholder possess to have an influence on the affected topics
- Urgency – how time-sensitive is it to incorporate the stakeholder's needs and/or when does it become timely
- Legitimacy – is the stakeholder's involvement appropriate: both legally and ethically

The model shows that the expectations of top management and the parent company are the strongest. In-depth interviews were conducted in order to accurately identify senior management and parent company expectations. The Leadership Squad has also fully committed to the strategy and has taken the lead on ESG strategy focus topics (see section on Responsible Corporate Governance)

## IDENTIFICATION OF IMPROTANT TOPICS FOR THE OPERATIVE PLAN

In compiling the report, Magyar Telekom HU has focused on materiality, stakeholder engagement, completeness, accuracy, comparability, timeliness, reliability, balance and sustainability context, in line with the Global Reporting Initiative (GRI Universal Standards 2021).

The identification of materiality issues was an important part of the development of the operational plan. The primary source for the list of topics was the strategy, with external sources such as the assessment criteria of responsible investor evaluators (FTSE Russell, MSCI, S&P, CDP).

To select the materiality topics for the 2023 report, a questionnaire survey was conducted with the stakeholders, where they could rate the importance and impact of the given topics on a scale of 1 to 5 (1 being the least and 5 being the most relevant). The results were weighted by the impact of the stakeholders identified by the Saliency model and the strategic priority from the perspective of Magyar Telekom HU.

In addition to the rating scale, the questionnaire also includes questions aimed at the following:

- suggest other sustainability issues not listed that are important to address,
- draw attention to scientific findings that deserve increased attention by an ICT company,
- risks and opportunities for companies in the area of sustainability.

From the survey conducted in 2023, Magyar Telekom HU has highlighted the following materiality issues, in line with the results and the guidelines set out in the strategy (detailed table in the annex)

- Energy efficiency and measures
- Energy consumption
- Use of renewable energy
- Customer satisfaction
- Emissions
- Resource utilization
- Strengthening sustainability considerations in the supply chain
- Solutions for climate protection
- Ensuring equal opportunities
- Regulatory compliance
- Human rights
- Offsetting greenhouse gas emissions
- Transition to a circular economy
- Rendering services available
- Data protection
- Risk management
- Selling refurbished appliances
- Sustainability coordination
- Informing customers
- Technological waste management
- Network resilience against external factors
- Accessibility of services
- Local procurement
- Science-based targets
- Sustainable packaging
- Corporate compliance
- Safe mobile use, electromagnetic fields
- Digital skills development

- Talent management for employees
- Employee engagement through communities
- ICT for sustainability
- Investor relations
- Accessibility in the office
- Customer engagement
- Professional partnerships
- Protecting nature in (and near) protected areas during network operations
- Employee communities to promote inclusion.

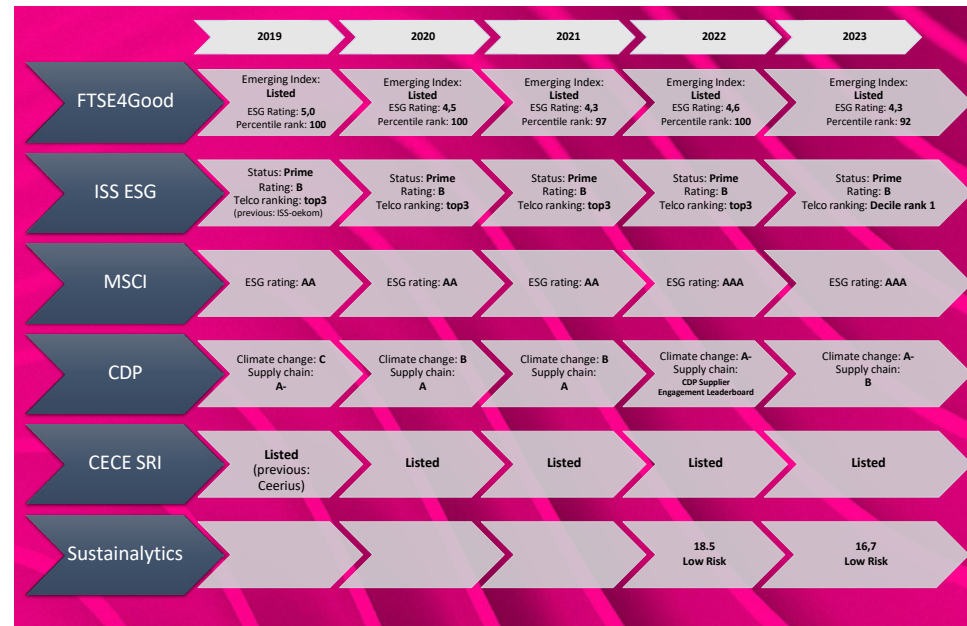
Magyar Telekom HU wishes to continue its joint thinking process and cooperation with its stakeholders, in the context of which it welcomes comments, ideas and opinions to be sent to the [fennarthatosag@telekom.hu](mailto:fennarthatosag@telekom.hu) email address.

### INVESTORS

During the year 2023, the CEO and the Chief Financial Officer presented the results of the respective quarter to the representatives of the investors on four occasions. The Annual General Meeting of the Company was held on April 19, 2023, at which, among other things, the audited consolidated and stand-alone financial statements of the Company for the year 2022 were approved, the appropriation of the profit after tax for the year 2022 was decided and the Responsible Corporate Governance Report for the year 2022 was adopted.

About 80 meetings (virtual and face-to-face) take place annually among the senior management of Magyar Telekom HU and the Investor Relations Center of Expertise, investors and analysts in the framework of various conferences, roadshows and in response to individual inquiries.

Magyar Telekom also places great emphasis on providing information to its stakeholders on its website. Under the Investors section, stakeholders can find up-to-date information on the Company's financial situation (quarterly financial reports), General Meetings, dividend payments, the current share price of Magyar Telekom shares and all the information they need to contact the company. The Company also assesses the needs of investors on an annual and biannual basis by means of questionnaires. The so-called perception study is carried out by a specialised, independent company, which assesses the opinions, needs and expectations of investors on the basis of representative samples, using a detailed list of questions.



## CUSTOMERS

### Customer satisfaction

Magyar Telekom Plc. continuously surveys customer satisfaction among residential customers using the TRI\*M satisfaction research methodology applied worldwide in the telecommunications field. This enables it to continuously monitor the general level of subscribers' expectations and the development of their satisfaction with the company. The measurements result in indices for all customers and for each customer group, which makes changes over time easy to track and interpret.

On the other hand, based on the detailed analysis of the service elements, the current perception of the factors affecting customer satisfaction can be monitored, i.e. in which areas of Magyar Telekom Plc.'s activities it is performing outstandingly - also according to the customers' assessment - and which areas require quality improvement measures, either in comparison to its own past performance or to the performance of competing service providers.

### TRI\*M – Residential customers

Magyar Telekom Plc.'s TRI\*M index among residential customers exceeded the indices of its main competitors throughout the year, meaning that overall, Telekom's customers had the highest level of commitment to their service provider in 2023.

Within the customer base, the satisfaction level of customers on the Magenta1 subscription plan continues to be outstanding. Telekom's monthly mobile contract customer base had a strong year, leaving the rest of the market far behind.

Among the main strengths of Magyar Telekom Plc., the renewing offer of services, tariff packages, devices and equipment on both the mobile and fixed line sides deserves mention.

In a competitive comparison, customers rated the video quality of Magyar Telekom's television service as outstanding, and were also highly satisfied with the list of available TV channels. The results of the network modernization effort are reflected in the positive perception of the stability and speed of the home internet connection. The assessment of the coverage of Magyar Telekom Plc.'s mobile network and the voice quality during calls, as well as the perception of mobile internet speed, is also excellent. In the area of customer relationship activities, the performance of the Telekom application was outstanding, while the Call Center also excelled in a competitive comparison, another area where Magyar Telekom Plc. is the market leader.

Since 2018, Magyar Telekom HU has also been measuring the customer satisfaction of its second brand, the Flip brand, which offers a package consisting of three fixed service elements (telephone, internet, television), on a semi-annual basis. Flip customers are consistently the most satisfied customers of all telecom operators on the market.

### Medallia

In addition to the TRI\*M satisfaction survey, which takes a strategic approach and includes competitors, the Medallia VOC (Voice of Our Customers) system was introduced in 2022 in all Deutsche Telekom member countries, which replaced the NG ICCA survey in Hungary.

The Medallia research system focuses on residential and small business SOHO customers who get in contact with Telekom (Flip) and/or are customers of Telekom (Flip).

Questions are aimed at four areas:

1. Service provider: Collecting general impressions of customers' views on the service provider.
2. Services: The respondent evaluates the service specifically.
3. Transactions: Examines impressions of customer contact events across the following channels: call centre, shops, face-to-face sales agents, telephone sales team, technicians, app, web and chat transactions
4. Process: It explores six complex transaction processes more in depth: payment, purchase, requesting assistance, troubleshooting, change and cancellation. In these cases, customers contact their service provider at least twice for the same issue.

The cornerstone of the Medallia measurement is the Net Promoter Score (NPS) methodology, where the customer's willingness to recommend the provider is measured. The question is „How much would you recommend Telekom to your friends and family?“ on a scale from 0 („would not recommend at all“) to 10 („would highly recommend“). The calculated NPS value can range from 0 to 100, obtained by subtracting the proportion of customers who gave a rating between 0 and 6 from the proportion who gave a rating between 9 and 10.

Magyar Telekom HU gives all its customers the opportunity to express their opinion on the services at least once a year. In the case of transactional measurements, Magyar Telekom HU requests the opinion of its customer on the day following the transaction. As in the past, an immediate post-call evaluation is also possible in the telephone customer service, in order to ensure that not much time elapses. In addition, this method significantly increases the number of questionnaires that can be evaluated, which means that feedback can now be analysed in even greater depth.

In-app measurement of interactions in the Telekom app has also been introduced, making it easier to provide feedback. This is all the more important because, like the web channel, this digital touchpoint is becoming an increasingly important part of customers' lives.

Furthermore, the fact that research results are immediately available on the Medallia interface has made a big difference. Magyar Telekom HU experts can thus follow the development of the current results without delay.

For cases rated low, team leaders initiate callbacks within two days to resolve the problems as soon as possible. In case of dissatisfaction with the operator, the team leader provides individual coaching to his/her subordinate or, depending on the issue, shares lessons learned at team level. Customers with complaints about Magyar Telekom Plc.'s services are contacted by the dedicated call centre team, which makes efforts to resolve all issues. In case of process problems, they are forwarded to the relevant professional areas, which take care of their resolution. In addition, the CEX (Customer Experience) team has a major coordinating role in mapping the problem hotspots detected and coordinating their resolution.

In 2023, the Medallia survey also showed that mobile customers very much appreciate the company, with a significant increase in their willingness to recommend in the last two quarters of the year. The significant increase in the number of responses to the Medallia survey and the fact that Magyar Telekom HU colleagues consulted with customers in more than 10,000 cases to solve the problems identified in the survey are considerable achievements. As a result of the persistent customer focus, the promoter (NPS 9–10) customer base further expanded in 2023.

### SoHo, SMB

The satisfaction measurement methodology for the SOHO segment (micro and small enterprises) continues to be the TRI\*M, while in the SMB segment (small and medium businesses) Magyar Telekom HU measures customer satisfaction through a strategic satisfaction survey.

In 2019, a satisfaction measurement system had already been established, where the TRI\*M survey continues to measure satisfaction and loyalty of micro enterprises on a semi-annual basis. Due to the change of methodology of the TRI\*M survey in 2017, it is only possible to draw conclusions for the SOHO segment from the trends that have been observed since that year, while in the SMB segment, after the first successful measurement in 2018 as a base year, customer satisfaction was already measured in 2019 and 2020 within the framework of the Strategic Satisfaction Survey. The SOHO customer base is also covered by the aforementioned Medallia VOC system, which allows tracking customer satisfaction developments between the semi-annual TRI\*M measurements and intervention where necessary.

### TRI\*M – SOHO

Based on the TRI\*M survey of microenterprises, Magyar Telekom Plc. retained its leading position in the telecommunications market in 2023 in terms of satisfaction with and loyalty to the service provider. This lead has been stable for years, both among mobile and fixed line customers. The satisfaction and loyalty of SOHO customers subscribing to mobile services is slightly stronger than that of fixed line subscribers, while the highest TRI\*M index was measured in the Magenta 1 Business customer base. The positive results are due to the quality of fixed and mobile services, attractive offers and CEX activities, and the impact of measures to improve the quality of service for small businesses is also reflected in the assessment of the different channels and how customers' issues are addressed.

### Annual business decision maker satisfaction survey – small, medium and large businesses

In the annual satisfaction survey Magyar Telekom HU asked IT and telco decision makers of business customers about their satisfaction with the services and customer care.

The research is conducted through a questionnaire survey, through telephone in the SME segment of Magyar Telekom HU and applying a hybrid (online + telephone) methodology among the Enterprise (ENT) Unit's large corporate and institutional customers.

The background to the ongoing decision maker satisfaction surveys in the SME and ENT segments is as follows:

#### SMB DECISION MAKER SATISFACTION SURVEY

- In 2021, the measurement of SMB and large business customer satisfaction were split. For SMB, the previous methodology remained the same, with a minor modification, namely that Telekom has strengthened the competitor sample in the survey in order to have a more stable basis for measuring satisfaction among competitor customers for better comparability.
- In 2022 and 2023, this methodology did not change.

#### ENT DECISION MAKER SATISFACTION SURVEY

- In the large enterprise sector (ENT), a new satisfaction measurement framework was developed in 2021 with more targeted measurements, which also meant that in-depth interviews were temporarily removed from the annual general satisfaction survey. However, for the largest corporate customers (TOP segment), it was decided based on customer feedback that this qualitative, deeper insight was needed, and large corporate in-depth interviews were again conducted in 2022.

- In 2023, only a minor methodological change was made, with in-depth interviews conducted with Large and MID clients, too, in addition to the Top clientele, to complement the questionnaire survey. During the questionnaire research phase in 2023, Magyar Telekom HU successfully reached 400 SMB and 821 large corporate customers, randomly selected from the total customer base. In principle, the questionnaires were collected anonymously, but respondents were also given the opportunity to provide their names.

Industry benchmark questions were also included in the annual satisfaction survey. To ensure that the customer satisfaction survey is truly independent, the measurement and evaluation is carried out by a market research partner.

The results are broken down to Magyar Telekom HU's overall performance, service areas and, in the case of large companies, sub-segments, and presented to representatives of the relevant business areas.

Based on the results, the segment and their specific units develop action plans to improve customer satisfaction.

Based on the results of Magyar Telekom HU's annual satisfaction surveys so far, the Group's overall performance in both the SMB and large enterprise segments is consistently stable.

Customer satisfaction in the SMB segment remained at a very high level in 2023. In fact, after a slight decline in 2022, the results practically increased to the outstanding level recorded in 2021. The high level and further improvement in overall satisfaction is mainly explained by the mobile market performance and excellent customer care, with the latter being driven by Telekom's ability to increase satisfaction in both sales and customer service.

Looking at the results at different customer groups with different levels of satisfaction, it can be seen that both the proportion of highly satisfied customers increased and the proportion of the most dissatisfied customer group decreased.

As part of the new satisfaction measurement framework for the large enterprise and institutions segment (ENT), from 2022 onwards, customer satisfaction has been measured continuously after the completion of the largest IT/SI projects, but also the opinion of customers with the largest monthly service contracts are regularly surveyed.

As part of this framework, Magyar Telekom HU also put the annual decision-maker satisfaction survey on a new basis in 2021. The online/telephone hybrid survey uses a simpler set of questions than before, but provides Net Promoter Score (NPS) and the so-called Satisfaction Score (overall satisfaction) indicators for all portfolio and business process areas. The new methodology enables comparability from 2021 onwards.

The results show that in the large enterprise segment Magyar Telekom HU managed to retain a high level of customer satisfaction in 2023. In fact, compared to 2022, NPS and overall satisfaction increased in each sub-segment of the ENT unit.



### Contact person satisfaction survey

A contact person satisfaction survey is carried out every year at regular intervals for customers who have contacted Magyar Telekom HU through one of its telephone or e-mail fault report or customer service channels. Thus, questions are addressed to the contact persons of customers who reached out to Telekom's business telecommunications customer service or the ENT IT Service Desk with their fault reports or complaints.

In the case of Telekom's ENT IT Service Desk, the measurement is carried out with the involvement of an external partner, on a monthly basis, by contacting around 40–50 contacts by telephone; the evaluation is based on the responses received and is completed after the end of a full six months. After the end of the second half year, an annual summary of the contact person satisfaction survey is compiled and presented to the units.

Magyar Telekom Plc's business telecommunications customer service area is subject to a continuous, in-house (ICCA) satisfaction survey. This is complemented by a quarterly „Detractor” survey for the SMB segment, and from 2023 for the large enterprise segment, also with the involvement of an external partner. At the end of each quarter, a representative sample of customers who had previously contacted the Company with some issues are contacted by telephone to identify those who are dissatisfied with the service received. These dissatisfied partners are interviewed qualitatively to gain a deeper understanding of the problems.

Each quarter, after the end of the research, process areas where changes are needed are identified, based on the evaluation of the interviews, with the involvement of the business areas concerned, and a business action plan is formulated. Starting from the fourth quarter of 2023, the methodology has changed so much that Magyar

Telekom Plc. moved to monthly measurements for telecom customer services, as it had been the case for the IT Service Desk for a long time. This allows customers to recall cases closer in time, and also to provide a continuous and flexible operative response at the level of these specific customers. Nevertheless, the evaluation at management level, the activities concerning the whole process, are also in this case the result of quarterly or semi-annual forums.

In 2023, both channels (Magyar Telekom Plc's Business Telecom Customer Service and IT Service Desk) performed at a high level and had a very positive impact on Magyar Telekom's image. Both the customer service process and the professionalism, competence and customer care of the customer service agents are highly regarded. During the year, the vast majority of transactions were considered smooth and successful by customers. The duration of the procedures was typically in line with the SLAs undertaken by Magyar Telekom HU and the expectations of customers.

In addition to the above, a sales contact person satisfaction survey is conducted in Magyar Telekom HU's SMB area starting from 2021. The survey is conducted on a quarterly basis and provides sales colleagues in the SMB segment with regular and direct feedback from their customers on their work. In addition to the work of the sales colleagues, customers also rate the individual SMB sales channels (satisfaction on a scale of 1–5) and Magyar Telekom as a whole (using the NPS recommendation index). The results showed a consistently high level of satisfaction throughout 2023. The change in methodology is that from the second half of 2023, Telekom switched from quarterly to half-yearly survey in order not to overburden SMB customers with many different satisfaction measurements, as the number of contacts in this segment is already relatively low.

### Management of customer feedback

The „voice of the customer” is of paramount importance to Magyar Telekom HU in order to maintain the high quality of its services in line with customer expectations. Feedback from customers continuously helps to develop services and processes, and to regularly review and improve them. When dealing with complaints, the company places great emphasis on customer satisfaction and ensuring an excellent customer experience. It is important for Magyar Telekom HU to provide its customers with a quality and reassuring solution when investigating and handling complaints, too. Along this line, Magyar Telekom HU enhances the service experience for its customers by providing solutions tailored to their specific needs as far as possible. Despite the difficult external conditions, the number of complaints did not increase in 2023, which underlines the effectiveness of the individual and personalised approach to complaint handling and customer contact.

### Omnibusz – survey of consumption patterns

In 2023, the Omnibus survey continued to address questions to customers of Telekom and other providers about their consumption habits, whether related to core activities (such as TV, internet, telephone) or insurance. Two surveys were carried out in 2023, with 1,000 respondents per occasion.

## SUPPLIERS

It is important for Magyar Telekom HU to maintain a reliable, lawful business relationship with its suppliers and to apply documented supplier evaluation practices that ensure that all its contractual partners comply with this legality requirement. Anti-corruption and ethical conduct in supplier relationships are of paramount importance.

In the above spirit, suppliers are required to adopt:

- MT's Anti-corruption Declaration
- MT's Supplier Code of Conduct, and the mother company's Deutsche Telekom Group's Supplier Code of Conduct, which includes the stipulations set forth by the German law on supplier chain due diligence (LkSG)
- the Code of Human Rights and Social Principles
- a Confidentiality Statement
- privacy regulation (GDPR)
- the Privacy Information

All suppliers must peruse, accept and comply with all of these requirements as a precondition of the contract.

[Magyar Telekom's Supplier Code of Conduct](#) contains the following guidelines and documents:

- [Code of Conduct](#)
- [Code of Human Rights and Social Principles](#)
- [Diversity Policy](#)
- [Magyar Telekom Group Environmental Policy](#)
- [Financial Code of Ethics](#)
- [Responsible Corporate Governance Report](#)
- [Magyar Telekom Group Quality Policy](#)

Due to its size, Magyar Telekom Group has a significant impact on other players of the economy, so its responsibility cannot be limited to the boundaries of the company. In addition, from a risk management perspective, too, it is essential that it should do business with supplier partners whose economic, social and environmental performance is appropriate. To this end, the Group also manages its supplier relationships from a sustainability perspective, too. Group-wide coordination of supplier relations is ensured by the Procurement and Logistics Hub.

Suppliers are selected through regulated, transparent and documented procurement procedures that ensure fair competition. Its procurement procedures are continuously controlled by the Internal Control System (ICS) applied across all Deutsche Telekom Group affiliates. In addition to exercising control, the system also encourages process improvement and acceleration.

Magyar Telekom Group strives to develop mutually beneficial, value-creating partnerships in its contracts. At the same time, procurement processes are continuously streamlined to ensure cost-efficient operations by exploiting synergies in parent company and Group-level procurement. One channel to manage supplier relations is the Procurement and Logistics Hub website. Once registered, suppliers can find the supplier qualification system, the OneSource system for managing bids, information on e-invoicing, a privacy notice and other useful information on procurement procedures and sustainability requirements.

Suppliers' references, economic situation, quality and sustainability capabilities are assessed by a pre-qualification system hosted on the [Procurement and Logistics Hub website](#). This supplier

pre-qualification system also provides all registered suppliers with a sustainability questionnaire that they can complete and have evaluated. The results help to identify risks and opportunities for improvement in cooperation with the supplier. The rating results are an important factor in the supplier selection process.

The company sources products and services from pre-qualified suppliers. Registered suppliers can access their supplier pre-qualification results online after completing the questionnaire. A total of 77.81% i.e. 879 of Magyar Telekom Plc's suppliers, and 66.38% i.e. 466 of Telekom System Integration Ltd. Co.'s suppliers held pre-qualified status in 2023.

Magyar Telekom Plc. continued its sustainability web audit in 2023, which consists of environmental, social and business ethics questions. The assessment pays particular attention to whether suppliers expect their own partners to comply with certain sustainability guidelines. The responses received are weighted according to the supplier's industry to provide a final score. In 2023, 69 companies participated directly in the survey, representing 9.75% of the total procurement value. The Sustainability Web Audit assessment is valid for three years, consequently in 2023, 101 suppliers had valid audits, corresponding to 23.03% of the total procurement value.

In 2023, Magyar Telekom HU did not find any non-compliance regarding any of the suppliers assessed, so no incident management process was initiated. In course of its everyday operations, the company adopts dedicated, proactive and transparent measures to make sustainability part of its identity and to enable its partners to consciously participate in sustainable development.

**In 2023, VT-Rendszertechnika, Tata Elxsi and NEO Property won the title of „Magyar Telekom's TOP3 sustainable supplier”.**

Telekom uses the internationally recognized and applied EcoVadis rating system, also supported by Deutsche Telekom, to assess the sustainability of its active suppliers. Strategically important and high-risk suppliers are invited to submit a statement on their operational practices based on the detailed EcoVadis criteria. In this framework, 6 suppliers have a valid assessment directly and 33 indirectly, based on social, environmental, economic and sustainable procurement criteria. These suppliers accounted for 42.74% of the total annual order value. EcoVadis assessments are valid for two years.

Deutsche Telekom also supports the sustainability of supplier relationships significantly through industry-wide initiatives (JAC - Joint Audit Cooperation), which has led to audits of selected suppliers worldwide. A common set of audit criteria facilitates and ensures compliance with minimum social and environmental standards also for suppliers contracted by multiple different member companies.

One of the top priorities of Magyar Telekom HU's sustainability strategy for the period 2021–2030 is to make the company's commitment to sustainability part of its suppliers' business and to reduce its suppliers' CO2 emissions.

An online learning material on sustainable supply chain management processes is available for all Magyar Telekom HU employees.

As part of the sustainable supply chain management process, a working group has been set up to support efficient operations, with members who are responsible for and act on supplier incidents, negative environmental, labour, human rights or social impacts. The permanent members of the working group are staff from the procurement and legal areas, complemented by staff from the unit involved in the incident and experts on the subject matter of the incident. To support the work, an incident management process has been developed which sets out the actions to be taken in such cases. The incident management process examines the triggering event, the strategic importance of the supplier, the severity of the incident, analyses the supplier's response and provides guidance on possible solutions. No such process has been carried out in 2023, and no negative environmental, labour, human rights or social non-compliance issues have been identified.

Procurement procedures, which make up a significant part of supplier relations, are supported by integrated IT systems. The majority of procurement requests are initiated electronically. The supplier selection process is supported by an internet-based bidding and auctioning tool (OneSource), and orders are also sent/confirmed to suppliers electronically (via CPEX platform or e-mail).

These electronic solutions significantly reduce the lead time of the procurement process, and the placement of orders by e-mail has minimised the amount of paper documents.

To improve the procurement business processes, a supplier due diligence robot has been collecting data for supplier due diligence since 2020.

Magyar Telekom HU ensures compliance with legal and corporate requirements through sustainability and environmental clauses in its supplier contracts. Suppliers are expected to use environmentally friendly materials and technologies and energy-saving solutions. In the case of office supplies, the supplier already indicates green products in its product catalogue. For products, there is a black and grey list of raw materials. Products containing materials on the black list are not allowed and products containing materials on the grey list are not preferred.

In order to prevent damage and minimise delivery time, when a hazardous substance or formula is purchased, it is sent directly from the supplier to the internal requester, except for the minimum stocking and storage required. To increase cost efficiency and reduce transport distances, Magyar Telekom HU has increased the proportion of inventories managed by suppliers.

The possibility of doing so is examined together with the partner when concluding or reviewing supply contracts\*.

Despite the globalisation of procurement, Magyar Telekom HU continues to source a significant proportion of its products and services from local suppliers. In 2023, 71.60% of the total value of orders for Magyar Telekom Plc. and 87.71% for Telekom System Integration Ltd. Co. came from this category. Ordering goods and services from local suppliers contributes significantly to job retention.

## VALUE RATIO OF LOCAL PRODUCTS AND SERVICES\*\*, MAGYAR TELEKOM GROUP

AFFILIATES	2018	2019	2020	2021	2022	2023
Magyar Telekom Plc.	85,56%	81,09%	78,14%	80,53%	63,91%	71,60%
Telekom System Integration	82,87%	80,92%	86,62%	89,48%	83,67%	87,71%
Makedonski Telekom	61%	75%	73%	52,11%***	51,69%	50,38%

\* Suppliers with headquarters in a given country.

\*\*To determine the value of suppliers' purchases in a given year, and thus the local purchase rate, the value of orders placed in that year was used.

\*\*\* Corrected data. It was listed incorrectly in the 2021 Sustainability Report.



## EMPLOYEES

### Involvement of employees

Corporate volunteer programs are no longer merely an option but an expectation of the society and the employees alike. For Magyar Telekom HU, it is also very important to set a good example both as a company and through the actions of its employees. In order to encourage volunteering, the company organised a Volunteer Fair in April 2023, which gave 10 NGOs the opportunity to present their activities and goals to employees and to recruit volunteers. Employees can find out about volunteering opportunities on a dedicated page on an internal information portal. Volunteering hours are recorded in the electronic attendance sheet, which shows that in 2023, the company's employees spent 3146 hours with volunteer work.

### Magenta Unity Foundation

The Magenta Unity Foundation was established in July 2020 on the initiative of Tibor Rékasi, CEO, and the members of the Leadership Squad, the top management of Magyar Telekom Plc., through their personal responsibility and from their personal financial donations. The original aim of the Foundation was to provide support to employees who have been affected by the coronavirus epidemic. In 2022, the aim was extended to include support for employees in financial difficulty due to serious illnesses requiring long-term rehabilitation. This initiative, unique on the Hungarian market, relies on personal donations, complemented by the annual donation of Magyar Telekom Plc. Since the beginning of its operation, the Foundation has granted support to employees in need in



399 cases, totalling HUF 67 247 000 until the end of 2023. From the beginning, the Foundation has also taken into account the criteria of social need, especially in cases where the applicant's expenses have increased significantly due to the epidemic or a serious illness requiring long rehabilitation, whether physical or mental. On the basis of the applications received, the Foundation's Board of Trustees is of the opinion that there is still a great need for assistance to provide social support and protection to employees and their families.

### FUTURE GENERATION

Magyar Telekom HU supports the future generation in developing their digital skills through digi-

tal competence development programs. Detailed information can be found in the digitisation section of the report.

In 2022, Deutsche Telekom set the objective to support the volunteering activities of Generation Z. A total of 82% of Generation Z youth worldwide say they are involved in some form of volunteering initiative to address social and environmental problems. Apart from making an impact on the community, their main motivation is to improve their existing knowledge and gain new skills and experience. Telekom recognises the importance for the next generation to take action on environmental and social issues and wants to help the younger generation of volunteers to do this.

The [#WhatWeValue platform](#) is open to all volunteers aged between 18 and 30 in European countries where Telekom is present, including Hungary. Projects and initiatives that meet the necessary criteria are published on the platform after verification. The brand is looking for volunteer projects in categories such as gender, race and social equality, support for people with disabilities, environment, urban regeneration, mental health, migration or education, for example

### REGULATORS

Magyar Telekom HU conducts - typically upon request in case of, for example, public discussions on draft laws - professional consultations with the authorities and supervisory bodies, as well as with other state administration entities exercising jurisdiction, including the Prime Minister's Office (MK) and the Ministry of National Economy (NGM), the Ministry of Culture and Innovation (KIM), the Ministry of Justice (IM), the National Media and

Infocommunications Authority (NMHH), the Competition Office (GVH) and the National Authority for Data Protection and Freedom of Information (NAIH), as well as the Consumer Protection Authority. Magyar Telekom HU continuously participates in the work of interest reconciliation forums (in particular: the Telecommunications Interest Reconciliation Council (HÉT), the Association of IT, Telecommunications and Electronic Enterprises (IVSZ - Alliance for the Digital Economy)), the main objective of which is to develop common industry and professional positions on the relevant regulation.

### MEDIA

Magyar Telekom HU pays special attention to make digital opportunities accessible to the widest possible audience of all age groups, in cooperation with media representatives.

It informs the public in a timely and effective manner about the Company's and the Group's business activities, objectives, results, market position, key events, new services, products, developments and technological innovations, the Group's sustainability commitment, sponsorship activities and significant organisational and personnel changes affecting the Group.

In the Magenta Podcasts, the company shared with the audience interesting facts and knowledge, exemplary stories and really useful recommendations relevant to the digital world, making it easier to understand and navigate our everyday lives. The podcast channel is aimed at both those who are new to technology and those who are already familiar with it: the result is an entertaining and meaningful dialogue about everyday life and the digital world around us all.

## NGOs

Magyar Telekom HU implements its cooperation with NGOs in line with the foci of its sustainability and brand strategy. Some of these collaborations span over several years, such as the support provided to SUHANJ! Foundation in the context of the traditional Telekom Vivicitta, to Edisonplatform created by the Bridge Budapest Association, which brings together and encourages cooperation among entities helping children's skills development in a value-based manner, or participating in the HBLF Roma Master Program, which aims to educate talented Roma youth. In addition, there are NGO partnerships that support initiatives to be implemented in a given year, but also aim to provide solutions to social and environmental issues that the company considers to be a top priority. This includes the representation of women in IT professions through support for the Women in IT Security Association, or the Hungarian Ethology Foundation's program, which provides science-based solutions to parents regarding their young children's use of different devices. Magyar Telekom HU continued its strategic cooperation with the International Children's Safety Service, in the framework of which, in addition to operating their IT systems, Magyar Telekom HU also participated in the organisation of Safer Internet Day and provided the venue for the conference in 2023.

## DATA PRIVACY

Magyar Telekom HU pays particular attention to the protection of the personal data of its customers, employees and business partners in its operations, in the development of its products and in the provision of its services. Magyar Telekom HU processes personal data in compliance with the General Data Protection Regulation (GDPR) and the applicable legal provisions, observing

the guidelines of the European Data Protection Board (EDPB) and the National Authority for Data Protection and Freedom of Information (NAIH), too. The company has joined the Deutsche Telekom Group member companies that have adopted Deutsche Telekom Group's Binding Corporate Rules Privacy (BCPR) as a binding privacy policy. The provisions of the BCPR were reviewed and amended by Deutsche Telekom Group in 2023 to reflect changes in legislation and regulatory practice since its entry into force. Regulatory approval of the revised BCPR is expected in 2024.

Magyar Telekom HU continuously trains its employees and subcontractors to ensure the proper processing and security of personal data in order to keep up-to-date with relevant laws, guidelines and internal policies. In 2023, the training „Our Commitment to Data and Information Privacy”, developed jointly with Deutsche Telekom Group, became mandatory for Magyar Telekom HU employees.

In case Magyar Telekom HU uses data processors, it also requires its partners, stipulated by the data processing contract, to treat customers' personal data confidentially and to ensure a high level of protection of personal data in accordance with the company's requirements. As of 2021, processes and agreements for data transfers outside the EU have been aligned with the applicable data protection decisions and recommendations.

Magyar Telekom HU continuously monitors changes in the legal environment in order to prepare for the implementation of new and forthcoming legislation affecting data protection (e.g. Data Act, Data Governance Act, Artificial Intelligence Act). In 2023, the development of a framework to ensure data protection compliance in the development and use of artificial intelligence-based systems and solutions was initiated.

Magyar Telekom HU provides its customers with information about the processing of their personal data through several channels, and enables them to access their personal data and exercise all their data subject rights under the GDPR. The company receives and prioritises notifications regarding data processing and responds to them in a timely, factual and substantive manner. The process regarding right of access was reviewed in 2023 in line with the latest relevant EDPB guidance.

## RENDERING ELECTRONIC DATA INACCESSIBLE

The measure of making electronic data inaccessible was introduced by Act C of 2012 on the Criminal Code (new Criminal Code), while the most important rules of the measure are governed by Act XC of 2017 on Criminal Procedure (CP). The CP distinguishes between two forms of the measure: temporary removal of electronic data and temporary blocking of access to electronic data, which communication service providers are obliged to carry out under certain circumstances and conditions.

The temporary inaccessibility of electronic data may be imposed, if the proceedings are conducted in the context of a public offence in relation to which the permanent inaccessibility of electronic data is warranted and is necessary to interrupt the offence in progress. The original purpose of this measure was obviously to avoid waiting for a final judgment to block content in certain serious cases (e.g. child pornography, offences against the state or terrorism).

Currently, the court will order the temporary blocking of access to electronic data relating to the following offences, if the legal conditions are met:

- drug trafficking,
- inciting pathological addiction,
- facilitating the manufacture of drugs,
- misuse of drug precursors,
- abuse of a new psychoactive substance,
- child pornography,
- offences against the state,
- acts of terrorism,
- financing acts of terrorism
- incitement to war.

The National Media and Infocommunications Authority (NMHH) and the ISPs are responsible for the technical management of the temporary inaccessibility.

In 2014, a similar rule applicable to a similar procedure of the Gambling Supervision (currently called the Regulated Activities Supervision Authority) came into force in [Act XXXIV of 1991](#) on the Organisation of Gambling, which allows the authority to order the temporary inaccessibility of data published via electronic communications networks, even without judicial intervention, where the disclosure or publication of such data constitutes the organisation of illegal gambling.

As of January 01, 2015, under Act XCV of 2005 on medicinal products for human use and amending other acts regulating the pharmaceutical market, the State Pharmaceutical Administration (currently the National Centre for Public Health and Pharmacy) has also been empowered to order the temporary inaccessibility of electronic data in the case of falsified or unauthorised medicinal products, or to request the website hosting provider to remove the offending page.

The similarity between the measures ordered by the court and the National Tax and Customs Administration of Hungary (NAV) is so strong that the National Media and Infocommunications Authority is responsible for enforcement in both cases.

Pursuant to Section 159/B (3) of [Act C of 2003](#) on Electronic Communications (Act on Electronic Communications), the National Media and ICT Authority has been operating the central database of electronic inaccessibility decisions since January 01, 2014 and processes the data entered there for the purpose of its operation. This database therefore contains the decisions issued by the courts or the NAV which contain the addresses of the websites to be blocked. All electronic communications operators are obliged to join central database of electronic inaccessibility decisions and thus to make blocked websites inaccessible to all their subscribers. These sites are therefore also blocked by Magyar Telekom HU in accordance with the law

Magyar Telekom HU, as a leading telecommunications company listed on the stock exchange, complies with all elements of Hungarian legislation, and is actively involved in the self-regulatory initiatives of the industry and the work of sectoral NGOs.

## SPONSORSHIP

Magyar Telekom HU's sponsorship activities aim to create experience and value for customers and partners. As one of the country's largest sponsors, the Group has invested a significant amount of money in supporting Hungarian sport and culture in recent decades.

The company has been a committed supporter of sport in Hungary for decades and sees sport as a key part of its sponsorship strategy. The sports sponsorship strategy is well aligned with Tele-

kom's overall sponsorship strategy and the parent company's international sponsorship scheme: as the country's leading telecoms operator, the company supports the most popular and successful players in the Hungarian sports scene.

As an important element of its sports sponsorship strategy, Telekom signed a four-year agreement with Ferencvárosi Torna Club in 2018, which was extended for another four years in 2022.

Telekom had been supporting the youth football education of Ferencváros Torna Club (FTC) since 2014, and from 2015 onwards it has been supporting the adult men's football team as the main sponsor of FTC, and under the new agreement as the main sponsor of FTC. The company is the title sponsor of the multiple Hungarian Cup, Champions League and LEN Cup winners FTC-Telekom Waterpolo, the Erste Liga and Hungarian Cup winners FTC-Telekom Ice Hockey, the cup winners FTC-Telekom Women's Football and the FTC-Telekom Men's Gymnastics divisions, which also have a great record of results.

The company has been supporting the Telekom Veszprém handball team for more than 20 years, since 2016 as a title sponsor, contributing to the domestic and international success of a world elite team. Magyar Telekom HU firmly believes that such world-class performances and results contribute significantly to more young people choosing active sports and promote a healthy lifestyle.

Through its sponsorships, Magyar Telekom HU was able to provide fans with interesting content that gives them an insight into the lives of athletes, people around sports and clubs in 2023, too.

At the beginning of 2023, Ferencvárosi Torna Club and the Telekom Veszprém handball team became committed supporters of the Telekom MobilDonor program. In 2023, we also supported

different disadvantaged groups with the proceeds from the auction of special, individually signed jerseys worn by the players in the featured matches.

Magyar Telekom HU also considers it important to support mass sports, so for more than 20 years it has been the eponymous sponsor of the Telekom Vivicitta, which is attended by professional athletes, amateur runners and families, thus promoting the importance of sport and exercise in everyday life. In 2023, the race was held again, as usually, in the early spring. More than 20,000 individual participants took part in the 2-day event, which attracted runners from 830 Hungarian towns and 80 countries. Through the event, Telekom supported SUHANJ! Foundation's integrated gym, SUHANJ! Fitness, an integrated fitness centre, and thus the sporting activities of people with disabilities.

In the context of cultural activities, Magyar Telekom HU was the title sponsor of the Telekom Podcast Fest, and in the summer of 2023 launched a special series of events called the Festival of Telekom People, with a total of 9 events between June 01, and August 20 at several locations across the country. Customers could request their free tickets for these unique events via the Telekom app, which allowed them to bring two additional guests with them. And at the end of the summer 2023, the STRAND Festival opened its doors for the eleventh time in Zámárdi, closing the Balaton summer season with a more comprehensive offer than ever before, where Telekom sponsored the venue and was present on location. At the end of August, Telekom Electronic Beats was the title sponsor of the large outdoor stage at the first INOTA Festival. The event was a collaboration between the Hungarian underground music and visual scene.





## MAGYAR TELEKOM GROUP MEMBERSHIP IN INDUSTRIAL, HUNGARIAN AND INTERNATIONAL ORGANIZATIONS

ORGANIZATION/ASSOCIATION	MAJOR INVOLVEMENT / CONTROLLING / DECISION MAKING MEMBERSHIP OF MAGYAR TELEKOM GROUP
Magyar Telekom Plc.	
5G Coalition	
European Telecommunications Network Operators Associations (ETNO)	
GSMA Association	
Joint Venture Association (JVSZ)	
German-Hungarian Chamber of Industry and Commerce	
Telecommunications Reconciliation Council	
IVSZ – Association of Digital Businesses	
Association of Telecommunications and Information Technology Enterprises	
Hungarian Competition Law Association	
AI Coalition	
Employers' Equal Opportunities Forum	
Association of Content Providers in Hungary	
Hungarian Advertising Association	presidential body membership
American Chamber of Commerce	
Association of Electronic Payment Service Providers	presidential body membership
Industry 4.0 National Technology Platform Association (I4.0 NTP)	presidential body membership
Telekom System Integration Ltd. Co.	
5G Coalition	
Drone Coalition	
Federation of Information Technology Enterprises	
Hungarian Water Utility Association	
Hungarian Project Management Association	
AI Coalition	
Association of Telecommunications and Information Science	
Hungarian Chamber of Engineers	
IT Service Management Forum (ITSMF)	
Chamber of Personal and Property Security and Private Investigators	
Hungarian Innovation Association	board membership
Makedonski Telekom	
International Telecommunication Union (ITU)	
European Telecommunications Network Operators Associations (ETNO)	
RIPE Network Coordination Centre	
GS1 Macedonia (barcode association)	
Macedonian Chamber of Economy	board membership
American Chamber of Commerce Macedonia (AmCham - USA)	board membership
Macedonian-German Business Association	
Macedonian Chamber of Information Technology (MASIT)	board membership
Macedonian Chamber of Architecture and Engineering	
GSMA Association	

## COOPERATION IN ENVIRONMENT PROTECTION AND SOCIAL ISSUES

In addition to professional challenges, Magyar Telekom HU is also looking for cooperation opportunities to solve social and environmental problems.

The company has been an active member of the Sustainability Working Group of [ETNO](#) (European Telecommunications Network Operators) for many years. Members help each other to solve a wide range of sustainability-related problems.

In 2023, Magyar Telekom HU was one of the first companies to join the ESG working group of IVSZ - Digital Business Association, whose main objective is to represent the interests of businesses in the social consultation of legislation affecting ESG activities and to channel proposals to legislators.

Magyar Telekom HU is in continuous consultation with the national representative organisations of people with disabilities (AOSZ, ÉOFÉSZ, MEOSZ, MGVYOSZ) to review the accessible customer service facilities and services provided to its affected customers and their helpers and to adapt to their changing needs.

The company's employees are in contact with a number of academic institutions: they support university work by acting as thesis advisors, educating professionals and giving lectures.

Magyar Telekom HU is the first company in Hungary to have adopted the [OECD Guidelines for Large Enterprises and to consider them binding](#).

The company signed the European Union [Diversity Charter](#) in the framework of the Hungarian Business Leaders Forum (HBLF) and considers it a binding policy.

Magyar Telekom HU is a signatory to the United Nations [Global Compact](#) on the 10 principles and is committed to reporting annually on its progress.

Magyar Telekom HU recognizes and accepts the [United Nations Sustainable Development Goals \(SDGs\)](#), and has included the ones of key importance to the company in the 2016–2020 Sustainability Strategy as mandatory tasks to be implemented.

The company publishes data and information on its climate protection activities annually through the [CDP](#) (Carbon Disclosure Project) platform.

Magyar Telekom HU is the first company in Hungary to join the [Science Based Target Initiative](#) (SBTI) and has emission reduction targets approved by the organisation.

The company has also joined the UNFCCC [Climate Neutral Now](#) initiative.

In 2020, Magyar Telekom Plc. joined the [Equalizer Foundation](#) and is represented on its Board of Trustees. The foundation aims to initiate and support changes that will result in more women leaders in Hungarian economic, cultural, scientific and political life.

# SUMMARY OF KEY OPERATING STATISTICS

Summary of key operating statistics of Magyar Telekom Group	31.12.2022.	31.12.2023.
<b>MT HUNGARY</b>		
<b>Mobile operations</b>		
Number of SIMs	5 950 457	6 246 285
Postpaid	3 788 942	3 811 213
Prepaid	1 408 764	1 318 311
M2M	752 751	1 116 761
MOU	239	229
ARPU (HUF)	3 870	4 430
Postpaid	5 562	6 649
Prepaid	1 234	1 427
M2M	308	258
Overall churn rate	11,6%	11,7%
Postpaid	6,0%	8,4%
Prepaid	21,6%	17,0%
Ratio of non-voice revenues in ARPU	59,1%	62,0%
Number of mobile broadband subscriptions	3 904 177	4 055 315
<b>Fixed line operations</b>		
<b>Voice services</b>		
Total voice customers	1 308 071	1 272 581
Blended MOU (outgoing)	105	91
Blended ARPU (HUF)	1 844	1 968
<b>Data products</b>		
Number of retail DSL customers	329 359	268 471
Number of cable broadband customers	491 279	501 757
Number of fiber optic connections	693 522	821 482
Total retail broadband customers	1 514 160	1 591 710
Blended broadband ARPU (HUF)	3 926	4 694
Number of wholesale DSL access	25 779	26 147
<b>TV services</b>		
Number of cable TV customers	98 337	91 880
Number of satellite TV customers	127 934	73 093
Number of IPTV customers	1 152 337	1 259 448
Total TV customers	1 378 608	1 424 421
Blended TV ARPU (HUF)	3 569	4 032

Summary of key operating statistics of Magyar Telekom Group	31.12.2022.	31.12.2023.
<b>NORTH MACEDONIA</b>		
<b>Mobile operations</b>		
Mobile penetration <sup>(1)</sup>	126,5%	126,9%
Market share of Makedonski Telekom <sup>(1)(2)</sup>	48,6%	48,2%
Number of SIMs	1 268 098	1 280 564
Postpaid share in the RPC base	44,6%	45,7%
MOU	237	235
ARPU (HUF)	2 085	2 295
<b>Fixed line operations</b>		
<b>Voice services</b>		
Total voice customers	224 577	228 350
Total outgoing traffic (thousand minutes)	18 347	14 579
<b>Data and TV services</b>		
Number of fixed retail broadband customers	203 337	210 480
Number of IPTV customers	147 702	150 415

(1) Data published by Macedonian Agency for Electronic Communications (AEC)

(2) Based on active RPC

# APPENDIX

## Annex to the climate chapter

### Direct, ie scope 1 emissions

Direct emissions include emissions from equipment under the operational control of Magyar Telekom Group. Changes in the amount of energy carriers used are presented in the Energy Consumption chapter. This year's report is also the first to present the time series of fluorinated greenhouse gases (F-gases) released into the atmosphere.

Magyar Telekom Group Scope 1 emissions (tCO<sub>2</sub>e)

Scope 1 emissions	2015	2019	2020	2021	2022	2023
<i>by source</i>						
Natural gas	7 103	3 417	3 144	2 754	2 479	2 061
Diesel oil, heating oil – stationary	1 145	503	574	431	343	431
Fuels (total)	14 748	12 649	9 687	9 739	10 177	10 059
<i>by member company</i>						
F-gases - Magyar Telekom HU	1 767	2 258	2 201	1 655	1 764	1 879
F-gases - Makedonski Telekom A.D.	N.a.	N.a.	N.a.	N.a.	N.a.	202
Magyar Telekom Plc.	19 327	14 119	12 320	11 746	11 507	12 517
Telekom System Integration Ltd. Co.	3 131	3 425	2 102	1 715	2 222	837
Makedonski Telekom A.D.	2 305	1 282	1 184	1 118	1 033	1 279
						<b>14</b>
<b>Total Scope 1 emissions</b>	<b>24 764</b>	<b>18 827</b>	<b>15 606</b>	<b>14 579</b>	<b>14 762</b>	<b>632</b>

In the table, the time series for Makedonski Telekom A.D. is not consistent due to changes in the data source in 2023.

### Vehicle fleet

The largest source of direct emissions is motor vehicle fuel use. There are two ways to reduce these emissions: one is to rationalise and reduce the vehicle fleet; the other is to change the composition of the fleet so that the specific emissions of vehicles are reduced. In the case of Magyar Telekom Group, both reduction measures are being implemented.

At Group level, the number of vehicles in the fleet decreased by 4% in 2023 compared to 2022: both the number of benefit cars and the number of vehicles for regular use decreased. Magyar Telekom Plc. has the largest fleet within the Group. Continuing with the green transition of the fleet, the number of hybrid cars increased by 5% compared to the previous year, while the number of diesel and petrol vehicles decreased. This increase also had an impact on consumption figures. Electricity consumption of electric and hybrid cars increased from 81.8 MWh to 132.6 MWh as the fleet grew. Hybrid vehicles continued to be purchased due to the slow development of the charging network.

Fleet composition, Magyar Telekom Group (number of vehicles)

Fleet composition (number of vehicle)	2015	2019	2020	2021	2022	2023
<b>Total</b>	3873	3489	3368	2883	2805	2687
<b>By fuel</b>						
Gas oil	2244	1956	2002	1659	1574	1502
Petrol	1541	1266	1064	838	730	661
Hybrid	85	260	295	381	496	519
Electric	3	7	7	5	5	5
<b>By use</b>						
Benefit car	1423	1587	1417	1217	1226	1148
Regular use	2450	1902	1951	1666	1579	1539



### F-gases

Magyar Telekom Group makes every effort to manage the risks associated with equipment containing fluorinated greenhouse gases (F-gases). In the case of leaks or fire extinguishing gases in Hungary, the amount of F-gases released into the atmosphere during operations is recorded in the National Climate Protection Authority's records in each case. The Macedonian State Environmental Protection Inspectorate has similarly high expectations to reduce leakages in North Macedonia.

The processing of the data on the annual amount issued started in 2022 for Magyar Telekom Plc., and in 2023 the full time series data for the whole Magyar Telekom HU was available. For Makedonski Telekom A.D., no historical data are available yet.

### Indirect, ie scope 2 emissions

The indirect, i.e. scope 2, emissions were determined in two ways by Magyar Telekom Group based on the GHG Protocol recommendation. The so-called location-based method shows the total actual emissions, i.e. it reflects the emissions during the feed of the energy mix of electricity and district heating into the grid. While market-based calculations reflect how a company, given the options available, can choose to promote the green transition by providing financial support.

Currently, the Group only uses market-based reduction options for electricity consumption. More information on renewable energy procurement can be found in the Energy consumption chapter.

### Magyar Telekom Group's Scope 2 emissions (tCO<sub>2e</sub>)

Scope 2 emissions – locally	2015	2019	2020	2021	2022	2023
<i>by source</i>						
Electric power	105 640	79 514	69 162	68 791	68 895	64 564
District heating	2 994	3 380	3 048	3 068	2 838	1 866
<i>by member company</i>						
Magyar Telekom Plc.	79 326	51 901	46 009	46 931	46 512	42 240
Telekom Rendszerintegráció Ltd. Co.	5 341	6 856	6 186	6 209	7 501	6 096
Makedonski Telekom	23 968	24 136	20 015	18 719	17 721	18 094
<b>Total Scope 2 emissions</b>	<b>108 634</b>	<b>82 894</b>	<b>72 210</b>	<b>71 859</b>	<b>71 733</b>	<b>66 430</b>
<i>by source</i>						
<b>Scope 2 emissions – market-based</b>						
<i>by source</i>						
Electric power (adjusted by green energy consumption)	36 212	27 516	21 038	6 032	0	0
District heating	2 994	3 380	3 048	3 068	2 838	1 866
<i>by member company</i>						
Magyar Telekom Plc.	9 841	2 794	2 270	2 400	2 034	1 582
Telekom Rendszerintegráció Ltd. Co.	5 398	7 094	6 719	5 300	407	22
Makedonski Telekom A.D.	23 968	21 009	15 097	1 399	397	262
<b>Total Scope 2 emissions</b>	<b>39 206</b>	<b>30 896</b>	<b>24 086</b>	<b>9 099</b>	<b>2 838</b>	<b>1 866</b>

In the table, the time series for Makedonski Telekom A.D. is not consistent due to changes in the data source in 2023.

### Other indirect (scope 3) emissions

Magyar Telekom has started to measure scope 3 emissions in connection with the Science Based Target initiative. The first estimates have evolved and changed over the years as more data became available.

Magyar Telekom's operational figures, GHG Protocol indicators and suppliers' CDP disclosures or publicly available reports were taken into account when determining emissions. The emissions refer only to the operations of Magyar Telekom Plc.

In 2022, the methodology for several categories has been refined (business trips, use of products sold) and more detailed activity data (waste) have allowed more accurate calculations. Also in this year's report, several categories have been recalculated depending on the most accurate data and methodologies available. The largest increase is in categories 1 to 3, as the emissions linked to the whole value chain have been taken into account for acquisitions. This change required the largest suppliers of Magyar Telekom Plc to make their scope 3 emissions public and to continuously improve their calculation methodologies. The table below shows the scope 3 emissions for the base year 2017 and for 2022 and 2023 based on the data currently available.

### Magyar Telekom Plc.'s Scope 3 emissions (tCO<sub>2e</sub>)

GHG-emissions (tCO <sub>2e</sub> ) by the following categories				
categories	Calculation basis	2017	2022	2023
1. Goods and services procured	procurement values and reported company emissions	72 379*	164 911*	84 683
2. Tangible goods	procurement values and reported company emissions	53 249*	34 605*	29 199
3. Fuel and energy-related activities	procurement values and reported company emissions	17 874*	6 634*	3 945
4. Upstream transport and distribution	products sold, DEFRA specific transport emissions	12 368*	11 529*	10 809
5. Waste	waste volumes produced and domestic/EU specific emissions	3 330	2 043*	1 904
6. Business trips	travel data and EU specific emissions	424*	169*	257
7. Employee commute	internal survey travel patterns and country-specific per-unit emissions	6 832**	713*	712
8. Az upstream leased assets			Not applicable	
9. Downstream transport	km driven by suppliers and specific emissions from DEFRA database	605*	914*	492
10. Processing products sold			Not applicable	
11. Use of products sold	energy used during the life cycle of products sold	37 620*	36 463*	33 250
12. Managing lifecycle end of products sold	products sold	931*	971*	813
13. Assets leased	energy used by CPE devices	59 102*	67 636*	74 173
14. Franchise activity			Not applicable	
15. Investments			Not applicable	
<b>Total</b>		<b>264 714 *</b>	<b>326 588*</b>	<b>240 238</b>

\* Compared to the previous report, the data have changed due to the update of specific emissions, changes in calculation methodology and the level of detail of the data available.

\*\* In previous reports there was a large overestimation due to miscalculation, which also affected the trend in total scope 3 emissions.

### Terminal equipment used by customers but owned by Magyar Telekom

CPE equipment (set top boxes, modems, terminals) is a significant energy consumer, but it is essential for the use of services. Since 2016, Magyar Telekom has been accurately tracking all the devices connected to the network and located at customers' premises, and their performance. Taking into account the user numbers at the end of 2023, the energy consumption of the devices used by our customers in connection with our services was 253.2 GWh of electricity, which caused 74 kilotonnes of CO<sub>2</sub>e emissions. The specific energy consumption of CPE devices increased by 6% compared to 2022, driven by an increase in time of use. Although the specific energy consumption of CPE devices is still below 2017 levels due to more efficient technology, the one and a half times as many devices in use resulted in a 10% increase in emissions in this category compared to 2017.

### Business trips

In 2023, the number of business trips continued to increase compared to previous years, approaching the 2019 level again. In this category, the emissions of air and rail transport were taken into account based on the European Environment Agency's 2021 publication, while for cars the specific emissions of Magyar Telekom Plc's fleet were taken into account. For emissions related to accommodation services, the specific emissions were taken from the database collected by DEFRA.

### Telework and employee commute

Magyar Telekom Plc. strongly supported the possibility of teleworking during the epidemic, which has mutual benefits for both employees and employers. Teleworking time increased in 2020 thanks to the pandemic, rising from under 20% to over 50%, and has remained at this level since then. For more information on atypical forms of employment, see Diversity and equal opportunities.

This category was recalculated by Magyar Telekom Plc. in 2023. The previous high figure of 2017 has been corrected based on the number of working days and teleworking days, taking into account the distribution of transport modes. The emission factors are now based on consistent background data: for passenger cars, the specific emissions of company cars are reported, while for public transport, the information was derived from the sustainability report of the Budapest Transport Centre and statistical data. In 2021, based on a very detailed and representative survey, Magyar Telekom Plc. obtained an accurate picture of commuting patterns, which provide an accurate picture of the move to the new headquarters and the period during and after the pandemic. For the period 2020 to 2023, this detailed data set was used to estimate the output. Taking care to avoid duplication, the calculations take into account that emissions from company cars were already included in the scope 1 category.

In the commuting category, energy consumption during teleworking has been included in the scope 3 emissions based on the [EcoAct 2020 methodological guidance](#).

### Biological diversity

The construction in the Upper Tisza Natura 2000 area required a statement from the relevant authority before a building permit could be granted. The resolution was issued by the Department of Environment Protection, Nature Protection and Waste Management of the Szabolcs-Szatmár-Bereg County Government Office, subject to the following conditions:

- 5 days prior to the start of the work, consultation with the nature guard is required
- The construction works should not have any negative impact on the surrounding Natura 2000 site
- The strip of land used must be kept to a minimum during the works
- No night work is allowed
- Heavy machinery may only be driven on dry or frozen ground
- Waste generated during construction must be treated in accordance with the law
- Shrub clearance must be carried out outside the nesting season
- Stop work if protected species are observed during construction.

### Noise measurements and results

In 2023, 3 noise measurements were carried out at one rural and two Budapest sites. In two cases, action was taken to eliminate the noise impact, in one case the authority did not detect any noise exceedance and no further action was necessary.

## Taxonomy eligible and aligned activities

### CCM 8.1: Data processing service

Data centres operated by Telekom System Integration Ltd. Co. in 2023 were included in the taxonomic suitability assessment for this activity. Currently, none of the three data centres meet the taxonomy criteria, therefore the revenues from the reported activities are reported as taxonomy eligible activities. Magyar Telekom is striving to achieve this compliance, and taxonomic compliance has been given priority in the future refurbishment programme of its data centres.

Telekom System Integration Ltd. Co's cloud-based services (Instant DC, AzureStackHub) are based on infrastructure as a service model: the customer's IT systems are unified on platforms operated by Telekom System Integration Ltd. Co. Centralising the service in this way not only reduces hardware consumption, but also greenhouse gas emissions thanks to the energy-efficient operation of the data centres. The platform gives businesses the flexibility to purchase computing capacity, memory resources and network resources, among other things. Improved server utilisation and energy-efficient data centre operations can lead to energy savings of up to 20-30%, according to some industry calculations. This scenario is based on the assumption that customers use their own decentralised server infrastructure to store and process data, rather than a cloud-based solution. Since the lifecycle analyses were conducted in Germany and have not yet been adapted to workplace and cloud solutions in Hungary, they are reported as a non-taxonomy-aligned, but taxonomy-eligible activity for the time being.

### CCM 8.2: Data-driven solutions for GHG emissions decrease

For this activity, solutions and products that Deutsche Telekom has included in the Enablement Factor and Sustainable Revenue Share ESG KPIs and/or that have been awarded the #GreenMagenta label are included. Within our Group-wide business activities, the following taxonomic services are included:

- Business video conferencing (reducing CO2 emissions from travel)
- Workplace and cloud solutions (increase energy efficiency by improving server utilisation)
- IoT solutions (save CO2 emissions through smart thermometers, for example)

Taxonomy-aligned solutions under economic activity 8.2 account for 0.6% of total sales. The main contributors are business-related video conferencing and cloud-based solutions.

As evidence of taxonomy alignment, a life-cycle analysis is required to show that a solution will deliver significant GHG emission reductions over its entire life-cycle compared to a relevant standard, i.e. reference, solution available on the market.

Based on Deutsche Telekom's analysis, a comparison of face-to-face meetings with business videoconferencing solutions that can be adapted to the taxonomy of the analysis provided evidence of significant GHG reductions. Hybrid meetings reduce greenhouse gas emissions by about 28 percent (small meetings) or 37 percent (large meetings). Given the demonstrated reduction in GHGs, all web conferencing solutions are reported as taxonomy-aligned.

Magyar Telekom does not yet have a lifecycle analysis of IoT services, so they are not yet included among the taxonomy-aligned activities.

### CCM 6.15 Infrastructure for low-carbon road transport and collective transport

Magyar Telekom HU is upgrading its charging infrastructure in line with its vehicle fleet, enabling the electric charging of company and service vehicles in line with CCM 6.5 support activities.

### CCM 6.5 Transport by motorcycles, passenger cars and light commercial vehicles

Magyar Telekom Group's vehicle fleet includes both company cars and service vehicles. The economic activity of motorcycle, passenger car and light commercial vehicle transport (6.5) is therefore a cross-cutting activity supporting the core activity.

Together, Magyar Telekom HU leased more than 400 vehicles meeting the taxonomic criteria in 2023.

The taxonomy regulation requires from 2024 onwards that, in addition to the activities related to climate change, the scope of activities that can be aligned with the taxonomy must also be reported for the remaining 4 environmental elements - for the time being only. Magyar Telekom HU is involved in promoting circular economy through the following two activities.

### CE 5.4 Sale of second-hand goods

In 2023 Magyar Telekom Plc. launched a new product on the market, offering refurbished appliances with A+ premium rating. By increasing the lifetime of the device, the amount of electronic waste can be reduced. The refurbishment of the devices is carried out by a refurbishment centre certified ISO9001, ISO14001, ISO27001, ECOVADIS PLATINUM LABEL, RCUBE MOBILE LABEL.

### CE 5.5 Product as a service and other circular use and results-oriented service models

Following the industry standard, Magyar Telekom HU leases a number of CPE devices (set-top boxes, terminal equipment, fixed line equipment, etc.) to its customers and sells leased line products. In the latter case, the IP Complex Plus and IP Sound services have been considered, where the primary purpose of the services is to provide a closed connection between the customer's premises and its headquarters (virtual private network). The equipment providing the termination of the service is owned by Magyar Telekom HU and the service is provided on a monthly fee basis.



Economic Activities (1)	Code (2)	Absolute turnover (3)	Proportion of Turnover (4)	Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')						Minimum Safeguards (17)	Taxonomy aligned proportion of total turnover, year N (18)	Taxonomy aligned proportion of turnover, year N-1 (19)	Category (enabling activity) (20)	Category (transitional activity) (21)
				Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity and ecosystems (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)					
<b>MAGYAR TELEKOM</b>		Millions, HUF	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>			<b>159%</b>																	
<b>A.1. Environmentally sustainable activities (Taxonomy-aligned)</b>																				
Data-driven solutions for GHG emissions r	CCM 8.2	67	0,01	0,01	0,01	N/A	N/A	0,01	NA	Y	Y	N/A	N/A	Y	NA	Y	0,01	0,02	E	
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		67	0,01	0,01	0,00	0,00	0,00	0,00	0,00	Y	Y	N/A	N/A	Y	NA	Y	0,01	0,02	E	
<b>A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)</b>																				
Data processing, hosting and related activ	CCM 8.1	2 576	0,30																	
Data-driven solutions for GHG emissions r	CCM 8.2	5 136	0,60																	
Sale of second-hand goods	CE 5.4	578	0,07																	
Product-as-a-service and other circular us	CE 5.5	5 143	0,61																	
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		7 712	1,58														1,58	0,39		
<b>Total (A.1+A.2)</b>		<b>7 779</b>	<b>1,59</b>														<b>1,59</b>	<b>0,41</b>		
<b>B. TAXONOMY-NON-ELIGIBLE ACTIVITIES</b>																				
Turnover of Taxonomy-non-eligible activities		841 593	98,41																	

Economic Activities (1)	Code (2)	Absolute CAPEX (3)	Proportion of CAPEX (4)	Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')						Minimum Safeguards (17)	Taxonomy aligned proportion of total CAPEX, year N (18)	Taxonomy aligned proportion of CAPEX, year N-1 (19)	Category (enabling activity) (20)	Category (transitional activity) (21)				
				Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity and ecosystems (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)									
MAGYAR TELEKOM		Millions, HUF	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T				
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>																								
<b>A.1. Environmentally sustainable activities (Taxonomy-aligned)</b>																								
CAPEX of environmentally sustainable activities (Taxonomy-aligned) (A.1)			0,00	0,00	0,00	0,00	0,00	0,00	0,00								0,00	0,00						
<b>A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)</b>																								
Infrastructure enabling low-carbon road transport and public transport	CCM 6.15		196	0,19																	0,19	0,34		
CAPEX of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)			196	0,19																	0,19	0,34		
Total (A.1+A.2)			196	0,19																	0,19	0,34		
<b>B. TAXONOMY-NON-ELIGIBLE ACTIVITIES</b>																								
CAPEX of Taxonomy-non-eligible activities			104 918	99,81																				
Total (A+B)			105 114	100,00																				

Economic Activities (1)	Code (2)	Absolute OPEX (3)	Proportion of OPEX (4)	Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')						Taxonomy aligned proportion of total OPEX, year N (18)	Taxonomy aligned proportion of OPEX, year N-1 (19)	Category (enabling activity) (20)	Category (transitional activity) (21)	
				Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity and ecosystems (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)					Minimum Safeguards (17)
MAGYAR TELEKOM		Millions, HUF	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>			<b>0,16</b>																	
<b>A.1. Environmentally sustainable activities (Taxonomy-aligned)</b>																				
Data-driven solutions for GHG emissions reductions	CCM 8.2	0	0,00	0,00	0,00	0,00	0,00	0,00	0,00								0,00	0,01	E	
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	331	0,16	0,16	0,16	NA	0,16	0,16	NA	Y	Y	NA	Y	Y	Y	NA	0,16	0,16		T
<b>OPEX of environmentally sustainable activities (Taxonomy-aligned) (A.1)</b>		<b>331</b>	<b>0,16</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>Y</b>	<b>Y</b>	<b>NA</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>NA</b>	<b>0,16</b>	<b>0,17</b>		
<b>A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)</b>																				
<b>OPEX of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)</b>		<b>0</b>	<b>0,00</b>														<b>0,00</b>	<b>0,39</b>		
<b>Total (A.1+A.2)</b>		<b>331</b>	<b>0,16</b>														<b>0,16</b>	<b>0,56</b>		
<b>B. TAXONOMY-NON-ELIGIBLE ACTIVITIES</b>																				
<b>OPEX of Taxonomy-non-eligible activities</b>		<b>205 558</b>	<b>99,84</b>																	
<b>Total (A+B)</b>		<b>205 889</b>	<b>100,00</b>																	

# ASSURANCE STATEMENT



Sávoly-Hatta Anita



## Independent Limited Assurance Report Regarding the Selected Information in the Sustainability Report

To the management of Magyar Telekom Group

### Introduction

We have been engaged by the management of Magyar Telekom Group (hereinafter – the “Company”) to provide limited assurance on the selected information defined in the section “Selected Information” and included in the Sustainability Report of the Company for the year ended 31 December 2023 (hereinafter – the “Sustainability Report”).

### Selected information

We assessed the qualitative and quantitative information as set out in the table below, that is disclosed in the Sustainability Report (hereinafter – the “Selected Information”), to obtain limited assurance that the Selected Information has been prepared, in all material respects, in accordance with the reporting criteria as defined below.

GRI Disclosure and related description	Referred to in the GRI content index of the Sustainability Report
204-1 Proportion of spending on local suppliers	Yes
305-1 Direct (Scope 1) GHG emissions	Yes
305-2 Energy indirect (Scope 2) GHG emissions	Yes
305-3 Other indirect (Scope 3) GHG emissions	Yes

The scope of our limited assurance procedures was limited to the Selected Information for the year ended 31 December 2023 only. We have not performed any procedures with respect to earlier periods or any other items included in the Sustainability Report and, therefore, do not express any conclusion thereon.

### Reporting criteria

We assessed the Selected Information using relevant criteria, including reporting requirements, in the respective GRI Sustainability Reporting Standards 204 and 305 (hereinafter – the “GRI Standards”) published by the Global Reporting Initiative (GRI) (hereinafter – the “Reporting Criteria”). We believe that the Reporting Criteria are appropriate given the purpose of our limited assurance engagement.

### Responsibilities of the management of the Company

The management of the Company is responsible for:

- designing, implementing and maintaining internal control relevant to the preparation of the Selected Information that is free from material misstatement, whether due to fraud or error;
- establishing internal methodology and guidelines for preparing and reporting the Selected Information in accordance with the Reporting Criteria;
- preparing, measuring and reporting of the Selected Information in accordance with the Reporting Criteria; and
- the accuracy, completeness and presentation of the Selected Information.

This English version of our report is a translation from the original version prepared in Hungarian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this English translation.

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### Our responsibilities

Our responsibility was to express a limited assurance conclusion whether the Selected Information has been prepared, in all material respects, in accordance with the Reporting Criteria. Our assurance does not extend to any other information included in the Sustainability Report.

We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the Selected Information is free from material misstatement, whether due to fraud or error;
- forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- reporting our conclusion to the management of the Company.

This report, including our conclusion, has been prepared solely for the management of the Company in accordance with the agreement between us, to assist the management in reporting on the Company's sustainability performance and activities. We permit this report to be disclosed in the Sustainability Report, which will be published on the Company's website, to assist Board of Directors in responding to their governance responsibilities by obtaining an independent limited assurance report in connection with the Selected Information.

The maintenance and integrity of the Company's website is the responsibility of the management; the work carried out by us does not involve consideration of these matters and, accordingly, we accept no responsibility for any changes that may have occurred to the reported Selected Information when presented on the Company's website.

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the management of the Company for our work or this report except where the respective terms are expressly agreed in writing and our prior consent in writing is obtained.

### Professional standards applied and level of assurance

We performed a limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) “Assurance Engagements other than Audits or Reviews of Historical Financial Information”, and, in respect of GRI Sustainability Reporting Standard 305, International Standard on Assurance Engagements 3410, Assurance Engagements on Greenhouse Gas Statements, issued by the International Auditing and Assurance Standards Board. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

### Our independence and quality control

We have complied with the applicable laws of Hungary, with the Hungarian Chamber of Auditors' Rules on ethics and professional conduct of auditors and on disciplinary process and, for matters not regulated in the Rules, with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour and we also comply with further ethical requirements set out in these.



# ASSURANCE STATEMENT



Our Firm applies international standard on quality management (ISQM) 1 (Quality management for firms that perform audits or reviews of financial statements, or other assurance or related services engagements), and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our work was carried out by an independent and multi-disciplinary team with experience in sustainability reporting and assurance.

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## Work done

We are required to plan and perform our work in order to consider the risk of material misstatement of the Selected Information. In doing so, we:

- made enquiries of the Company's management, including the Sustainability Reporting team and those with responsibility for Sustainability Reporting management;
- conducted interviews of personnel responsible for the preparation of the Sustainability Report and collection of underlying data;
- performed analysis of the relevant internal methodology and guidelines, gaining an understanding of the design of the key structures, systems, processes and controls for managing, recording, preparing and reporting the Selected Information; and
- performed limited substantive testing on a selective basis of the Selected Information to check that data had been appropriately measured, recorded, collated and reported.

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## Reporting and measurement methodologies

Under the GRI Standards there is a range of different, but acceptable measurement and reporting techniques. The techniques can result in materially different reporting outcomes that may affect comparability with other organisations. The Selected Information should therefore be read in conjunction with the methodology used by management as described in the Sustainability Report and for which the Company is solely responsible.

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## Limited assurance conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Selected Information for the year ended 31 December 2023 has not been prepared, in all material respects, in accordance with the Reporting Criteria.

Budapest, 15 April 2024


Anita Sávolly-Hatta  
Partner  
Statutory auditor  
Licence number: 007380  
PricewaterhouseCoopers Könyvvizsgáló Kft.  
1055 Budapest, Bajcsy-Zsilinszky út 78.  
Licence Number: 001464

# GRI CONTENT INDEX

GRI 1: Foundation 2021  
GRI 2: General Disclosures 2021

GRI 3: Management Approach 2021  
GRI 200: Economic 2016

GRI 300: Environmental 2016  
GRI 400: Social 2016

DISCLOSURE NUMBER	DISCLOSURE TITLE	CHAPTER IN SUSTAINABILITY REPORT (PAGE NUMBER)	URL	DIRECT ANSWER	SASB CODE	SDG TARGET														
<b>GRI 2: GENERAL DISCLOSURES 2021</b>																				
<b>1. The organization and its reporting practices</b>																				
2-1	Organizational details		<a href="https://www.telekom.hu/about_us/imprint">https://www.telekom.hu/about_us/imprint</a> <a href="https://www.telekom.hu/about_us/investor_relations/financial">https://www.telekom.hu/about_us/investor_relations/financial</a> <a href="https://www.telekom.hu/about_us/investor_relations/magyar_telekom_shares/ownership_structure">https://www.telekom.hu/about_us/investor_relations/magyar_telekom_shares/ownership_structure</a>	<p>The registered company name of Magyar Telekom Plc. is Magyar Telekom Telecommunications Public Limited Company, and its abbreviated name is Magyar Telekom Plc. The registered company name of Telekom Rendszerintegráció Ltd. is Telekom Rendszerintegráció Private Limited Company. The registered company name of Makedonski Telekom is Makedonski Telekom AD.</p> <p>The headquarters of Magyar Telekom HU are located in Budapest (1097 Budapest, Könyves Kálmán krt. 36.). The Group's area of operation: Hungary, North Macedonia, Bulgaria and Romania.</p> <table border="1"> <thead> <tr> <th>SHAREHOLDERS</th> <th>OWNERSHIP (%)</th> </tr> </thead> <tbody> <tr> <td>Deutsche Telekom Europe B.V.</td> <td>63,55%</td> </tr> <tr> <td>Other foreign institutions</td> <td>12,36%</td> </tr> <tr> <td>Domestic institutions</td> <td>7,35%</td> </tr> <tr> <td>Domestic individuals</td> <td>7,84%</td> </tr> <tr> <td>Treasury shares</td> <td>4,30%</td> </tr> <tr> <td>Other</td> <td>4,60%</td> </tr> </tbody> </table> <p>Deutsche Telekom Europe B.V. (formerly called CMobil B.V.) is 100% owned by Deutsche Telekom Europe Holding B.V., whose 100% 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 63,55% indirect ownership in Magyar Telekom. (As of June 30, 2023)</p>	SHAREHOLDERS	OWNERSHIP (%)	Deutsche Telekom Europe B.V.	63,55%	Other foreign institutions	12,36%	Domestic institutions	7,35%	Domestic individuals	7,84%	Treasury shares	4,30%	Other	4,60%		
SHAREHOLDERS	OWNERSHIP (%)																			
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Domestic individuals	7,84%																			
Treasury shares	4,30%																			
Other	4,60%																			
2-2	Entities included in the organization's sustainability reporting			<p>This Sustainability Report presents the results of Magyar Telekom Plc., Telekom Rendszerintegráció Ltd. (Formerly T-Systems Magyarország Ltd.) and Makedonski Telekom as Magyar Telekom Group. In the Sustainability Report, Magyar Telekom HU refers to Magyar Telekom Plc. and Telekom Rendszerintegráció Ltd. Magyar Telekom Group reports its Sustainability report on a voluntary basis, and it does not contain information on all consolidated subsidiaries. In the report, it is indicated to which entities the disclosed data or process is relevant. The data provided in the report can be compared on a historical basis.</p> <p>When defining the material topics, no difference was made per entity.</p>		TC1-520a, 2														
2-3	Reporting period, frequency and contact point		<a href="https://www.telekom.hu/about_us/society_and_environment/sustainability-reports/">https://www.telekom.hu/about_us/society_and_environment/sustainability-reports/</a>	<p>The sustainability report of Magyar Telekom Group is published on an annual basis, at the same time and similarly as the separate and consolidated financial statements. The period reported for the Sustainability Report is 1st of January 2023 to 31st of December 2023. The figures in the report correspond to the situation on 31 December 2023.</p> <p>Questions and queries on the report could be sent to the following e-mail address: <a href="mailto:sustainability@telekom.hu">sustainability@telekom.hu</a></p>																

DISCLOSURE NUMBER	DISCLOSURE TITLE	CHAPTER IN SUSTAINABILITY REPORT (PAGE NUMBER)	URL	DIRECT ANSWER	SASB CODE	SDG TARGET
2-4	Restatements of information	Climate and Environment Protection (18)		<p>In the report, the group's emissions figures changed compared to the previous report. Reason:</p> <ul style="list-style-type: none"> <li>- Update of emission factors. Magyar Telekom HU reports the recalculated data for the entire time series in terms of consistency purposes.</li> <li>- Magyar Telekom Group's electricity consumption changed in 2023 due to methodological reasons.</li> <li>- In the case of scope 3 emissions, on the one hand, the emission factors have changed, and on the other hand, more precise methodologies have been applied this year. The categories of purchased goods and services and capital goods show the greatest growth because the available data has expanded.</li> </ul>		
2-5	External assurance	Assurance statement (63)		<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.</p> <p>The auditor was selected through a simplified procurement procedure and the bids received were evaluated on the basis of financial and professional criteria. The contract was concluded following due diligence of the partner's suppliers.</p> <p>The relevant internal regulation requires an annual audit of the sustainability report by an independent organization. The responsible senior manager ensures regular information about the activity at least once a year to the Board of Directors and the Leadership Squad.</p> <p>The assurance process has been designed and conducted in accordance with the ISAE3000 and ISAE3410 standards, defined by the International Federation of Accountants. The respective limited assurance engagement report can be found in the 'Assurance Statement' chapter</p> <p>4 focus areas were assessed, namely:</p> <ul style="list-style-type: none"> <li>- Scope 1 emissions (GRI 305-1)</li> <li>- Scope 2 emissions (GRI 305-2)</li> <li>- Scope 3 emissions (GRI 305-3)</li> <li>- Local procurement rate (GRI 204-1)</li> </ul>		



**2 Activities and workers**

2-6	Activities, value chain and other business relationships	Stakeholders – Suppliers (48,49)	<a href="https://www.telekom.hu/about_us/about_magyar_telekom/magyar_telekom_group">https://www.telekom.hu/about_us/about_magyar_telekom/magyar_telekom_group</a>	<p>Magyar Telekom Group's activities cover three basic business areas:</p> <ul style="list-style-type: none"> <li>- fixed line and mobile communications services for residential customers (Telekom brand)</li> <li>- services for SMB customers (Telekom brand)</li> <li>- corporate services provided to enterprise customers (previously T-Systems brand, from February 2023 Telekom brand)</li> </ul> <p>Under the corporate Telekom brand are also comprised Magyar Telekom's employer and HR, financial and investor relations, legal and corporate affairs, sustainability and corporate responsibility, non-core businesses, technology and network activities.</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>The total number of suppliers that Magyar Telekom Plc. contacted with procurement orders in 2023 was 1135. The total number of suppliers of Telekom Rendszerintegráció Ltd. was 702, and the total number of suppliers of Makedonski Telekom was 326 in 2023. The table lists the types of supplier by procurement areas in terms of Magyar Telekom Plc. and Telekom Rendszerintegráció Ltd., if suppliers are involved in the procurement processes of multiple areas than the above table lists them in all areas concerned.</p>		
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Number of suppliers at different procurement areas Magyar Telekom Plc. and Telekom Rendszerintegráció Ltd. (2023)

TERÜLET	LEÍRÁS	MAGYAR TELEKOM PLC.						TELEKOM RENDSZERINTEGRÁCIÓ LTD.
		2018	2019	2020	2021	2022	2023	2023
Network	wire and wireless network, transmission technology, backbone network	342	319	320	337	319	279	169
IT	hardware, software procurement, IT Consulting & Contracting, IT-operations and desktop-services, OSS, BSS	331	287	280	271	236	264	535
CPE & Noncore	special projects and terminals, functional areas	86	130	119	69	84	111	59
Indirect	marketing, small purchases, fleet management, real estate management, related services, consultancy, labor force and HR services	783	770	638	644	584	664	182

DISCLOSURE NUMBER	DISCLOSURE TITLE	CHAPTER IN SUSTAINABILITY REPORT (PAGE NUMBER)	URL	DIRECT ANSWER	SASB CODE	SDG TARGET
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2-7	Employees	Diversity and Equal Opportunities (36,37,39)		<p>Number of employees of Magyar Telekom Group: 6 567 persons (as of 31 December 2023. Magyar Telekom Plc.: 5 445 persons, Telekom Rendszerintegráció Zrt: 153 persons, Makedonski Telekom: 969 persons)</p> <p>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.</p> <p>The detailed breakdown of workforce data is discussed in the Diversity and Equal Opportunities chapter of the report. Data of fluctuation is under GRI 401: Employment 2016 401-1.</p>		 
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Female	Male	Other	Not Disclosed	Total
Number of employees (head count)				
2370	4197	0	(208)	6567
Number of permanent employees (head count)				
2331	4155	0	0	6486
Number of temporary employees (head count)				
39	42	0	(208)	81
Number of non-guaranteed hours employees (head count)				
0	0	0	0	0
Number of full-time employees (head count)				
2261	4152	0	0	6413
Number of part-time employees (head count)				
109	45	0	(208)	154
Number of telework employees (head count)				
1694	2439	0	0	4133






Magyar Telekom Plc.	Telekom Rendszerintegráció Ltd.	Makedonski Telekom	Total
Number of employees (head count)			
5445	153	969	6567
Number of permanent employees (head count)			
5408	151	927	6486
Number of temporary employees (head count)			
37	2	42	81
Number of non-guaranteed hours employees (head count)			
0	0	0	0
Number of full-time employees (head count)			
5300	144	969	6413
Number of part-time employees (head count)			
145	9	0	154
Number of telework employees (head count)			
3989	144	0	4133



\* Gender as specified by the employees themselves.


2-8	Workers who are not employees	Digitalization (29) Diversity and Equal Opportunities (41)	<a href="https://www.telekom.hu/tekosagi/ugyintezes/elerhetosagok/ustatek/mobilitudas">https://www.telekom.hu/tekosagi/ugyintezes/elerhetosagok/ustatek/mobilitudas</a> (only in Hungarian) <a href="https://www.telekom.hu/rolunk/karier/kickstart">https://www.telekom.hu/rolunk/karier/kickstart</a> (only in Hungarian)	<p>On December 31, 2023, Magyar Telekom had 197 interns (including 49 Mobilitudós trainees) and Telekom Rendszerintegráció Ltd. had 11 interns. Throughout the internship program these 210 interns were provided with opportunities to gain real workforce experience in various areas of our operations. The diverse team of our Y2022 interns included students from the fields of IT, business, economy, architecture, horticultural sciences and many other areas.</p> <p>Nearly 80% of the third cohort of the Kickstart career program, continued in full-time entry-level positions at Magyar Telekom. The fourth cohort of the program continued to grow and 30 people started the program in September 2023. During the one-year program, the trainees were offered professional and soft-skills training and design thinking training. Kickstart trainees, working in areas across the company, work on a joint six-month project assignment in an agile approach, reinforcing the ability to work in cross-functional teams, which is increasingly important today. The joint project assignment is based on a real business need, reinforcing the relevance of the program.</p>		 
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DISCLOSURE NUMBER	DISCLOSURE TITLE	CHAPTER IN SUSTAINABILITY REPORT (PAGE NUMBER)	URL	DIRECT ANSWER	SASB CODE	SDG TARGET
<b>3.Governance</b>						
2-9 (1)	Governance structure and composition		<p>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> <p>Board of Directors: <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></p> <p>Remuneration and Nomination Committee <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></p> <p>Supervisory Board <a href="https://www.telekom.hu/about_us/investor_relations/corporate_governance/supervisory_board">https://www.telekom.hu/about_us/investor_relations/corporate_governance/supervisory_board</a></p> <p>Audit Committee <a href="https://www.telekom.hu/about_us/investor_relations/corporate_governance/audit_committee">https://www.telekom.hu/about_us/investor_relations/corporate_governance/audit_committee</a></p> <p>Self-assessment of BdD 2023: <a href="https://www.telekom.hu/static-tr/aw/file/bod-self-assessment-2023.pdf">https://www.telekom.hu/static-tr/aw/file/bod-self-assessment-2023.pdf</a></p> <p>Corporate Governance Report of Magyar Telekom 2023: <a href="https://www.telekom.hu/about_us/investor_relations/corporate_governance/corporate_governance_documents/1_Corporate_Governance_Reports-sub-site">https://www.telekom.hu/about_us/investor_relations/corporate_governance/corporate_governance_documents/1_Corporate_Governance_Reports-sub-site</a></p> <p>Consolidated annual report 2023: <a href="https://www.telekom.hu/about_us/investor_relations/financial/AnnualReports-sub-site">https://www.telekom.hu/about_us/investor_relations/financial/AnnualReports-sub-site</a></p>	<p>Magyar Telekom's Board of Directors is the management body of the Company and represents the Company with regard to third parties, in court and before other authorities. The Board of Directors exercises its rights and performs its obligations as an independent body. 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. The Board of Directors is 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 established the Remuneration and Nomination Committee to support 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> <p>The Supervisory Board (SB) oversees 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. Three members of the Supervisory Board must be independent from time to time in accordance with the applicable provisions of the Civil Code and two members of the Supervisory Board must be employees of the Company.</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 Audit 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.</p> <p>On December 31, 2023 the Board of Directors had eight members, with two internal (executive) and six external (non-executive) members. 3 members are considered independent, and 5 members are not considered independent. The gender ratio in the Board of Directors on December 31, 2023: 5 males and 3 females.</p> <p>Members of the Board of Directors on December 31, 2023:</p> <ul style="list-style-type: none"> <li>• Daniel Dautb, Chairperson of the Board of Directors, Senior Vice President Finance &amp; Performance Management Europe, Deutsche Telekom AG; Chairperson of the Board of Directors since May 2023. Other principal directorships: <ul style="list-style-type: none"> <li>• Member of the Board of Directors: Hellenic Telecommunications Organization S.A. (OTE)</li> <li>• Member of the Board of Directors: Deutsche Telekom Europe Holding GmbH</li> <li>• Member of the Supervisory Board: Deutsche Telekom Services Europe SE</li> <li>• Member of the Board of Directors: Stratospheric Platforms Ltd (UK)</li> </ul> </li> <li>• Daria Dodonova, Chief Financial Officer, Magyar Telekom Plc.; member of the Board of Directors since April 2020.</li> <li>• Gábor Fekete, consultant (independent); member of the Board of Directors since April 2020.</li> <li>• Elvira Gonzalez, Senior Vice President B2B Europe, Deutsche Telekom AG; member of the Board of Directors since April 2022. Other principal directorships: <ul style="list-style-type: none"> <li>• Chairperson of the Supervisory Board: Hrvatski Telekom</li> <li>• Chairperson of the Remuneration and Nomination Committee: Hrvatski Telekom</li> <li>• Member of the Supervisory Board: T-Mobile Polska S.A.</li> <li>• Member of the Audit Committee: T-Mobile Polska S.A.</li> <li>• Member of the Supervisory Board: Hubraum</li> </ul> </li> <li>• Frank Odzuck, Chief Executive Officer, Zwack Unicum Plc. (independent); member of the Board of Directors since November 2006. Other principal directorships: <ul style="list-style-type: none"> <li>• Member of the Board of Directors (Zwack Unicum Plc.).</li> </ul> </li> <li>• Péter Rátatics, Consumer Services Executive Vice President of MOL Group (independent); member of the Board of Directors since April 2019. Other principal directorships: <ul style="list-style-type: none"> <li>• Member of the Management Committee: MOL Plc.</li> <li>• Chairman of the Supervisory Board: TIFON d.o.o.</li> <li>• Chairman: Hungarian Petroleum Association</li> <li>• Member of the Board of Directors: MÁV Ltd. (Hungarian State Railways)</li> <li>• Member of the Supervisory Board: MOL Romania SRL</li> </ul> </li> <li>• Tibor Rékasi, Chief Executive Officer, Magyar Telekom Plc.; member of the Board of Directors since June 2018. Other principal directorships: <ul style="list-style-type: none"> <li>• Chairperson of the Board of Directors: Telekom Rendszerintegráció Ltd.</li> <li>• President: Hungarian Esports Federation (HUNESZ)</li> </ul> </li> <li>• Melinda Szabó, Senior Vice President B2C Europe, Deutsche Telekom AG, member of the Board of Directors since April 2022. Other principal directorships: <ul style="list-style-type: none"> <li>• Member of the Advisory Board: UNICEF</li> <li>• Member of the Board of Directors: Hellenic Telecommunications Organization S.A. (OTE)</li> </ul> </li> </ul> <p>The following aspects were considered in assessing the Board of Directors members:</p> <ul style="list-style-type: none"> <li>• Daniel Dautb: Master's degree in business administration. Over 15 years of experience in various management positions in the international telecommunication sector. Chairperson of the Board of Directors.</li> <li>• ŠDaria Dodonova: Master degree in International Finance. Over 15 years of experience in various management positions. Chief Financial Officer of the Company.</li> <li>• Gábor Fekete: Holds a Mechanical Engineer degree. Thorough his career, he has gained experience in several managerial positions. Independent member of the Board of the Directors.</li> <li>• Elvira Gonzalez: University degree in Telecommunication Engineering and Business Administration. Over 15 years of experience in telecommunications in various management positions.</li> <li>• Frank Odzuck: Degree in economics. Many years of professional experience in the position of managing director of the Hungarian subsidiaries of international corporations. Independent member of the Board of Directors.</li> <li>• Péter Rátatics: Graduated in economics. Over 10 years of management experience in various positions. Independent member of the Board of Directors.</li> <li>• Tibor Rékasi: Graduated from the Budapest Business School. Over 20 years of experience in various managerial positions. Directed Magyar Telekom's Enterprise and Residential businesses as a Chief Officer. Chief Executive Officer of the Company.</li> <li>• Melinda Szabó: Holds a degree in Marketing Economics and Business Administration. Over 15 years of experience in the telecommunications industry in various management positions.</li> </ul>		 

DISCLOSURE NUMBER	DISCLOSURE TITLE	CHAPTER IN SUSTAINABILITY REPORT (PAGE NUMBER)	URL	DIRECT ANSWER	SASB CODE	SDG TARGET
2-9 (2)	Governance structure and composition		<p>Corporate Governance <a href="https://www.telekom.hu/about_us/investor_relations/corporate_governance">https://www.telekom.hu/about_us/investor_relations/corporate_governance</a></p> <p>Board of Directors: <a href="https://www.telekom.hu/about_us/investor_relations/corporate_governance/board_of_directors">https://www.telekom.hu/about_us/investor_relations/corporate_governance/board_of_directors</a></p> <p>Remuneration and Nomination Committee <a href="https://www.telekom.hu/about_us/investor_relations/corporate_governance/compensation">https://www.telekom.hu/about_us/investor_relations/corporate_governance/compensation</a></p> <p>Supervisory Board <a href="https://www.telekom.hu/about_us/investor_relations/corporate_governance/supervisory_board">https://www.telekom.hu/about_us/investor_relations/corporate_governance/supervisory_board</a></p> <p>Audit Committee <a href="https://www.telekom.hu/about_us/investor_relations/corporate_governance/audit_committee">https://www.telekom.hu/about_us/investor_relations/corporate_governance/audit_committee</a></p> <p>Self-assessment of BoD 2023: <a href="https://www.telekom.hu/static-tr/sw/file/bod-self-assessment-2023.pdf">https://www.telekom.hu/static-tr/sw/file/bod-self-assessment-2023.pdf</a></p> <p>Corporate Governance Report of Magyar Telekom 2023: <a href="https://www.telekom.hu/about_us/investor_relations/corporate_governance/corporate_governance_documents/1_Corporate_Governance/Reports-sub-site">https://www.telekom.hu/about_us/investor_relations/corporate_governance/corporate_governance_documents/1_Corporate_Governance/Reports-sub-site</a></p> <p>Consolidated annual report 2023: <a href="https://www.telekom.hu/about_us/investor_relations/financial/annual-reports-sub-site">https://www.telekom.hu/about_us/investor_relations/financial/annual-reports-sub-site</a></p>	<p>The Civil Code does not include requirements with regard to the independence of the members of the Board if besides the Board there is also a Supervisory Board operating at the company.</p> <p>According to the Articles of Association the Supervisory Board shall be comprised of 5 members. The gender ratio in the Supervisory Board on December 31, 2023: 4 males and 1 female. Members of the Supervisory Board on December 31, 2023:</p> <ul style="list-style-type: none"> <li>• Prof. dr. Attila Borbély, Chairperson of the Supervisory Board, Professor Emeritus of University of Debrecen, Faculty of Economics and Business (independent); chairperson of the Supervisory Board since April 2020.</li> <li>• Krisztina Dorogházi, Vice President Controller, Honeywell, (independent); member of the Supervisory Board since April 2020.</li> <li>• Gyula Bereznai, Chairman of the Central Workers' Council, Magyar Telekom Plc.; member of the Supervisory Board since April 2022</li> <li>• András Szakonyi, Senior Vice President - Global Data Centers, Iron Mountain, (independent); member of the Supervisory Board since April 2020.</li> <li>• Endre Szepesi, Member of the Workers Council, Magyar Telekom Plc.; member of the Supervisory Board since April 2022.</li> </ul> <p>The General Meeting elects a 3-member Audit Committee from the independent members of the Supervisory Board for the same period as the membership of the relevant members in the Supervisory Board. The gender ratio in the Audit Committee on December 31, 2023: 2 males and 1 female. Members of the Audit Committee on December 31, 2023:</p> <ul style="list-style-type: none"> <li>• Prof. dr. Attila Borbély, Chairperson of the Audit Committee, Professor Emeritus of University of Debrecen, Faculty of Economics and Business; Chairperson of the Audit Committee since April 2020</li> <li>• Krisztina Dorogházi, Vice President Controller, Honeywell; member of the Audit Committee since April 2020</li> <li>• András Szakonyi, Senior Vice President - Global Data Centers, Iron Mountain; member of the Audit Committee since April 2020.</li> </ul> <p>On December 31, 2023 the Remuneration and Nomination Committee had three members (three external (non-executive) members). 1 member is considered independent, and 2 members are not considered independent. The gender ratio in the Remuneration and Nomination Committee on December 31, 2023: 2 males and 1 female. Members of the Remuneration and Nomination Committee on December 31, 2023:</p> <ul style="list-style-type: none"> <li>• Daniel Daub, Chairperson of the Remuneration and Nomination Committee, Senior Vice President Finance &amp; Performance Management Europe, Deutsche Telekom AG; Chairperson of the Remuneration and Nomination Committee since May 2023. Other principal directorships: <ul style="list-style-type: none"> <li>• Member of the Board of Directors: Hellenic Telecommunications Organization S.A. (OTE)</li> <li>• Member of the Board of Directors: Deutsche Telekom Europe Holding GmbH</li> <li>• Member of the Supervisory Board: Deutsche Telekom Services Europe SE</li> <li>• Member of the Board of Directors: Stratospheric Platforms Ltd (UK)</li> </ul> </li> <li>• Elvira Gonzalez, Senior Vice President B2B Europe, Deutsche Telekom AG; member of the Remuneration and Nomination Committee since May 2022. Other principal directorships: <ul style="list-style-type: none"> <li>• Chairperson of the Supervisory Board: Hrvatski Telekom</li> <li>• Chairperson of the Remuneration and Nomination Committee: Hrvatski Telekom</li> <li>• Member of the Supervisory Board: T-Mobile Polska S.A.</li> <li>• Member of the Audit Committee: T-Mobile Polska S.A.</li> <li>• Member of the Supervisory Board: Hubraum</li> </ul> </li> <li>• Frank Odzuck, Chief Executive Officer, Zwack Unicum Plc.; member of the Remuneration and Nomination Committee since April 2010. Other principal directorships: <ul style="list-style-type: none"> <li>• Member of the Board of Directors (Zwack Unicum Plc.).</li> </ul> </li> </ul>		 
2-10	Nomination and selection of the highest governance body		<p>Remuneration and Nomination Committee: <a href="https://www.telekom.hu/static-tr/sw/file/bod-self-assessment-2023.pdf">https://www.telekom.hu/static-tr/sw/file/bod-self-assessment-2023.pdf</a></p> <p>Rules of Procedure of the Remuneration and Nomination Committee: <a href="https://www.telekom.hu/static-tr/sw/file/20200101_MT_RNC_RoP_ENG.pdf">https://www.telekom.hu/static-tr/sw/file/20200101_MT_RNC_RoP_ENG.pdf</a></p> <p>Submissions of the Annual General Meeting 2022: <a href="https://www.telekom.hu/static-tr/sw/file/2022AGM_submissions_0321_boritoval.pdf">https://www.telekom.hu/static-tr/sw/file/2022AGM_submissions_0321_boritoval.pdf</a></p> <p>Resolutions of the Annual General Meeting 2022: <a href="https://www.telekom.hu/static-tr/sw/file/20220412_AGM_resolutions_honlapra.pdf">https://www.telekom.hu/static-tr/sw/file/20220412_AGM_resolutions_honlapra.pdf</a></p> <p>Submissions of the Annual General Meeting 2023: <a href="https://www.telekom.hu/static-tr/sw/file/2023AGM_submissions.pdf">https://www.telekom.hu/static-tr/sw/file/2023AGM_submissions.pdf</a></p> <p>Resolutions of the Annual General Meeting 2023: <a href="https://www.telekom.hu/static-tr/sw/file/20230419_AGM_resolutions.pdf">https://www.telekom.hu/static-tr/sw/file/20230419_AGM_resolutions.pdf</a></p> <p>Articles of Association: <a href="https://www.telekom.hu/static-tr/sw/file/20231207_Articles_of_Association.pdf">https://www.telekom.hu/static-tr/sw/file/20231207_Articles_of_Association.pdf</a></p>	<p>The Annual General Meeting held on April 12, 2022 elected the new Board of Directors members. The Annual General Meeting held on April 19, 2023 elected a new member of the Board of Directors.</p> <p>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>In December 2013 the Remuneration and Nomination Committee elaborated the standard requirements for nomination of the members of the corporate bodies which – among others – include information relating to the identity and professional suitability of the candidates, and their relevant professional and industrial experience. The Remuneration and Nomination Committee on its meeting held on April, 2016 agreed that in the nomination process diversity and complementary competencies are taken into consideration.</p>		 
2-11	Chair of the highest governance body		<p>Board of Directors: <a href="https://www.telekom.hu/about_us/investor_relations/corporate_governance/board_of_directors">https://www.telekom.hu/about_us/investor_relations/corporate_governance/board_of_directors</a></p> <p>Chairperson of the Board of Directors: <a href="https://www.telekom.hu/about_us/investor_relations/corporate_governance/daniel-daub">https://www.telekom.hu/about_us/investor_relations/corporate_governance/daniel-daub</a></p> <p>Self-assessment of BoD 2023: <a href="https://www.telekom.hu/static-tr/sw/file/bod-self-assessment-2023.pdf">https://www.telekom.hu/static-tr/sw/file/bod-self-assessment-2023.pdf</a></p>	<p>The chairperson of the Board of Directors is an external (non-executive) member of the Board of Directors.</p>	<p>Corporate compliance Regulatory compliance</p>	


DISCLOSURE NUMBER	DISCLOSURE TITLE	CHAPTER IN SUSTAINABILITY REPORT (PAGE NUMBER)	URL	DIRECT ANSWER	SASB CODE	SDG TARGET
2-12	Role of the highest governance body in overseeing the management of impacts	Sustainability Approach (5)		Senior management is responsible for deciding the main directions of sustainability activities, including the topics of strategies, goals and regulations. Rules of Procedure of the Board of Directors does not include the responsibility of developing, approving, and updating the organization's mission, strategies and policies related to sustainable development.		
2-13	Delegation of responsibility for managing impacts	Sustainability Approach (5) Corporate Governance (9)		Senior management is responsible for deciding the main directions of sustainability activities, including the topics of strategies, goals and regulations, furthermore, ensuring that the Board of Directors and the Leadership Squad receive information about the activity regularly at least once a year.  Magyar Telekom Group conducts its risk management activities according to the risk management guidelines established by the group-level risk management organization and approved by the Board of Directors. Magyar Telekom Group's group-level risk report is regularly submitted to the Board of Directors, the Audit Committee and the Supervisory Board, as well as to Deutsche Telekom's risk management organization.		
2-14	Role of the highest governance body in sustainability reporting			Rules of Procedure of the Board of Directors does not include the responsibility of reviewing and approving the reported information, including the organization's material topics.		
2-15	Conflicts of interest		<p>Other principal directorships of the members of the Board of Directors: <a href="https://www.telekom.hu/about_us/investor_relations/corporate_governance/board_of_directors">https://www.telekom.hu/about_us/investor_relations/corporate_governance/board_of_directors</a></p> <p>Rules of Procedure of the Board of Directors (Section 4.7): <a href="https://www.telekom.hu/static-tr/sw/file/20230919_MTBod_RoP_DiG.pdf">https://www.telekom.hu/static-tr/sw/file/20230919_MTBod_RoP_DiG.pdf</a></p> <p>Code of Conduct of Magyar Telekom: <a href="https://www.telekom.hu/static-tr/sw/file/Code_of_conduct.pdf">https://www.telekom.hu/static-tr/sw/file/Code_of_conduct.pdf</a></p>	<p>According to the Corporate Governance Recommendations of the Budapest Stock Exchange, the Board of Directors prepared and acknowledged its report on cases in which "significant personal interest" of the members of the Board of Directors or their relatives could be clearly identified in any business transactions of the Company, which excluded their independence. The Board of Directors submitted the report to the Supervisory Board for acknowledgement</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.</p> <p>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 if he/she accepted the offer.</p>		
2-16	Communication of critical concerns			Confidentiality constraints		
2-17	Collective knowledge of the highest governance body			Senior management is responsible for deciding the main directions of sustainability activities, including the topics of strategies, goals and regulations, furthermore, ensuring that the Board of Directors and the Leadership Squad receive information about the activity regularly at least once a year.		
2-18	Evaluation of the performance of the highest governance body		<p><a href="https://www.telekom.hu/static-tr/sw/file/20230919-remuneration-policy.pdf">https://www.telekom.hu/static-tr/sw/file/20230919-remuneration-policy.pdf</a></p> <p><a href="https://www.telekom.hu/about_us/investor_relations/corporate_governance/corporate_governance_documents/1_Corporate_Governance_Reports_sub-site">https://www.telekom.hu/about_us/investor_relations/corporate_governance/corporate_governance_documents/1_Corporate_Governance_Reports_sub-site</a></p>	<p>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 (LT) and a long-term, share-based incentive (share benefit program - SBP) element.</p> <p>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).</p> <p>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 LT-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.</p>		

DISCLOSURE NUMBER	DISCLOSURE TITLE	CHAPTER IN SUSTAINABILITY REPORT (PAGE NUMBER)	URL	DIRECT ANSWER	SASB CODE	SDG TARGET
2-19	Remuneration policies		<a href="https://www.telekom.hu/about_us/investor_relations/corporate_governance/">https://www.telekom.hu/about_us/investor_relations/corporate_governance/</a> <a href="https://www.telekom.hu/about_us/investor_relations/corporate_governance/corporate_governance_documents">https://www.telekom.hu/about_us/investor_relations/corporate_governance/corporate_governance_documents</a> <a href="https://www.telekom.hu/static-tr/sw/file/2023AGM-submissions.pdf">https://www.telekom.hu/static-tr/sw/file/2023AGM-submissions.pdf</a> <a href="https://www.telekom.hu/static-tr/sw/file/20230419-remuneration-policy.pdf">https://www.telekom.hu/static-tr/sw/file/20230419-remuneration-policy.pdf</a> <a href="https://www.telekom.hu/static-tr/sw/file/20230419-remuneration-report-2022.pdf">https://www.telekom.hu/static-tr/sw/file/20230419-remuneration-report-2022.pdf</a>	<p>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 (LT) and a long-term, 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).</p> <p>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 LT-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 considered.</p> <p>In 2023, Magyar Telekom published its annual (2022) Remuneration Report, in which it publicly disclosed the remuneration of the CEO and the Deputy CEOs.</p>		
2-20	Process to determine remuneration		<p>Remuneration and Nomination Committee:</p> <p><a href="https://www.telekom.hu/about_us/investor_relations/corporate_governance/remuneration">https://www.telekom.hu/about_us/investor_relations/corporate_governance/remuneration</a></p> <p>Rules of Procedure of the Remuneration and Nomination Committee:</p> <p><a href="https://www.telekom.hu/static-tr/sw/file/20230101_MT_RNC_RoP_ENG.pdf">https://www.telekom.hu/static-tr/sw/file/20230101_MT_RNC_RoP_ENG.pdf</a></p> <p>Remuneration Policy:</p> <p><a href="https://www.telekom.hu/static-tr/sw/file/20230419-remuneration-policy.pdf">https://www.telekom.hu/static-tr/sw/file/20230419-remuneration-policy.pdf</a></p> <p>Submissions of the Annual General Meeting 2020:</p> <p><a href="https://www.telekom.hu/static-tr/sw/file/AGM_submission_April_14_2020_final.pdf">https://www.telekom.hu/static-tr/sw/file/AGM_submission_April_14_2020_final.pdf</a></p> <p>Resolutions of the Annual General Meeting 2020:</p> <p><a href="https://www.telekom.hu/static-tr/sw/file/2020AGM_resolutions_eng_final.pdf">https://www.telekom.hu/static-tr/sw/file/2020AGM_resolutions_eng_final.pdf</a></p> <p>Submissions of the Annual General Meeting 2022:</p> <p><a href="https://www.telekom.hu/static-tr/sw/file/2022AGM_submissions_0321_bortoval.pdf">https://www.telekom.hu/static-tr/sw/file/2022AGM_submissions_0321_bortoval.pdf</a></p> <p>Resolutions of the Annual General Meeting 2022:</p> <p><a href="https://www.telekom.hu/static-tr/sw/file/20220412_AGM_resolutions_honlapra.pdf">https://www.telekom.hu/static-tr/sw/file/20220412_AGM_resolutions_honlapra.pdf</a></p> <p>Submissions of the Annual General Meeting 2023:</p> <p><a href="https://www.telekom.hu/static-tr/sw/file/2023AGM_submissions.pdf">https://www.telekom.hu/static-tr/sw/file/2023AGM_submissions.pdf</a></p> <p>Resolutions of the Annual General Meeting 2023:</p> <p><a href="https://www.telekom.hu/static-tr/sw/file/20230419_AGM_resolutions.pdf">https://www.telekom.hu/static-tr/sw/file/20230419_AGM_resolutions.pdf</a></p>	<p>The Board of Directors established the Remuneration and Nomination Committee to support 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> <p>The task of the Remuneration and Nomination Committee of Magyar Telekom Plc. is to make a proposal to the General Meeting on the compensation of the members of the Board of Directors, the Supervisory Board and the Audit Committee.</p> <p>The Remuneration and Nomination Committee of Magyar Telekom Plc. has prepared the Remuneration Policy of Magyar Telekom Plc. and with the agreement of the Board of Directors, submitted it to the General Meeting for an advisory vote. The Annual General Meeting held on April 19, 2023 approved the amended Remuneration Policy of Magyar Telekom Plc. pursuant to Act LXVII of 2019 (SRD Act). The remuneration and evaluation of the work performed by members of the Board of Directors, the Supervisory Board, and the Chief Executive Officer and other Chief Officers of Magyar Telekom Plc. focusing on the Company's continuous development and growth are conducted along the Remuneration Policy adopted by the Company's General Meeting.</p> <p>The relative value and composition of the components included in the Remuneration Policy are determined on the basis of market benchmarks, which is an identical methodology to the one applied in determining the compensation system for the employees in general.</p> <p>On April 24, 2020 the Board of Directors determined the remuneration of the members of the Supervisory Board and the Audit Committee. [1]</p> <p>The Annual General Meeting held on April 12, 2022 determined the remuneration of the members of the Board of Directors.</p> <p>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>[1] Due to the situation caused by the coronavirus epidemic (Covid-19) the Annual General Meeting was not held on its scheduled date. Based on Section 9 (2) of Government Decree no. 102/2020. (IV. 10.) the Board of Directors of the Company decided in the matters set on the published agenda of the Annual General Meeting.</p>		
2-21	Annual total compensation ratio			Confidentiality constraints		
<b>4.Strategy,policiesandpractices</b>						
2-22	Statement on sustainable development strategy	CEO Letter (2,3) Sustainability Approach (5)	<p><a href="https://www.telekom.hu/sustainability">https://www.telekom.hu/sustainability</a></p> <p><a href="https://www.telekom.hu/about_us/sustainability/sustainability-strategy">https://www.telekom.hu/about_us/sustainability/sustainability-strategy</a></p>	At the beginning of 2023, Magyar Telekom HU revised its strategic objectives in order to be able to react to the changing external and internal circumstances, and to define its objectives based on even more precise calculations. The strategy was accepted by senior management.		
2-23	Policy commitments			Magyar Telekom Group complies with the legal requirements in all geographies it operates in. Beyond legal requirements, Magyar Telekom Group employs a precautionary principle in existing and new ventures. We intend to prevent or alternatively minimize negative environmental impacts related to existing and new projects, products and services. Environmental Risk Assessments are an integral part of our due-diligence processes for mergers and acquisitions.		




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2-24	Embedding policy commitments		<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://www.telekom.hu/static-tr/sw/file/Code_of_conduct.pdf">https://www.telekom.hu/static-tr/sw/file/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>	The Magyar Telekom Group's Code of Conduct summarises the Group's corporate compliance requirements, sets out the Group's shared values and is also the pledge of Telekom's strong position, reputation and successful future. The Code of Conduct applies to everyone within the Magyar Telekom Group, from employees to members of the Board of Directors. Furthermore, Magyar Telekom Group's contractual partners must also acknowledge and accept these values when registering on the procurement website.		
2-25	Processes to remediate negative impacts		<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://www.telekom.hu/static-tr/sw/file/Code_of_conduct.pdf">https://www.telekom.hu/static-tr/sw/file/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>	Magyar Telekom Group's Code of Conduct defines the Group's corporate compliance requirements as well as the principle of zero tolerance towards deliberate misconduct. Without any exception the Magyar Telekom Group will severely sanction any such misconduct or violation against legal provisions. In doing so Magyar Telekom Group will take no account of the employee's rank or position within the company. Implementation of policies and procedures are in place that address potential compliance risk areas together with identifiable mechanisms for reporting, investigating, monitoring, and correcting cases of suspected or actual non-compliance.		
2-26	Mechanisms for seeking advice and raising concerns		<a href="https://www.telekom.hu/static-tr/sw/file/Code_of_conduct.pdf">https://www.telekom.hu/static-tr/sw/file/Code_of_conduct.pdf</a> <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>	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.		
2-27	Compliance with laws and regulations			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. Magyar Telekom reports for the GVH and NMHH fines in the related GRI indicators. Further information is confidential.		
2-28	Membership associations	Stakeholders (53)		Comprehensive list of Magyar Telekom Group's membership associations, domestic and international representative organizations is available in the Stakeholders chapter.		
<b>5. Stakeholder engagement</b>						
2-29	Approach to stakeholder engagement	Stakeholders (43)		Stakeholders include those groups that have an impact on or are interested in the achievement of the company's goals. When revising Magyar Telekom HU's sustainability strategy, the first step was to review the list of stakeholders and update it based on the knowledge of an internal professional team and the ESG squad. Magyar Telekom HU is also in contact with its previously identified stakeholders and considers their opinions and suggestions. In the framework of numerous forums and surveys, as well as during personal meetings, it was possible to contact these groups and present the sustainability activities. Main stakeholders: <ul style="list-style-type: none"> <li>- Management</li> <li>- Parent company</li> <li>- Investors</li> <li>- Clients</li> <li>- Suppliers</li> <li>- Employees</li> <li>- Next generation</li> <li>- Regulators, government</li> <li>- Media</li> <li>- NGOs</li> </ul> In the process of identifying material topics, Magyar Telekom HU addressed its stakeholders in the form of a questionnaire, which was distributed to the stakeholders by the departments of the company, which are in contact with the given interested group.		
2-30	Collective bargaining agreements			99,9% of the employment contracts of Magyar Telekom Plc. employees operating in Hungary fall under collective bargaining agreements (the CEO and Deputies are excluded from the scope of the Collective Agreement), 100% of the employment contracts of Telekom Rendszerintegráció Ltd. employees operating in Hungary fall under collective bargaining agreements, the same ratio for Macedonian workers is 84,01% in 2023.		

DISCLOSURE NUMBER	DISCLOSURE TITLE	CHAPTER IN SUSTAINABILITY REPORT (PAGE NUMBER)	URL	DIRECT ANSWER	SASB CODE	SDG TARGET
<b>GRI 3: MATERIAL TOPICS 2021</b>						
<b>Material topics</b>						
3-1	Process to determine material topics	Stakeholders (43,44)		<p>In the process of identifying material topics, a survey was conducted with the involvement of ESG experts and ESG Squad at Magyar Telekom HU to identify the company's stakeholders. Stakeholders were evaluated based on power, urgency and legitimacy; the methodology used is the Saliency model. Subsequently, stakeholders were addressed in the form of a questionnaire. During the evaluation of the results of the questionnaire, high priority was given to topics with strategic focus and highlighted for compliance with the law, then topics important from the point of view of operation, and topics appearing in investor evaluations were also emphasized. For more information, see Stakeholders section of the report.</p> <p>Magyar Telekom HU also offers a permanent opportunity for interested parties to share their comments, suggestions and opinions at the following email address: fenntarthatosag@telekom.hu</p>		
3-2	List of material topics	Stakeholders (43,44)		<p>The methodology and list for identifying material topics can be found in the Stakeholder section of the report. The GRI standard provides an opportunity to group relevant topics. Magyar Telekom's disclosures related to relevant topics are explained below according to the following groupings:</p> <ul style="list-style-type: none"> <li>- Privacy</li> <li>- Investor Relations</li> <li>- Inclusive workplace: Talent management for co-workers, Accessibility in the office, Employee communities to promote inclusion, Employee engagement through communities</li> <li>- Suppliers: Strengthening sustainability aspects in the supply chain, Local procurement</li> <li>- Digital skills development</li> <li>- Human rights</li> <li>- Energy: Energy efficiency and measures, Energy use, Use of renewable energy, Resource use</li> <li>- Ensuring equal opportunities</li> <li>- Responsible services: Climate protection solutions, Service availability, Accessibility in services, Safe mobile use, electromagnetic fields, ICT for sustainability, Protection of nature in protected areas (and nearby) network operation</li> <li>- Sustainability coordination</li> <li>- Climate protection: Emissions, Greenhouse gas offsets, Network resilience to external factors, Science based targets</li> <li>- Risk management</li> <li>- Circularity: Transition to a circular economy, Distribution of refurbished appliances, Process waste management, Sustainable packaging</li> <li>- Compliance: Regulatory compliance, Corporate compliance</li> <li>- Collaborations</li> <li>- Customers: Customer satisfaction, Informing customers, Customer involvement</li> </ul>		

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<b>GRI 3: MATERIAL TOPICS 2021</b>						
<b>Material topics CUSTOMERS</b>						
3-3	Management Approach	Stakeholders – Customers (45,46,47)		The "voice of the customer" is extremely important for Magyar Telekom HU. The feedback from customers helps the design and development of services and processes. It is important for Magyar Telekom HU to provide its customers with a quality and reassuring solution during the investigation and handling of complaints, paying attention to customer satisfaction and ensuring an excellent customer experience. In connection with the service provider or services, Magyar Telekom Plc. provides all customers with an opportunity to interpret their opinion at least once a year.		
	High-level overview of impacts	Stakeholders – Customers (45,46,47)		In addition to continuous data collection, Magyar Telekom Plc. regularly conducts customer satisfaction measurements among its customers belonging to its segments using research methodologies applied in the telecommunications field, with the help of them, the company also maps customer satisfaction and factors affecting it. The applied methodologies for the residential customers: TRI*M, Medallia; for micro and small companies: TRI*M; for medium and large companies: strategic satisfaction research. For each segment: contact satisfaction research. In addition, consumer habits were also assessed in 2023 as part of the Omnibus research.		
	High-level overview of managing impacts	Stakeholders – Customers (45,46,47)		The special call center team contacts customers with complaints related to the services of Magyar Telekom Plc. and makes efforts to eliminate all errors. Responsible departments are notified about process issues, which are handled and eliminated by them. Furthermore, the CEX (Customer Experience) team has a significant role in mapping the detected problem hotspots and coordinating their solutions.		
	Effectiveness of actions to manage impacts	Stakeholders – Customers (45,46,47) Corporate Governance (8)		The applied methodologies and their results are presented in detail in the chapter "Stakeholders - Customers" of the Sustainability Report. In addition to the development and improvement opportunities revealed by the results of the surveys, several internal processes provide opportunities to increase the effectiveness of the measures aimed at managing the effects, which are presented in the Corporate Governance chapter.		
	Policies, standards, commitments			Magyar Telekom HU has developed processes and regulations for ensuring the measurement of customer satisfaction and complaint handling practices.		
<b>Material topics PRIVACY</b>						
3-3	Management Approach		<a href="https://www.telekom.hu/rolunk/adatvedelem">https://www.telekom.hu/rolunk/adatvedelem</a> (only HU)	The protection of its customers, employees, contractual partners and visitors in relation to the processing of their personal data, as well as ensuring their right to control of their information, is a priority for Magyar Telekom Plc. Magyar Telekom Plc. handles the personal data of data subjects who come into contact with it confidentially and in accordance with the applicable legal provisions, ensures the security of the data, implements technical and organizational measures and establishes the procedural rules necessary to be compliant with the applicable legal provisions, court decisions, authority decisions and recommendations relating to data protection.		
418 Customer Privacy 2016 418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data			Magyar Telekom Plc. received requests and complaints from the National Authority for Data Protection and Freedom of Information and also directly from customers in 2023, which were duly investigated by Magyar Telekom Plc., and the findings were reported to the complaining customer or to the Authority respectively. Based on the results of the investigations, we review our processes and make adjustments, if necessary.  In 2023, one official data protection investigation and two official procedures related to the handling of personal data were initiated, and none of the procedure began in 2022 and concluded in 2022 resulted in the imposition of a fine of 500 000 HUF. 418-1-b: Confidentiality constraints  Magyar Telekom Plc. has an ISO 27001 Information Security Management System.	TC-TL-220a.1 TC-TL-230a.1 TC-TL-230a.2	


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<b>GRI 3: MATERIAL TOPICS 2021</b>						
<b>Material topics</b>						
<b>INVESTOR RELATIONS</b>						
3-3	Management Approach	Stakeholders – Investors (44)	<a href="https://www.telekom.hu/about_us/investor_relations">https://www.telekom.hu/about_us/investor_relations</a> <a href="https://bse.hu/pages/company_profile/\$issuer/1633">https://bse.hu/pages/company_profile/\$issuer/1633</a> <a href="https://bse.hu/pages/company_profile/\$security/MTELEKOM">https://bse.hu/pages/company_profile/\$security/MTELEKOM</a>	<p>Considering the fact that Magyar Telekom Plc.'s shares are listed on the Budapest Stock Exchange (BSE) as a publicly traded company, the Company has various accounting, capital market and corporate law disclosure obligations</p> <p>Magyar Telekom Plc. is committed to ensure that the reports published for its shareholders or investors are accurate and complete, that they provide a reliable and valid overview of the Company's financial situation and operational results, and that they are published in compliance with the applicable laws and requirements of the BSE.</p> <p>On the company's website, up-to-date information is available on the Company's financial situation, general meetings, dividend payments, contact options, and the current share price of Magyar Telekom Plc. can be tracked. Furthermore, information about the company's publications and trading data is also available on the BSE website.</p> <p>The Company, as the issuer of publicly traded shares, is obliged to regularly inform the public about the main data of its assets, financial status and operations, and to inform the public about all information directly or indirectly affecting the value, yield or reputation of the stocks.</p> <p>The processes and controls currently implemented at Magyar Telekom Plc. ensure, among others, the following: information falling within the scope of regular information required by law, as well as all other information relevant for investors and public, are recorded, processed, summarized, furthermore, accurate and timely information is prepared, and the information is collected and forwarded to management, thus ensuring timely decisions on the required disclosure.</p> <p>The Company also assesses the needs of investors on an annually or once in two years, using a questionnaire method. The so-called perception study is carried out by a specialized, independent company, which assesses the opinions, needs and expectations of investors based on a representative sample with the help of a detailed list of questions. Regular meetings (virtual and face-to-face) take place between senior management and Investor Relations departments, investors and analysts at various conferences, roadshows and individual inquiries</p> <p>The Company's policy is that disclosures to shareholders and market participants give an accurate and complete picture of the Company and reflect the Company's financial position and operating results in all respects. Such disclosures are made periodically in accordance with applicable laws, regulations and regulations. The Company implements an ICS control assessment every year to examine disclosure processes too.</p> <p>Magyar Telekom Plc. has developed internal regulations for disclosure processes and investor relations.</p>		
	High-level overview of impacts					
	High-level overview of managing impacts					
	Effectiveness of actions to manage impacts					
	Policies, standards, commitments					
<b>Material topics</b>						
<b>SUSTAINABILITY COORDINATION</b>						
3-3	Management Approach	Corporate Governance (7)		<p>Magyar Telekom HU carries out its activities considering sustainable development aspects at group level, in Hungary and in all countries of operation. This is not only a key asset for the Group's long-term success, but also a fundamental value for its role in the region and its social, environmental and economic impact through its services. Group-level coordination of sustainability activities is led by the ESG Squad (formerly Sustainability Squad) from 2023. Magyar Telekom's corporate governance practices from a sustainability perspective are summarized in the chapter Corporate Governance.</p> <p>The main objective of Magyar Telekom HU's 5th Sustainability Strategy is to remain the country's leading sustainable company by putting digitalization at the service of the development of people, families and businesses, and the protection of the environment. The main guiding principle of the company's new strategy is to maintain its leading role in sustainability, both as a company and as an ICT service provider. It has therefore set long-term goals up to 2030, which it will monitor and update as necessary in line with the emerging trends.</p> <p>At the beginning of 2023, Magyar Telekom HU revised its strategic objectives in order to respond to the changing external and internal circumstances and to set its objectives along even more accurate calculations. The operational implementation of the strategy's objectives is carried out by cross-functional working groups with the tasks of further breakdown of objectives, developing and implementing the business plan.</p> <p>The company continuously monitors the implementation of its objectives in the fields of climate protection, digitalization, diversity and inclusion, which are detailed in the relevant chapters of the report.</p> <p>Magyar Telekom HU has developed internal regulations on the framework of its sustainability operations.</p>		
	High-level overview of impacts	Sustainability Approach (5)				
	High-level overview of managing impacts	Sustainability Approach (5)				
	Effectiveness of actions to manage impacts					
	Policies, standards, commitments					



DISCLOSURE NUMBER	DISCLOSURE TITLE	CHAPTER IN SUSTAINABILITY REPORT (PAGE NUMBER)	URL	DIRECT ANSWER	SASB CODE	SDG TARGET
<b>GRI 3: MATERIAL TOPICS 2021</b>						
<b>Material topics</b>						
<b>HUMAN RIGHTS</b>						
3-3	Management Approach	Diversity and Equal Opportunities (33,34)	<a href="https://www.telekom.hu/about_us/investor_relations">https://www.telekom.hu/about_us/investor_relations</a> <a href="https://bse.hu/pages/company_profile/\$issuer/1633">https://bse.hu/pages/company_profile/\$issuer/1633</a> <a href="https://bse.hu/pages/company_profile/\$security/MTELEKOM">https://bse.hu/pages/company_profile/\$security/MTELEKOM</a>	Magyar Telekom Group is committed to respect and support human and social rights at all times in terms of tasks arising from technological development and digitalization. In accordance with the principles set out in the Code of Human Rights and Social Principles, it stands for the protection of human rights enshrined in international human rights agreements, including freedom of conscience and opinion. In addition, the company rejects child labor, forced labor and compulsory labor of all kinds, and fights against all forms of human trafficking and modern-day slavery. Child labor and forced labor are defined in accordance with the core conventions of the International Labor Organization. Through the Code of Human Rights and Social Principles, social standards are binding on the entire group of companies and accessible to everyone. The Code is based on values developed and followed in accordance with international norms, guidelines and standards, in particular: - international human rights agreements, - the basic conventions of the International Labor Organization, - OECD Guidelines, the Global Compact, - the International Labor Organization's Tripartite Declaration concerning Multinational Enterprises and the Principles of Social Policy (Declaration concerning Multinational Enterprises), and - the UN Guiding Principles on Business and Human Rights. As a subsidiary of Deutsche Telekom Group, Magyar Telekom Group strives to fully comply with the requirements of the Code of Human Rights and Social Principles. More information can be found in the Universal GRI Standards		
GRI 408 Child Labor 2016 408-1	Operations and suppliers at significant risk for incidents of child labor	Stakeholders – Suppliers (48,49)	<a href="https://www.telekom.hu/about_us/sustainability/sustainable-supplier-chain-management-process">https://www.telekom.hu/about_us/sustainability/sustainable-supplier-chain-management-process</a> <a href="https://beszerzes.telekom.hu/beszerzes/portal?appid=beszerzes&amp;page=szallitoinknak/kornyezetvedelem/fooldalvm">https://beszerzes.telekom.hu/beszerzes/portal?appid=beszerzes&amp;page=szallitoinknak/kornyezetvedelem/fooldalvm</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.		
GRI 409 Forced Labor 2016 409-1	Operations and suppliers at or Compulsory Labor 2016 forced or compulsory labor	Stakeholders – Suppliers (48,49)	<a href="https://www.telekom.hu/about_us/sustainability/sustainability-strategy/sustainable-supplier-chain-management-process">https://www.telekom.hu/about_us/sustainability/sustainability-strategy/sustainable-supplier-chain-management-process</a> <a href="https://beszerzes.telekom.hu/beszerzes/portal?appid=beszerzes&amp;page=szallitoinknak/kornyezetvedelem/fooldalvm">https://beszerzes.telekom.hu/beszerzes/portal?appid=beszerzes&amp;page=szallitoinknak/kornyezetvedelem/fooldalvm</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.		
GRI 410 Security 2016 410-1	Security personnel trained in human rights policies or practices 2016 procedures		<a href="https://www.telekom.hu/static-tr/sw/file/Code_of_Ethics.pdf">https://www.telekom.hu/static-tr/sw/file/Code_of_Ethics.pdf</a> <a href="https://www.telekom.hu/static-tr/sw/file/Code_of_conduct.pdf">https://www.telekom.hu/static-tr/sw/file/Code_of_conduct.pdf</a> <a href="https://www.telekom.hu/static-tr/sw/file/code-of-human-rights-socialprinciples-eng.pdf">https://www.telekom.hu/static-tr/sw/file/code-of-human-rights-socialprinciples-eng.pdf</a>	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>Material topics</b>						
<b>RISK MANAGEMENT</b>						
3-3	Management Approach			Magyar Telekom Group operates a group-wide risk management process. The established risk management process provides a framework for the following elements: - Identification of risks through the involvement of all organizations; - Once risks have been identified, they are analyzed, evaluated and quantified. - Define courses of action to reduce risk. - Evaluation, monitoring and implementation of measures by the risk owner. Further information is presented under the Universal GRI Standards and in the chapter on Corporate Governance.		TC-TL-550a.1
GRI 205 Anti Corruption 2016 GRI 205-1	Operations assessed for risks related to corruption	Corporate Governance (8,9)	<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>	Yearly Compliance Risk Assessment (CRA) addresses active and passive corruption separately. It always includes Magyar Telekom Plc., Telekom Rendszerintegráció Ltd., 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 remedial actions were formulated concerning the risks identified. The fulfillment of these measures is also monitored.		
Tax 2019 207-2	Tax governance, control, and risk management	Corporate Governance (9)		Magyar Telekom has a Group-level risk management system in place, which covers the efficient and appropriate management of tax-related risks, too. The system systematically identifies, analyzes, assesses, monitors and minimizes tax-related risks and ensures their proper communication. In addition, existing and regularly reviewed controls (ICS) are in place in the taxation area, which ensure that all organizational entities that need to be aware of the effective taxation statutes and their potential changes for their daily operations and that have a direct impact on the proper fulfillment of tax liabilities be up to date in that regard.		
GRI 403: Occupational Health and Safety 2018 403-2	Hazard identification, risk assessment, and incident investigation			In 2023, the full corporate occupational safety and health risk assessment of Telekom System Integration Ltd were completed. Magyar Telekom Plc's risk assessment were completed with additional documentation for the new organizations. This covered 23 departments and about 500 employees. Employees' OSH representatives are also involved in the OSH risk assessment process. Their comments are also part of the document. Targeted inspections (on-site work inspections) were carried out in 19 cases. MEBIR site internal audits covered 11 sites. An electronic interface was set up to identify, document and follow up on the deficiencies identified during the visits.		

DISCLOSURE NUMBER	DISCLOSURE TITLE	CHAPTER IN SUSTAINABILITY REPORT (PAGE NUMBER)	URL	DIRECT ANSWER	SASB CODE	SDG TARGET
<b>GRI 3: MATERIAL TOPICS 2021</b>						
<b>Material topics</b>						
<b>COMPLIANCE</b>						
3-3	Management Approach	Corporate Governance (8)	<a href="https://www.telekom.hu/static-tr/aw/file/Code_of_conduct.pdf">https://www.telekom.hu/static-tr/aw/file/Code_of_conduct.pdf</a> <a href="https://www.telekom.hu/bout_us/about_magyar_telekom/principles/compliance">https://www.telekom.hu/bout_us/about_magyar_telekom/principles/compliance</a>	<p>Magyar Telekom Group's Corporate Compliance Program has been elaborated with the aim of ensuring that Magyar Telekom Group conducts its business with maximum awareness and commitment, in accordance with relevant laws and regulations, in harmony with the strictest possible business ethics standards.</p> <p>Magyar Telekom does not tolerate intention or transaction on corruption; therefore several internal policies and procedures have been developed to prohibit and prevent bribery (including making facilitation payments). 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.</p> <p>The Group also prohibits its employees to make decisions for the employees' benefit or that of the employees' family, friends, associates and acquaintances. 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 anticorruption regulations or the guiding principles of the Compliance Program.</p> <p>Magyar Telekom uses its best efforts to fulfill its obligations in accordance with the effective laws. In the field of electronic communications 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 the NMHH continuous personal consultation, agreements concluded with the authorities and retroactive settlement plans set out in undertakings, made in the form of declarations.</p> <p>Magyar Telekom HU has developed internal regulations related compliance processes and risks.</p>		
GRI 205 Anti Corruption 2016 GRI 205-2	Communication and training about anti-corruption policies and procedures		<a href="https://www.telekom.hu/bout_us/about_magyar_telekom/principles/compliance">https://www.telekom.hu/bout_us/about_magyar_telekom/principles/compliance</a>	<p>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%, and all regions, Magyar Telekom HU: 6 persons (Leadership Squad)</p> <p>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>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. The anticorruption policy is publicly available.</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. 5091 persons, in 2023 93% of in scope colleagues completed the course successfully</p> <p>Number of confirmed incidents: 0</p>		
GRI 205 Anti Corruption 2016 GRI 205-3	Confirmed incidents of corruption and actions taken					
Anti competitive Behavior 2016 GRI 206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices			<p>The antitrust policy covers price fixing, bid rigging, market allocation schemes. The antitrust policy applies to: employees, contractors, suppliers. Measures are taken to promote and ensure antitrust compliance. In 2023, no fines were imposed for violating antitrust competition regulations.</p>		

DISCLOSURE NUMBER	DISCLOSURE TITLE	CHAPTER IN SUSTAINABILITY REPORT (PAGE NUMBER)	URL	DIRECT ANSWER	SASB CODE	SDG TARGET
<b>GRI 3: MATERIAL TOPICS 2021</b>						
<b>Material topics</b>						
<b>SUPPLIERS</b>						
3-3	Management Approach	Stakeholders – Suppliers (48,49)		It is important for Magyar Telekom HU to maintain reliable, lawfully operating business relationships with its suppliers and to apply documented supplier evaluation practices that ensure that all its contractual partners meet legal requirements. The fight against corruption and ethical behaviour in supplier relations are also important for the company.		
	High-level overview of impacts	Stakeholders – Suppliers (48,49)		Magyar Telekom Group has a significant impact on other players of the economy; therefore its liability cannot be limited to the company's borders. In addition, from a risk management point of view, it is essential for the company to enter into business relationships with partners whose economic, social and environmental performance is in line with its corporate values and regulations. The Group also manages its supplier relationships from a sustainability point of view. For detailed information, see the Stakeholders section of the report.		
	High-level overview of managing impacts	Stakeholders – Suppliers (48,49)		Magyar Telekom Group selects suppliers through regulated, transparent and documented procurement procedures that ensure fair competition. Its procurement procedures are continuously controlled by Internal Control System (ICS). In addition to control, the system also encourages the development and acceleration of processes. For detailed information, see the Stakeholders section of the report.		
	Effectiveness of actions to manage impacts	Stakeholders – Suppliers (48,49)		Magyar Telekom Plc. continued its sustainability web audit in 2023. In 2023, 69 companies participated directly in the survey, representing 9.75% of the total procurement value. The Sustainability Web Audit assessment is valid for three years, consequently in 2023, 101 suppliers had valid audits, corresponding to 23.03% of the total procurement value. In 2023, Magyar Telekom HU did not find any non-compliance regarding any of the suppliers assessed.		
	Policies, standards, commitments	Stakeholders – Suppliers (48,49)		Telekom uses the internationally recognized and applied EcoVadis rating system, also supported by Deutsche Telekom, to assess the sustainability of its active suppliers. Strategically important and high-risk suppliers are invited to submit a statement on their operational practices based on the detailed EcoVadis criteria. In this framework, 6 suppliers have a valid assessment directly and 33 indirectly, based on social, environmental, economic and sustainable procurement criteria. These suppliers accounted for 42.74% of the total annual order value. EcoVadis assessments are valid for two years. For detailed information, see the Stakeholders section of the report.		
Procurement Practices 2016 GRI 204-1	Proportion of spending on local suppliers	Stakeholders – Suppliers (48,49)		Magyar Telekom Plc. has developed internal regulations for procurement and due diligence processes. Since 2023, it has also applied the German Value Chain Due Diligence LkSG Act.		
Supplier Environmental assessment 2016 GRI 308-1	New suppliers that were screened using environmental criteria	Stakeholders – Suppliers (48,49)		In case of the Hungarian operation, Magyar Telekom Plc.: 71,6 %, Telekom Rendszerintegráció Ltd.: 87,71% In case of North-Macedonian operation, Makedonski Telekom: 50,38%. In case of the Hungarian operation: companies registered in Hungary, in case of the North-Macedonian operation: companies registered in North Macedonia.		
Supplier Social Assessment 2016 GRI 414-1	New suppliers that were screened using social criteria	Stakeholders – Suppliers (48,49)		Magyar Telekom Plc.: 65%, out of 252 new suppliers used in 2023, 165 completed pre-qualification. In terms of all suppliers, 77,81%, 879 suppliers completed pre-qualification of the total 1135 suppliers in 2023. Telekom Rendszerintegráció Ltd.: 46%, out of 135 suppliers used in 2023, 62 completed pre-qualification. In terms of all suppliers, 466 suppliers completed pre-qualification of the total 702 suppliers in 2023.		

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<b>GRI 3: MATERIAL TOPICS 2021</b>						
<b>Material topics</b>						
<b>DIGITAL SKILLS DEVELOPMENT</b>						
3-3	Management Approach	Digitalization (27,28,29,30)		Magyar Telekom HU, as a responsible service provider, has a role in creating digital equality for Hungarian society. It addresses social issues that prevent people from having equal access to the opportunities offered by the digital world. The company not only involves society into the digital world, but also by guides them to see clearly the possibilities but also the dangers. In its initiatives, it pays special attention to the online and physical safety of children. Detailed information on this topic can be found in the chapter entitled Digitalization. Magyar Telekom HU, as a responsible service provider, plays a role in developing the digital skills of society.		
	High-level overview of impacts	Digitalization (27,28,29,30)		Magyar Telekom HU has developed and operates programs in order to reach the widest range of society and involve them in its digital skills development programs. Detailed information on the programs and their implementation can be found in the chapter on Digitalization. The effectiveness of Magyar Telekom's HU digital skills development programs can be highlighted, but not fully described, by the following indicators: - „Be part of Generation NOW!” initiative was available in schools in 16 cities across the country, and with the introduction of online education, anyone without geographical barriers could join it. The program reached a total of 443,000 people, 485 high school students participated in the sessions and the preparation of online learning materials, and 20,740 seniors completed the learning materials through face-to-face sessions and online platforms. - "Netrevalók": Magyar Telekom Plc. launched the renewed "Be part of Generation NOW!" program in October 2023 in cooperation with the Metropolitan Ervin Szabó Library (FSZEK), because previous experience has shown that meeting young and old requires a permanent physical space that is easily accessible to both age groups and where both age groups feel at home. The online campaign following the launch of the Netrevalók program in October reached 18,110 people, and 50 students and 92 elderly people participated in face-to-face trainings in Budapest libraries. - "Digital Class Trip": In the first half of 2023, the company also organized digital class trips for schools in disadvantaged settlements, taking on the full cost of the trips. Within the framework, in addition to the robotics programs of the Edu&Fun Digital Experience Center, children participated in playful, digital education and skill development in the Future Zone at Magyar Telekom's HU headquarters. A total of 150 children participated in the 5 class trips held in the first semester of 2023. - "Hello Parent!": Magyar Telekom launched its new platform for parents and families in mid-October 2023, which aim is to serve as a digital knowledge base for families. The Hello Parent platform has had nearly 130,000 visitors since its launch until December 31. One of the important cooperation partners of the platform is the Edu&Fun digital experience center. Within the framework of the cooperation, people can apply for digital learning and development programs. Since "Hello Szülő" launched, a total of 200 students have been able to participate in such programs until the end of 2023. - The "Hello Business" program has also helped Hungarian small businesses navigate the maze of administration, workforce management, marketing, sales or finance in 2023 as well. In 2023, Magyar Telekom's digital responsibility programs reached more than 2 million people. More information about the programmes can be found in the chapter Digitalization.		
	High-level overview of managing impacts	Digitalization (27,28,29,30)				
	Effectiveness of actions to manage impacts	Digitalization (27,28,29,30)				
	Policies, standards, commitments	Sustainability Approach (5)		Magyar Telekom HU is committed to promoting Hungary digital maturity, which is reflected in its strategic objectives.		
<b>Material topics</b>						
<b>COLLABORATIONS</b>						
3-3	Management Approach			Magyar Telekom Group is a member of several industry associations, national and international representative organizations. The list of membership associations is available in the Stakeholders chapter.  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 most of all through the Telecommunication Reconciliation Council (HÉT); in some cases, the Scientific Association for Infocommunications (HTE); 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. HÉT is the consultation partner of the telecommunication industry, plays an active role in representing the industry's professional objectives, preparing legislation, and accelerates the domestic digitization processes.  The Magyar Telekom Group is a member of domestic and international industry advocacy organizations, which provides it with the opportunity to share its views on strategy issues with market participants, government institutions and regulatory organizations, which fully complies with the requirements of the detailed rules of the Magyar Telekom Code of Conduct [2.10].		
Public Policy 2016 415-1	Political contributions		<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/about_us/about_magyar_telekom/pri-nciples/compliance">https://www.telekom.hu/about_us/about_magyar_telekom/pri-nciples/compliance</a> <a href="https://www.telekom.hu/about_us/about_magyar_telekom/pri-nciples">https://www.telekom.hu/about_us/about_magyar_telekom/pri-nciples</a>			








DISCLOSURE NUMBER	DISCLOSURE TITLE	CHAPTER IN SUSTAINABILITY REPORT (PAGE NUMBER)	URL	DIRECT ANSWER	SASB CODE	SDG TARGET
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**GRI 3: MATERIAL TOPICS 2021**

**Material topics**

**ENSURING EQUAL OPPORTUNITIES (1)**

3-3	Management Approach	Diversity and Equal Opportunities (33,34)	<a href="https://www.telekom.hu/static-tr/sw/file/code-of-human-rights-socialprinciples-eng.pdf">https://www.telekom.hu/static-tr/sw/file/code-of-human-rights-socialprinciples-eng.pdf</a> <a href="https://www.telekom.hu/static-tr/sw/file/Telekom_Group_policy_on_employee_relations.pdf">https://www.telekom.hu/static-tr/sw/file/Telekom_Group_policy_on_employee_relations.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/Telekom_diversity_equality_and_inclusion_group_policy.pdf">https://www.telekom.hu/static-tr/sw/file/Telekom_diversity_equality_and_inclusion_group_policy.pdf</a> <a href="https://www.telekom.hu/static-tr/sw/file/Telekom_Equal_opportunities_plan.pdf">https://www.telekom.hu/static-tr/sw/file/Telekom_Equal_opportunities_plan.pdf</a>	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. Since 2018, an anonymous employee survey measuring the diversity and inclusion culture of the company is conducted bi-annually. According to the latest survey results from January 2022 based on the feedback of the employees, Telekom's perception as an open and inclusive workplace has improved in all areas affected by the action plan.		
	High-level overview of impacts	Diversity and Equal Opportunities (33,34)		As one of the largest ICT employers in Hungary, Magyar Telekom HU believes that diversity contributes to the success of businesses and any other organization, to increasing innovation and creativity, to attracting new customers, business and other partners, to react quickly to changes, and to maintaining a culture free of discrimination in accordance with legal and ethical standards. In order to ensure equal opportunities, the company has a Group-level Equal Opportunities Plan, the action points of which have been established in a manner aligned with and complementary to the goals of the diversity pillar of the Sustainability Strategy. The company's commitment to diversity and equal opportunities goals is indicated by the fact that dedicated colleagues work in the field of diversity, equal opportunities and inclusion and are responsible for their continuous development and focus. Magyar Telekom Group's suppliers must study and accept the Company's Supplier Code of Conduct as a guideline for their own operations as a mandatory part of supplier registration.		
	High-level overview of managing impacts	Diversity and Equal Opportunities (33,34)		As part of the orientation process taking place within two months of their entry, Magyar Telekom Group's employees also get acquainted with social and employment issues and policies and directives affecting human rights and accept their content as binding on themselves. Detailed information on the company's actions and impact management can be found in the chapter Diversity and equal opportunities.		
	Effectiveness of actions to manage impacts	Diversity and Equal Opportunities (37)		To reduce the gender pay gap, the company has developed an equal opportunities action plan, within the framework of which from July 2020 onwards 2 times a year a pay gap analysis and equal opportunities action plan is implemented. The company achieved reduction of the pay gap with the following measures: a pay gap dashboard was created, the nomination system was given an equal opportunities focus, and the process of managing absences and returns due to parental leave was reformed. Detailed information on these measures and their results can be found in the chapter Diversity and equal opportunities.		
	Policies, standards, commitments	Diversity and Equal Opportunities (33,34)		Magyar Telekom Group's Code of Human Rights and Social Principles and its Equal Opportunities Plan, in force set the general human rights principles of the Group and the provisions related to the implementation of these principles. As part of Deutsche Telekom Group, Magyar Telekom Group renewed its diversity, equal opportunities and inclusion policy in December 2021, which remained effective throughout 2023.		
GRI 202 Market Presence 2016 GRI 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.		
404 Training and education 2016 404-2	Programs for upgrading employee skills and transition assistance programs			The development of our employees has played a prominent role in Magyar Telekom's strategy for years. In order to maintain the role of market leader and innovator in the fast-changing, challenging business environment, it is not enough to create outstanding training programs, organizations must be supported in developing a learning culture. Digital learning opportunities are promoted by half of the employees. These opportunities include the upskilling opportunities offered by Deutsche Telekom, as well as learning content developed in-house. In 2023, we announced a Top5 Superpower program for all employees on 5 topics that were important and relevant to the goals of the given business year. In addition to the central development programs similar to TOP5, the quarterly training plan prepared at the business level provides guidelines for the current development activities of the given period in terms of professional training, skill development programs, agile training, management development, and conferences. After the needs assessment, prioritization takes place at the regional level in cooperation with the managers. The Learning CoE implements the approved upskilling training needs according to the implementation plans developed along the priorities. We encourage knowledge sharing and self-development at the company level. Last year, the centrally provided programs included the Skilljet leadership development program, which addressed the most important dilemmas of leadership with gamified online and personal participation workshops, contributing to becoming a better leader with its solutions. In addition, our managers could get involved in the LevelUp Next Gen, Lead First and other leadership skill development programs organized by the parent company. After registering for the outplacement program, employees affected by the downsizing can use the following services: two-day group labor market training; active job search support; financial support for training and retraining in line with labor market expectations; personal psychological and labor law counseling; follow-up of the participants, tracking their location.		
404 Training and education 2016 404-3	Percentage of employees receiving regular performance and career development reviews			To strengthen the culture of performance evaluation, career management and feedback, a new, flexible framework was introduced in 2018, which simultaneously supports business and personal success, which is a practical realization of the growth mindset approach, and also strengthens the culture of recognition. FUTAM can be customized for individual and current business needs at the organizational and employee level. It provides a framework for managing the employee's development, it is based on cooperation and feedback instead of evaluation, and in 2019, the new module developed in the framework of the agile transformation further deepened these values in accordance with the new mode of operation. In 2022 and 2023, the main goal was to expand the previously introduced framework, because of which 5,653 of our colleagues participated in the regular competence feedback process by the end of 2023. This represents 98% of the workforce. The framework has not changed, the platform used, FUTAM, has been renewed in response to customer feedback in order to make it as user-friendly as possible. In 2023, no complaints were submitted regarding violating equal opportunity treatment due to the experienced practice by Magyar Telekom Nyrt.		
GRI 406 Non-discrimination 2016 406-1 GRI 401 Employment 2016 401-3	Incidents of discrimination and corrective actions taken Parental leave	Diversity and Equal Opportunities (37)				
GRI 401 Employment 2016 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees			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 and other benefits. Contributions to public health, pension and unemployment benefit schemes are made by the employer to the required extent and until the statutory deadline. With respect to additional payments from 2019 the additional contribution to funds ceased. Meanwhile we deduct voluntary pension and healthcare membership fees and transfer them to the cash funds on behalf of the employee. The membership fee may be a fixed amount or a		

DISCLOSURE NUMBER	DISCLOSURE TITLE	CHAPTER IN SUSTAINABILITY REPORT (PAGE NUMBER)	URL	DIRECT ANSWER	SASB CODE	SDG TARGET
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**GRI 3: MATERIAL TOPICS 2021**

Material topics

**ENSURING EQUAL OPPORTUNITIES (2)**

GRI 401 New employee hires and  
 Employment employee turnover  
 2016  
 401-1

**FLUCTUATION AT MAGYAR TELEKOM GROUP**

	2018 (PLC./GROUP)	2019 (PLC./GROUP)	2020 (PLC./GROUP)	2021 (PLC./GROUP)	2022 (PLC./GROUP)	2023 (PLC./GROUP)
Total fluctuation	16,47%/17,51%	16,47%/15,1%	17,20%/19,27%	11,0%/11,53%	7,3%/8,32%	8,5%/8,96%
Termination initiated by the employee	6,81%/18,84%	6,81%/15,91%	2,70%/10,92%	3,40%/15,58%	4,3%/15,42%	4,2%/16,89%

**FLUCTUATION AT MAGYAR TELEKOM GROUP IN 2023**

	Magyar Telekom Group	Magyar Telekom Plc.	Telekom Rendszerintegráció Ltd.	Makedonski Telekom
Total fluctuation	8,91%	8,50%	19,10%	9,60%
Termination initiated by the employee	17,96%	4,20%	8,37%	96,70%

**AGE GROUPS AND GENDER DISTRIBUTION OF NEW HIRES AT MAGYAR TELEKOM PLC. IN 2023**

AGE GROUP	<30	30-50	50+	Total	
Male		160	346	101	607
Female		95	164	29	288
Total headcount		255	510	130	895

**AGE GROUPS AND GENDER DISTRIBUTION OF NEW HIRES AT MAGYAR TELEKOM GROUP IN 2023**

AGE GROUP	<30	30-50	50+	Total	
Male		181	414	202	797
Female		122	205	47	374
Total headcount		303	619	249	1171

DISCLOSURE NUMBER	DISCLOSURE TITLE	CHAPTER IN SUSTAINABILITY REPORT (PAGE NUMBER)	URL	DIRECT ANSWER	SASB CODE	SDG TARGET
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**GRI 3: MATERIAL TOPICS 2021**

**MATERIAL TOPICS**


**INCLUSIVE WORKPLACE**

3-3	Management Approach	Diversity and Equal Opportunities (35,38)		Magyar Telekom HU is committed to creating an inclusive workplace, which is reflected in its strategic objectives, and the company. The company's employees are as diverse as the customers they serve. They come from different backgrounds and have a wide variety of experiences. The company believes that for good performance, it is essential that all employees be themselves and feel safe at work.		
	High-level overview of impacts	Diversity and Equal Opportunities (35,38)		The company supports and encourages employee communities that help create a diverse and inclusive workplace. In 2023, 3 employee communities were established in addition to Magenta Pride, which has been operating since 2022 and supports the LGBTQ+ community: Women at Telekom employee community, Accessible Telekom employee community, Telekom with family employee community. It is extremely important for the company to increase the number of colleagues with disabilities and to support the affected group within the company. Since 2022, a rehabilitation mentor colleague has also been helping the affected colleagues. Detailed information on these can be found in the section entitled Diversity and equal opportunities. A vállalat intézkedéseiről és hatáskezeléséről a Sokszínűség és esélyegyenlőség című fejezetben részletes információk olvashatók.		
	High-level overview of managing impacts			Employee communities are voluntary, bottom-up groups that have an aim to create a diverse, inclusive workplace in line with the company's goals. It is led and involved by employees who share a common characteristic or who are not affected but care about the group and/or cause and a diverse and inclusive corporate culture. The wider membership of the communities exceeds 200, the active membership currently counts 50. For more information, see Diversity and equal opportunities chapter.		
	Effectiveness of actions to manage impacts			Magyar Telekom Group's Code of Human Rights and Social Principles and its Equal Opportunities Plan, set the general human rights principles of the Group and the provisions related to the implementation of these principles. As part of Deutsche Telekom Group, Magyar Telekom Group renewed its diversity, equal opportunities and inclusion policy in December 2021, which remained effective throughout 2023.		
	Policies, standards, commitments		<a href="https://www.telekom.hu/static-tr/sw/file/code-of-human-rights-socialprinciples-eng.pdf">https://www.telekom.hu/static-tr/sw/file/code-of-human-rights-socialprinciples-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/Telekom_diversity_equality_and_inclusion_group_policy.pdf">https://www.telekom.hu/static-tr/sw/file/Telekom_diversity_equality_and_inclusion_group_policy.pdf</a>			

**MATERIAL TOPICS**




**ENERGY**

3-3	Management Approach	Climate and Environment Protection (14,15,16,19) (55,56,57)		Magyar Telekom HU, as a responsible company, manages the energy efficiency issues. It continuously measures, monitors and evaluates its energy consumption and related significant influence factors for both real estate and technology infrastructure. Based on the measurements, it continuously seeks for energy efficiency opportunities, in line with its energy management goals. Magyar Telekom Group increases energy efficiency according to its sustainability strategy, and the Hungarian member companies also consider the guidelines of ISO 50001 certification.		
	High-level overview of impacts	Climate and Environment Protection (14,15,16,19) (55,56,57)		Magyar Telekom HU is continuously working to reduce its energy consumption, maintain security of supply while using renewable energies, and with its own transitional plan contribute to the domestic net zero-emission transition.		
	High-level overview of managing impacts	Climate and Environment Protection (14,15,16,19) (55,56,57)		Magyar Telekom HU implements several modernization and energy efficiency measures and uses an energy management system, which are reported in the Climate and Environmental Protection chapter of the report.		
	Effectiveness of actions to manage impacts	Climate and Environment Protection (14,15,16,19) (55,56,57)		Magyar Telekom Group continuously strives for energy efficiency, due to the measures taken, the Group's total energy consumption has significantly decreased compared to 2015, the results achieved and the data on its use are reported in the Climate and Environmental Protection chapter of the report.		
	Policies, standards, commitments	Climate and Environment Protection (14,15,16,19) (55,56,57)		ISO 50001 - Magyar Telekom HU		TC-TL-130
GRI 302 Energy 2016 302-1	Energy consumption within the organization	Climate and Environment Protection (14,15,16,19) (55,56,57)				TC-TL-130
GRI 302 Energy 2016 302-2	Energy consumption outside of the organization	Climate and Environment Protection (14,15,16,19) (55,56,57)				TC-TL-130
GRI 302 Energy 2016 302-3	Energy intensity	Climate and Environment Protection (14,15,16,19) (55,56,57)				TC-TL-130
GRI 302 Energy 2016 302-4	Reduction of energy consumption	Climate and Environment Protection (14,15,16,19) (55,56,57)				TC-TL-130
GRI 302 Energy 2016 302-5	Reductions in energy requirements of products and services	Climate and Environment Protection (14,15,16,19) (55,56,57)				TC-TL-130

DISCLOSURE NUMBER	DISCLOSURE TITLE	CHAPTER IN SUSTAINABILITY REPORT (PAGE NUMBER)	URL	DIRECT ANSWER	SASB CODE	SDG TARGET
<b>GRI 3: MATERIAL TOPICS 2021</b>						
<b>Material topics</b>						
<b>CLIMATE PROTECTION</b>						
3-3	Management Approach	Sustainability Approach (5) Climate and Environment Protection (17,18,19) (55,56,57)		Magyar Telekom Plc., as a company with significant economic power, was the first in Hungary to make a science-based emission reduction commitment, which was approved by the international organization SBTi. One of the pillars of the sustainability strategy is climate protection, which covers all three emission categories. In addition to continuously reducing emissions, it offsets its remaining market-based emissions through emission reduction projects. It is important for Magyar Telekom Plc. to offer opportunities for its various stakeholders to participate in climate protection opportunities, and the company's projects serving climate protection are presented in the chapter titled Climate and Environmental Protection.		
	High-level overview of impacts	Climate and Environment Protection (17,18,19) (55,56,57)		Magyar Telekom Group contributes to global climate change through its emissions. Reduction of emissions, in line with the objectives of the Paris Agreement, is a necessary step towards climate change mitigation. Climate change also affects Magyar Telekom Group's operations. A detailed analysis of this can be found in the chapter Climate and Environmental Protection.		
	High-level overview of managing impacts	Sustainability Approach (5) Climate and Environment Protection (17,18,19) (55,56,57)		At the beginning of 2023, Magyar Telekom HU revised its strategic objectives in order to respond to the changing external and internal circumstances and to set its objectives along even more accurate calculations. The operational implementation of the strategy's objectives is carried out by cross-functional working groups with the tasks of further breakdown of objectives, developing and implementing the business plan.		
	Effectiveness of actions to manage impacts	Climate and Environment Protection (17,18,19) (55,56,57)		In the case of Magyar Telekom Group, the measures taken to reduce scope 1 and 2 emissions were measures related to the reduction of energy consumption. This is described in detail in the Climate and Environment Protection chapter of the report.		
	Policies, standards, commitments	Climate and Environment Protection (17,18,19) (55,56,57)		Magyar Telekom Plc. has issued an Environmental Policy and an Environmental Guideline. Magyar Telekom Plc made emission reduction commitments approved by SBTi in 2018 and renewed in 2019. The commitments are followed by strategic objectives, and further internal targets have been set with greater coverage, which is reported in detail in the Climate and Environment Protection chapter.		
GRI 305: Emissions 2016 GRI 305 -1	Direct (Scope 1) GHG emissions	Climate and Environment Protection (17,18,19) (55,56,57)		The company continuously monitors the implementation of the objectives undertaken in the field of climate protection, which are reported in detail in the Climate and Environment Protection chapter of the report.		
GRI 305: Emissions 2016 GRI 305 -2	Energy indirect (Scope 2) GHG emissions	Climate and Environment Protection (17,18,19) (55,56,57)		The company continuously monitors the implementation of the objectives undertaken in the field of climate protection, which are reported in detail in the Climate and Environment Protection chapter of the report.		
GRI 305: Emissions 2016 GRI 305 -3	Other indirect (Scope 3) GHG emissions	Climate and Environment Protection (17,18,19) (55,56,57)		The company continuously monitors the implementation of the objectives undertaken in the field of climate protection, which are reported in detail in the Climate and Environment Protection chapter of the report.		
GRI 305: Emissions 2016 GRI 305 -4	GHG emissions intensity	Climate and Environment Protection (17,18,19) (55,56,57)		The company continuously monitors the implementation of the objectives undertaken in the field of climate protection, which are reported in detail in the Climate and Environment Protection chapter of the report.		
GRI 305: Emissions 2016 GRI 305 -5	Reduction of GHG emissions	Climate and Environment Protection (17,18,19) (55,56,57)		The company continuously monitors the implementation of the objectives undertaken in the field of climate protection, which are reported in detail in the Climate and Environment Protection chapter of the report.		
<b>Material topics</b>						
<b>CIRCULARITY</b>						
3-3	Management Approach	Climate and Environment Protection (21,22)		In 2021, Deutsche Telekom Group's companies launched a new project to transition to a circular economy, reduce waste and thus contribute to global climate protection. The goals include increasing the take-back of mobile phones used by customers, ensuring that technological waste is not landfilled, and 100% sustainable packaging for own branded products.		
	High-level overview of impacts	Climate and Environment Protection (21,22)		It is important for Magyar Telekom Plc. to protect the environment, so it pays special attention to the inspection, repair and relocation of equipment used in the network, just as it does in the case of equipment installed at customers.		
	High-level overview of managing impacts	Climate and Environment Protection (21,22)		On Magyar Telekom's HU websites, we inform our customers about the possibility of giving back used devices and batteries in accordance with legal regulations.		
	Effectiveness of actions to manage impacts	Climate and Environment Protection (21,22)		Magyar Telekom HU has defined and implemented measures to reduce waste load, including the taking back, handling and reuse of used equipment.		
	Policies, standards, commitments	Climate and Environment Protection (21,22)		Magyar Telekom Plc. has issued an Environmental Policy and an Environmental Guideline.		
GRI 306 Waste 2020		Climate and Environment Protection (21,22)		Indicators 306-1, 306-2, 306-3, 306-4, 306-5 are presented in the Climate and Environment Protection chapter of the report.	TC-TL-440	

DISCLOSURE NUMBER	DISCLOSURE TITLE	CHAPTER IN SUSTAINABILITY REPORT (PAGE NUMBER)	URL	DIRECT ANSWER	SASB CODE	SDG TARGET
<b>GRI 3: MATERIAL TOPICS 2021</b>						
<b>Material topics</b>						
<b>RESPONSIBLE SERVICES</b>						
3-3	Management Approach	Digitalization (25,26) Climate and Environment Protection (11,14) Diversity and Equal Opportunities (38,39)		<p>Magyar Telekom Plc. and Makedonski Telekom have established a dedicated EMF working group (electromagnetic fields), which monitors domestic and international research and events related to electromagnetic fields, and answers questions raised by authorities, citizens and employees.</p> <p>Magyar Telekom Plc. ensures the rights of its customers regarding the availability of the service and the elimination of errors based on the General Terms and Conditions (GTC) available both on the Internet and at customer services.</p> <p>During product development, priority is given to sustainability, Magyar Telekom's HU innovation projects are presented in the chapter Digitalization. For detailed information, see the chapter Digitalization.</p> <p>It is important for Magyar Telekom Plc. to offer opportunities for its stakeholders to participate in climate protection opportunities, the projects serving climate protection are presented in the chapter Climate and Environmental Protection.</p> <p>Magyar Telekom Plc. is committed to protecting nature during its network development and network operation processes. For detailed information, see Climate and Environment Chapter.</p> <p>Magyar Telekom HU has set the goal of providing 100% accessible customer experience by 2030, including accessible customer management and accessible services. In 2022, the company joined the Recommendation of Telecommunications Reconciliation Council on the accessibility of electronic communications services for disabled end-users. For detailed information, see the chapter on Diversity and Equal Opportunities.</p> <p>Radiation from telecommunications networks is low-energy, so-called non-ionizing, the health effects of which have been studied by numerous researches for decades.</p> <p>Service availability affects customer experience and irritation. The effects of Magyar Telekom's HU innovation projects are presented in the chapter entitled Digitalization.</p> <p>For detailed information, see the chapter Digitalization.</p> <p>Magyar Telekom's climate protection projects are presented in the chapter Climate and Environmental Protection.</p> <p>With the participation and support of the largest advocacy organizations, the company has gathered the experiences of its customers with disabilities that determine their daily access to services. For detailed information, see the section on Diversity and Equal Opportunities.</p>		
	High-level overview of impacts	Digitalization (25,26) Climate and Environment Protection (11,14) Diversity and Equal Opportunities (38,39)		<p>Deutsche Telekom Group companies are committed to support independent research that enhances knowledge about the effects of electromagnetic fields. Magyar Telekom Plc. has contributed to the progress of independent research on the health effects of mobile networks through its GSM Association membership. Along elaborate processes, advanced technical solutions, security systems and backup tools are used to eliminate possible errors in order to ensure the availability of services.</p> <p>The impact management of Magyar Telekom's HU innovation projects is presented in the chapter Digitalization.</p> <p>The impact of Magyar Telekom Plc.'s climate protection projects is presented in the chapter Climate and Environmental Protection. Magyar Telekom Plc. requests an opinion from the competent authority during the process of authorising investments in case of its network development projects. For detailed information, see Climate and Environment Protection chapter.</p>		
	High-level overview of managing impacts	Digitalization (25,26) Climate and Environment Protection (11,14) Diversity and Equal Opportunities (38,39)		<p>In order to create accessible services, Magyar Telekom HU has established a working group, whose primary task is to develop solutions that can provide full accessibility for customers with disabilities in all segments of the company. For detailed information, see chapter Diversity and Equal Opportunities.</p> <p>In 2023, Magyar Telekom Plc. carried out electromagnetic radiation measurements at 11 stations and performed periodic measurements at 5 stations. In all cases, the measurements complied with the relevant radiobiological limit values.</p> <p>Magyar Telekom Plc. declares in its General Terms and Conditions document that it complies with its published quality targets during the provision of the service in the entire area of the service, which is assessed with measurements that are published.</p> <p>The effectiveness of Magyar Telekom's HU innovation projects is presented in the chapter Digitalization.</p> <p>The effectiveness of Magyar Telekom Plc.'s climate protection projects is presented in the chapter Climate and Environmental Protection.</p> <p>In 2023, in connection with a pipeline investment, only one case required an opinion of the competent authority to grant a building permit. In five cases when developing mobile networks, the opinion of the Environmental Protection and Nature Protection Authority had to be requested in order to grant a building permit. For detailed information, see Climate and Environment Protection chapter.</p>		
	Effectiveness of actions to manage impacts	Digitalization (25,26) Climate and Environment Protection (11,14) Diversity and Equal Opportunities (38,39)		<p>From September 24, 2023, Magyar Telekom Plc. provides subtitles its television and online commercials every time. New episodes of its popular series "Marsra Magyar!" can also be watched with subtitles.</p> <p>By renewing its processes, the company has made it possible for its disabled customers to exchange SIM cards at home. For detailed information, see the chapter on Diversity and equal opportunities.</p> <p>Magyar Telekom Plc. and Makedonski Telekom accepted T-Mobile International's EMF policy recommendations. The policy sets out the principles for responsible use of mobile communications technologies.</p> <p>Magyar Telekom Plc. sets out the rights of its customers in the General Terms and Conditions (GTC) document in connection with the availability of the service and the elimination of errors.</p> <p>Magyar Telekom Plc. has issued an Environmental Policy and a Biodiversity Statement.</p>		
	Policies, standards, commitments	Digitalization (25,26) Climate and Environment Protection (11,14)				



DISCLOSURE NUMBER	DISCLOSURE TITLE	CHAPTER IN SUSTAINABILITY REPORT (PAGE NUMBER)	URL	DIRECT ANSWER	SASB CODE	SDG TARGET
<b>GRI 3: MATERIAL TOPICS 2021</b>						
<b>Material topics</b>						
<b>RESPONSIBLE SERVICES</b>						
GRI 416 Customer Health and Safety 2016 416-1	Assessment of the health and safety impacts of product and service categories			Magyar Telekom did not identify such impacts.		
GRI 416 Customer Health and Safety 2016 416-2	Incidents of non-compliance concerning the health and safety impacts of products and services			The number of health and safety incidents regarding products and services, involving disorderly operating equipment or the breach of internal policies were as follows: penalty or fine due to disorderly operation of equipment: 0 warning due to disorderly operation of equipment: 0 internal warning due to disorderly operation of equipment: 0		
GRI 417 Marketing and Labeling 2016 417-2	Incidents of non-compliance concerning product and service information and labeling			The Company did not identify such incidents.	TC-TL-220a.3.	
GRI 417 Marketing and Labeling 2016 417-3	Incidents of non-compliance concerning marketing communications			In 2023, the Hungarian Competition Authority imposed a fine of HUF 21.7 million on Magyar Telekom due to violation of the rules on the prohibition of unfair commercial practices against consumers in case no. Vj/24/2022.	TC-TL-520a.1	

Magyar Telekom Group has reported in accordance with the GRI Standards for the period 01.01.2023-31.12.2023. and in accordance of the SASB (Sustainable Accounting Standards Board) requirements. For each indicator, we have indicated which chapter(s) provide information.

**SASB indicators:**

TC-TL-130	Environmental Footprint of Operations Data
TC-TL-220	Privacy
TC-TL-230	Data Security
TC-TL-440	Product End-of-life Management
TC-TL-520	Competitive Behavior & Open Internet
TC-TL-550a.1	Managing Systemic Risks from Technology
TC-TL-550a.2	Disruptions

**Activity metric:**

TC-TL-000.A	Number of wireless subscribers
TC-TL-000.B	Number of wireline subscribers
TC-TL-000.C	Number of broadband subscribers
TC-TL-000.D	Network traffic

The information is available in the Financial and Operational data package of the Magyar Telekom Group: [https://www.telekom.hu/rolunk/befektetoknek/penzugyi\\_jelentesek](https://www.telekom.hu/rolunk/befektetoknek/penzugyi_jelentesek)  
Further breakdown of the data cannot be disclosed, as it is protected and confidential.

GRI Content Index does not include sector-specific indicators, as new sector-specific indicators for the telecommunications industry are not available.

## COMPLIANCE WITH THE PRINCIPLES OF THE UN GLOBAL COMPACT

On May 6th, 2009, Magyar Telekom Group joined the UN Global Compact Initiative and its 10 principles in the areas of human rights, labor, environment, and anti-corruption.

The Report complies with the principles set forth by the UN Global Compact, and is also to be considered as Magyar Telekom Group's Communication on Progress Report.

The following table shows the occurrence of information in the report relating to the principles.

GLOBÁLIS MEGÁLLAPODÁS-ALAPELVEK	FEJEZET
1. Support and respect the protection of internationally proclaimed human rights.	Diversity and inclusion Stakeholders
2. Make sure that they are not complicit in human right abuses.	Diversity and inclusion Stakeholders
3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	GRI-Content index (GRI 2-30) Diversity and inclusion
4. The elimination of all forms of forced and compulsory labor.	GRI-Content index (GRI 409)
5. The effective abolition of child labor.	GRI-Content index (GRI 408)
6. The elimination of discrimination in respect of employment and occupation.	Sustainability Approach Climate and Environment Protection Diversity and inclusion
7. Businesses should support a precautionary approach to environmental challenges;	Sustainability Approach Climate and Environment Protection Stakeholders
8. Businesses should undertake initiatives to promote greater environmental responsibility	Sustainability Approach Stakeholders
9. Businesses should encourage the development and diffusion of environmentally friendly technologies.	Sustainability Approach Climate and Environment Protection Digitalization
10. Businesses should work against corruption in all its forms, including extortion and bribery.	GRI-Content index (GRI 205)

# LIST OF ABBREVIATIONS

ABBREVIATION	FULLNAME	ABBREVIATION	FULLNAME
AG	Aktiengesellschaft (Company limited by shares)	GDPR	General Data Protection Regulation
AIB	Association of Issuing Bodies	GEI	Gender Equality Index
AOSZ	National Association of autism	GHG	GreenHouse Gases
CAPEX	Capital expenditures	GJ	giga Joule
CDP	Carbon Disclosure Project	GmbH	Gesellschaft mit beschränkter Haftung
CEO	Chief Executive Officer	GoO	Guarantee of Origin
CEX	Customer Experience (Ügyfélművelés)	GRI	Global Reporting Initiative
CFO	Chief Financial Officer	GTC	General Terms and Conditions
CO	carbon monoxide	GVH	Hungarian Competition Authority
CO <sub>2</sub>	carbon dioxide	GWh	gigawatt-hour
CO <sub>2e</sub>	carbon dioxide equivalence	GYED/GYES	Employees on maternity leave or childcare benefit
CPE	Customer Premise Equipment	HBLF	Hungarian Business Leaders Forum
CPO	Chief People Officer	HÉT	Telecommunication Reconciliation Council
DE&I	Diversity, Equal Opportunity and Inclusion	HQ	Headquarter
DT	Deutsche Telekom	HR	Human Resources
E2E	End-to-end testing	HUF	Hungarian Forints
EMF	Electromagnetic Fields	ICCA	International Congress and Convention Association
ESG	Environmental Social Governance aspects	ICNIRP	International Commission on Non-Ionising Radiation Protection
ESzCsM	Ministry of Health, Welfare and Family Affairs	ICT	Information and communication technology
ETNO	European Telecommunications Network Operators' Association	ICS	Internal Control System
EU	European Union	IFRS	International Financial Reporting Standards
GB	Gigabyte	IoT	internet of things
Gbit	gigabit (106 bit)	IPCC	Intergovernmental Panel on Climate Change

ABBREVIATION	FULLNAME	ABBREVIATION	FULLNAME
IPTV	Internet Protocol TV	MVGYSZ	Hungarian Federation of the Blind and Partially Sighted
ISO	International Organization for Standardization	MWh	megawatt-hour
IT	Information Technology	NAIH	National Authority for Data Protection and Freedom of Information
IVSZ	Association of Digital Businesses	NAV	National Tax and Customs Administration of Hungary
JAC	Joint Audit Cooperation	NGICCA	Next Generation International Customer Contact Analysis
JVSZ	Joint Venture Association	NGO	Non Governmental organization
kg	kilogramm	NMHH	National Media and Infocommunications Authority
km	kilometer	NOx	nitrogen-oxide
kWh	kilowatt-hour	NPS	Net Promoter Score
L	litre	OECD	Organisation for Economic Co-operation and Development
LLC	limited liability company	OPEX	operating expenses
LS	Leadership Squad	PDH	Pleziokron digitális hierarchia
Ltd.	private company limited by shares	Plc.	(Plc.) public limited company
LTE	long term evolution	Ptk.	Civil code / Polgári Törvénykönyv
LTI	Long-term incentive	R&D	Research and Development
M	million	RADMAN	personal radiation detector
m <sup>3</sup>	cubic metre	SAR	Specific Absorption Rate
MASIT	Macedonian IT Chamber	SBP	Share benefit program
Mbit	Megabit	SBTi	Science Based Target initiative
MEBIR	Occupational Health and Safety Management System	SINOSZ	Hungarian Association of the Deaf and Hard of Hearing
MEOSZ	National Federation of Disabled Persons' Associations	SDG	Sustainable Development Goals
MHz	megahertz	SLA	Service Level Agreement
MSCI	Morgan Stanley Capital International	SMB	Small and medium-sized business
MT	Magyar Telekom	SME	Small and medium-sized enterprises

ABBREVIATION	FULLNAME	ABBREVIATION	FULLNAME
SOHO	Small office home office	UMTS	Universal Mobile Telecommunications System
SOx	Sulfur oxide	UN	United Nations
STEM	Science, Technology, Engineering, Mathematics	UNFCCC	United Nations Framework Convention on Climate Change
T	ton	UX	User Experience
TCFD	Task Force on Climate related Financial disclosure	WCAG	Web Content Accessibility Guidelines
tCO <sub>2</sub>	total carbon dioxide	WHO	World Health Organization
TRIM Index	a standardized indicator system to explore customer satisfaction and customer loyalty	WHOIARC	International Agency for Research on Cancer

# IMPRINT

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