

A large, leafy tree stands in a grassy field under a clear blue sky. A person is sitting on a branch of the tree on the right side. The tree's shadow is cast on the grass. The background shows a rolling green landscape with some bushes and a path.

SUSTAINABILITY REPORT

2022



Együtt.
Veled



DIVERSITY & EQUAL OPPORTUNITIES

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Együtt.
Veled

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GENDER
EQUALITY

POLICIES AND AGREEMENTS

Code of Conduct

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

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

Code of Human Rights and Social Principles

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

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

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

Group Policy on Diversity, Equal Opportunity and Inclusion

As part of the Deutsche Telekom Group, Magyar Telekom Group renewed its Diversity, Equal Opportunity and Inclusion (DE&I) Policy in December 2021, which remains unchanged throughout 2022. The **renewed policy** defines our global approach to diversity, equality and inclusion in our interactions with our employees.

It aims to provide a consistent working, learning and development experience for all employees across the Group and to foster a sense of inclusion and inclusion.

The key elements of the renewed policy detail and clarify our views on diversity, equality and inclusion and cover all relevant aspects of the whole employee lifecycle related to company culture. The policy also covers the Group's social and business responsibility by setting out a global framework for an equal opportunities and inclusive workplace, respecting the ability to adapt to local regulations, legal environments and cultural imperatives that vary according to cultural and local specificities.

Suppliers' Compliance

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

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

Deutsche Telekom Group and Magyar Telekom Group Policy on Employee Relations

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

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

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

Equal Opportunities Plan

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

The **Equal Opportunities plan** currently in force is valid for a five-year period (2021–2025).

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

The Diversity Charter of the European Union

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

UN Guiding Principles on Business and Human Rights

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

UN Human Rights Treaties ratified by Hungary

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

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

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

Monitoring and auditing practices

In 2022 the group-level coordination of corporate sustainability operations that also incorporate labor standards, social issues and the protection of human rights were coordinated under the auspices of the Sustainability Squad. In the operation of the Sustainability Squad, strategy development and strategy management are included separately, so in its mode of operation, sustainability activities are carried out at the level of strategy development and management, as well as operational implementation.

According to the directive, the Sustainability Squad meets regularly, at least quarterly, to coordinate company and group sustainability tasks effectively, with decisions taken by Sustainability Squad members through voting. The Sustainability Squad provides regular reports and presentations to the Chief Executive Officer (CEO) and the Chief People Officer, on the basis of which they set the main direction of the Magyar Telekom Group's sustainability activities and make decisions in related topics, with the input of the members of the Leadership Squad. The operations of the Sustainability Squad are being detailed in the **Corporate Governance section** of the annual Sustainability Report.

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

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DECENT WORK AND
ECONOMIC GROWTH

10

REDUCED
INEQUALITIES

Magyar Telekom Group's Corporate Compliance Program has been elaborated with the aim to ensure that Magyar Telekom Group conducts its business with maximum consciousness and commitment, in accordance with relevant laws and regulations, in harmony with the strictest possible business ethics standards.

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

The compliance area staff, under the leadership of the compliance manager, perform preventive and audit type tasks, thus helping to meet the core values of the Code of Conduct in a proactive as well as reactive way. Alleged or actual incidents of fraud can be reported anonymously not only by internal staff but also by external partners and customers. In addition to the existing phone and email options, reporting via a cloud-based application has become possible from July 2022. The Group Compliance Management System is subject to regular external certification audits as that of a Deutsche Telekom subsidiary.

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

In compliance with the Code of Human Rights and Social Principles, all employees of Magyar Telekom Plc. and T-Systems together with their external workforce involved in brand representation participated in a compulsory human rights e-Learning training in 2018 and it remains a mandatory course in 2022.

As part of the orientation process of new employees at Magyar Telekom Group, they receive in their first two months compulsory education about the company principles, guidelines and practices concerning social issues, labor standards and human rights. All employees must understand and accept these guidelines as the fundamentals of their own professional behavior and operations.

The companies own **Unconscious bias e-learning**, developed in 2019 is also part of the mandatory onboarding curriculum.

Nevertheless, the company is aware of the fact that there could be situations in which it is harder to tell appropriate from inappropriate. In order to assist employees in making the right choices in these situations, the company offers secure internal whistle-blower channels - "Kérdezz!" advice portal and "Tell me!" whistle-blower portal -, operated by the Corporate Compliance Department while from the summer of 2022, the Group also uses a platform managed by an external service provider in order to fully comply with the new EU Whistleblowing Directive. The platforms are accessible not only to employees but also to external partners and customers.. "Kérdezz!" ("Ask me!") advice portal has been set up to help resolve uncertainties as far as compliance-relevant behavior is concerned. Serious misconduct must be announced for prevention purposes and for appropriate sanctions.

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

Diversity and Equal Opportunities

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

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

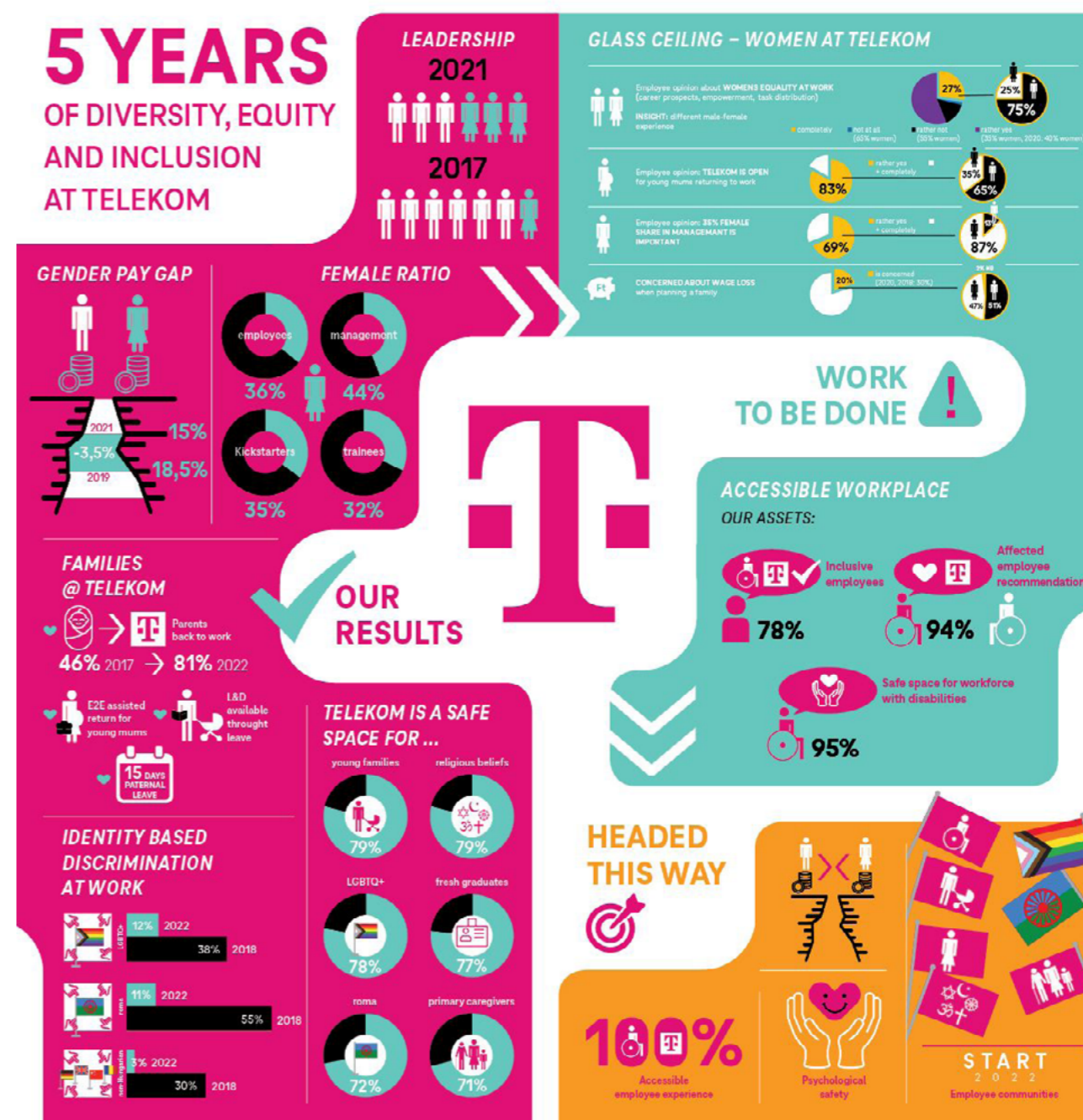
STRATEGY TARGETS (2021–2030) AND 2022 YEAR RESULTS

INCLUSIVE WORKPLACE

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

ACCESSIBLE SERVICES

- Accessible customer interface
- Accessibility services



* Ratio of women in senior management reduced from 50% to 33.33% from 15 September 2022. The Deputy Chief Commercial Officer appointed internationally..

INCLUSIVE WORKPLACE

Workplace Accessibility

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

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

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

For Magyar Telekom, it is of particular importance to increase the number of colleagues with disabilities and to support this group within the company.



For this reason, from 2022 onwards, a rehabilitation mentor will also support those affected within the company. In 2022, a handbook containing important information on disability will be developed and made available to all employees on the intranet. In addition, a support package for colleagues with disability, including an extra day of paid leave and a one-off cash benefit, has been put together to financially ease the rehabilitation process, thus helping the recovery and health of the staff concerned.

Introducing our **Unconscious Bias e-learning** to all our employees in 2019 and supplementing it with inclusive leadership training contributed to the awareness and openness of our managers concerning working with employees with disabilities. As a result of a more-informed people management staff we were able to increase the number of colleagues with disabilities.

According to our 2022 employee survey on diversity culture, the accessibility of our physical and digital work infrastructure has further increased compared to 2020. 84% of the affected respondents consider Magyar Telekom to be an open and inclusive workplace in terms of integration of employees with disabilities.

The Budapest based offices of Magyar Telekom group moved in together in our new HQ building in the fall of 2018. The building is completely wheelchair-accessible and in late 2018 we conducted an internal accessibility audit with the help of our employees with disabilities. The Telekom HQ building obtained its final BREEAM Excellent certification in July 2019 in the category of newly built property.

Thus, the largest business center of Hungary also became the property with the highest BREEAM certification in the country. In 2020, because of the COVID-19 pandemic crisis, the call center department of Magyar Telekom was also forced to transform its day-to-day operations to 100% remote work and then further adjusting its operations to a hybrid way of work once the state of emergency was over. Our colleagues with mobility impairment could maintain their 100% remote work in 2022 regardless of the emergency situation, while we have continued to carry out infrastructure developments on our Budapest campus to further improve its accessibility.

Women in leadership

As a company dedicated to diversity as a core value, Magyar Telekom finds it important to raise the number of women in leadership positions. According to the diversity pillar of our Sustainability Strategy we are committed to extend the balanced 50–50% female-male ratio of our highest leadership body and achieve at least 40% female representation in our total leadership. We wish to achieve this target in alliance with the EU decision of March 2022 concerning publicly listed companies on reaching a 40% female management quota by 2027. The proportion of female leadership in the company in 2022 was 27.27%.

In 2022, all three¹ of our female Chief Officers continued to work with the **Equalizer Foundation** and, in cooperation with the **Management Association**, they also mentored future female leaders.

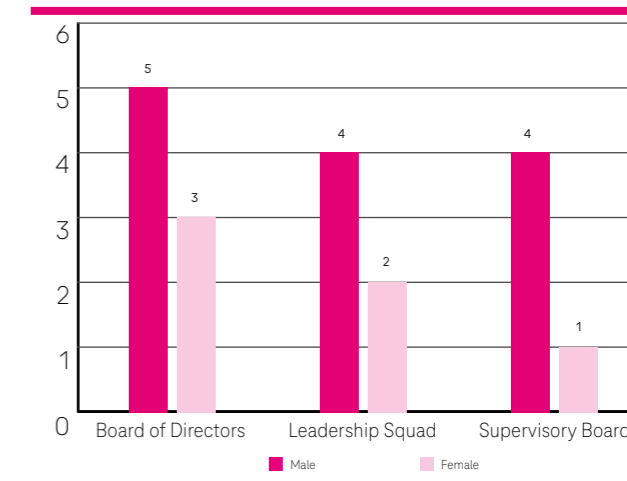
Magyar Telekom's headquarters in Budapest hosted the Equalizer Foundation Women's Day Conference. The event focused on women's leadership and women leaders. In June 2022, we held a roundtable discussion entitled 'Women in Telekom', which aimed to create a 'Women in Telekom' community of employees.

Ratio of women in member companies in 2022 (%)

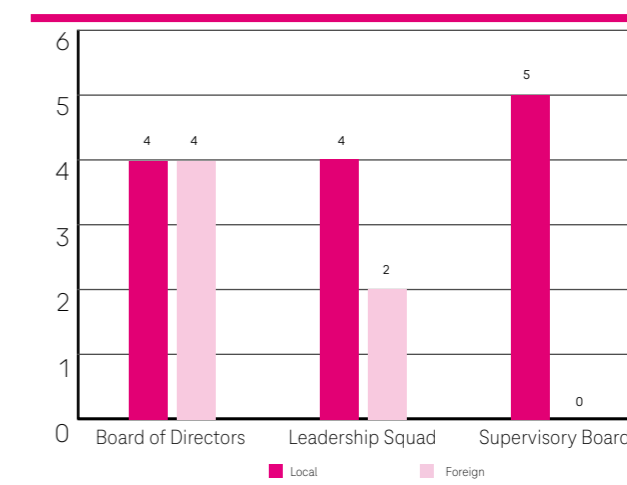


¹Until 15 September 2022, after which 2 persons; the Deputy Chief Commercial Officer has been appointed internationally.

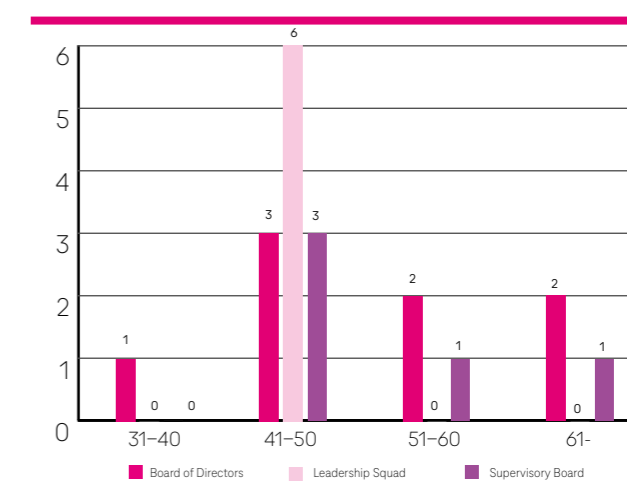
Gender mix of Magyar Telekom Group Management Bodies in 2022 (person)



Breakdown of the members of Magyar Telekom Group management bodies in 2022 (person)



Age breakdown of Magyar Telekom Group management bodies in 2022 (person)



Reducing the Gender Pay Gap

Our employees require security, stability, opportunities for advancement and competitive compensations. Magyar Telekom, as a company committed to provide equal opportunities to its employees, finds it especially important to harmonize wages and to terminate unjust wage gaps. Our remuneration system is transparent, so our pay bands and the relevant regulations are available to all our employees in the Collective Agreement. The dimensions of the job descriptions are based on the competence levels of the Agile organizations and there are some organizations where the job is defined based on Hay levels, as these organizations do not operate according to an Agile methodology. We pay particular attention to ensuring that there is no unjustified difference in earnings between colleagues performing similar tasks, and that the wage differences between those performing different types of work reflect real differences in actual work.

As a responsible company, we are aware of the social phenomenon of the gender pay gap and are committed to eliminating its root causes within our own business environment. We monitor the possible reasons behind the wage gap and pinpoint the process development possibilities for narrowing it down through our gender gap dashboard which allows us to locate painpoints along 9 indicator layers. From July 2020, we carry out a complex gender pay gap analysis twice a year, defining an equal opportunities action plan to reduce the maternity deficit and the female career gap.

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



We have achieved this reduction along the following measures:

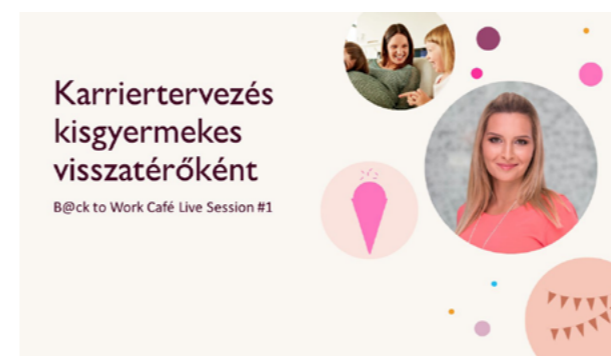
- **Wage gap dashboard is part of the compensation processes** – it provides continuous monitoring through 9 indicator groups, which is an integral part of our compensation and benefit planning processes. With HR business partner support, managers also get a transparent picture of the gender comparison for their area, which, according to our experience, contributes significantly to the enforcement of wage equality.
- **Shortlist quota** – for each priority position, we strive to bring at least 2 suitable female candidates to the short list of candidates. We are aware that this can sometimes increase the recruitment time and require more flexibility in the search, but we insist on this in all cases where we have the opportunity to do so from a professional point of view.
- **Focus on equal opportunities in the nomination system** – in-house recruitment in our planning and nomination processes, as well as during individual organizational transformations, we strive to establish a balanced ratio of female to male managers. Currently, we have the fewest opportunities for this in our technology area, but in 2021 we managed to achieve a breakthrough here as well by appointing the first female Tribe Tech Lead. We are actively involved in the promotion of women's STEM careers and we hope that there will be even more of us soon.
- **Absence due to childbearing and return process reform** – we made the coordination of childbearing and work a more predictable and calculable process through conscious career planning, maintaining contact during the absence, making training and development solutions available and ensuring up to 100% remote work after the return, thereby significantly reducing the so-called 'maternity deficit' and the difference between the average wage of women and men linked to age groups, the so-called also 'generation scissors'

In the figures presented in this chapter, the ratio of basic salaries by gender is represented in accordance with the GRI standard.

Proportion of base wages of female employees compared to the base wages of male employees (100%) broken down to job categories^{1,2}, Magyar Telekom Group, 2022 (%)



As member of Deutsche Telekom Group, Magyar Telekom also contributed to the company group results that allowed Deutsche Telekom Group to be listed again in Bloomberg's Gender Equality Index (GEI) again in 2022.



Base wage comparison by job grades and gender, Magyar Telekom Plc, 2022 (%)



Equal opportunities in care

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

On the first day of the holiday, as part of the 'Mommy, where do you work?' event, nearly 500 children visited our headquarters to learn about our digital products and what their parents do for a living. The distribution of our storybook "My Mum and Dad work at Telekom", which was completed last year and is aimed at children aged 3–10, continued in 2022. On the 'Mommy, where do you work?' day, we handed out the storybook to all Telekom and T-Systems colleagues who have a child over the age of 3. As a new element, colleagues without children - grandfathers, grandmothers, uncles, aunts - could also receive the book. The booklet introduces the target group of pre-school/school children to the magical world of telecommunications in a playful way and helps them to set rules for the family's conscious use of screens and the internet.

Our Employee Open Day won first prize in the large company category of the #mutiholdolgozol implementation competition.

¹ Definition for employee category at Magyar Telekom HU: Top Managers: CEO and CxO; Senior managers: Leadership team members; Middle managers: CoEL, Chapter Lead, head of department (all other leader); Specialist: all employees who don't belong to the above categories.

² Definition for employee category at Makedonski Telekom: Senior Managers (First Line Management/Supervisor): Unit heads / Team leaders / Supervisors; Middle Managers: Directors and Senior Heads; Employees: all other grade employees (L1, L2, L3 lower grade); Specialists: Expert / Senior professionals (Level L3 upper grade).

³ In 2021 the 'employee' category was merged with the 'specialists' category at Magyar Telekom Plc. and T-Systems Hungary Ltd., therefore no data is available in this category.

Long-term leave and return to work from maternity leave, Magyar Telekom Group, 2022

LONG-TERM LEAVE DUE TO CHILD BIRTH AND RETURN	MALE	FEMALE	TOTAL
Magyar Telekom Plc.			
Starting long-term leave	0	249	249
Returning from long-term leave	0	84	84
Still employed 12 months after return from long-term leave	0	61	61
Ratio of further employment of those returning from long-term leave	0	73%	73%
T-Systems Hungary			
Starting long-term leave	0	26	26
Returning from long-term leave	0	12	12
Still employed 12 months after return from long-term leave	0	10	10
Ratio of further employment of those returning from long-term leave	0	83%	83%
Makedonski Telekom			
Starting long-term leave	0	19	19
Returning from long-term leave	0	21	21
Still employed 12 months after return from long-term leave	0	21	21
Ratio of further employment of those returning from long-term leave	0	100%	100%

According to the agreement of the employee representative bodies and the company, all Magyar Telekom and T-Systems caregiving partner parents are being granted additional 10 days of parental leave to extend the legal 5 days of parenting leave. Thus a total of 15 days (17 days with twins) from January 2022 are available in support of the intimate, undisturbed period of becoming a family. The use of the 5 days of additional leave for fathers is treated more flexibly than set out by the provisions of the Labor Code. The 5+5 days of 'paternity leave' can be taken within 6 months from the 6th day after the birth, with 100% pay for the whole period and hybrid or temporary 100% teleworking is still available.

The division of tasks within the family, which is also necessary for creating harmony between work and private life, the importance of shared responsibility and the father's role are emphasized in the "Dad, it begins!" program, which also seeks to raise awareness. Since 2010, the company has been publishing the "Father's Information" publication on its internal communication portal, which sums up the most useful information for fathers.

LGBTQ+ inclusive workplace

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

In 2022, we continued to work on ensuring an LGBTQ inclusive employee experience, the most important element of which was the official establishment of the Magenta Pride group as the first employee support community, with the participation of Magyar Telekom and T-Systems employees. The newly formed employee support community organized a number of activities, the most popular of which was participation in the Budapest Pride Festival.

We have continued to apply our trans inclusion measures, with the aim of ensuring that our colleagues concerned are able to use their own name in all internal company identification interfaces where possible.

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

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



Roma integration

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

2022 marks the second year of our cooperation with the HBLF Romaster program, which provides scholarships and mentoring support for two talented young people for 4 years. Their mentoring is offered by volunteer employees, who further support the entire HBLF Romaster student community with career coaching, language skill sessions, education orientation and many other areas. The 2 students participating in the program are replaced by two university students from 2022, compared to the previous split of one high school student and one university student. Further steps have been taken to launch the Roma Worker Community, with Romaster mentors at its core.

Within the framework of the **Open Minded Companies Award**, which honors the initiatives and achievements of companies for diversity, openness and acceptance in the workplace, Magyar Telekom Plc. came first in the Most Inclusive Company category.

ACCESSIBLE SERVICES

Accessible customer interface and Accessible services

In 2022 Magyar Telekom joined the Recommendation on the Accessibility of Electronic Communications Services for Disabled End-Users, established by the Telecommunications Interest Reconciliation Council, and started the gradual implementation of the recommendations contained therein, with the ultimate goal of ensuring that disabled persons have equal access to all electronic communications services, whether digital customer access points or personal services, before the EU accessibility deadline of 2025.

We have launched a comprehensive survey with major stakeholders to assess the accessibility of our entire service portfolio for disabled customers.

With the participation and support of SINOSZ (National Association of the Deaf and Hard of Hearing), AOSZ (National Association of Autistic People), MVGYOSZ (National Association of the Blind and Visually Impaired) and MEOSZ (National Association of Disabled People), we gathered customer experiences and insights from our disabled customers that most influence their daily access to our services.

As a result of the survey and knowledge sharing, the Accessible UX virtual squad, composed of our customer facing experts, started work; their primary task is to process the collected experiences and to develop and implement solutions that will enable our customers with disabilities to have a seamless, complaint-free and complex accessible service experience in all Magyar Telekom service segments.

In 2022, in addition to the strategic priorities, Magyar Telekom continued the execution of its practices supporting the Equal Opportunities Plan 2021–2025:

Our Unconscious bias e-learning training is an integral part of our onboarding curriculum. In 2022 we continued to develop the background to be able to support other local companies with sharing our e-learning free of charge and ready to be integrated to their own learning curriculum as a boxed learning product. This is part of our social responsibility contributing to a discrimination free working culture in the wider society.

In our day-to-day operations that the pandemic changed heavily, 80% of our employees switched to working entirely from home, which we later transformed to a hybrid regime once the emergency situation was over. We have kept our new best practices adjusted to particular positions and tasks in order to secure a more inclusive and flexible way of work (i.e. in the context of employees working remotely, from home with babies and in the context of employees with difficulties in mobility). We contribute to the predictability of returning to work after parental leave. By fostering conscious career planning and offering a wide range of learning and development opportunities throughout the leave period, we support our colleagues on long-term parental leave to keep their labor market knowledge up to date. Our corporate culture values parental equality together with finding an equal balance in the division of care work among the caregivers in a family. There is strong emphasis on the role of the fathers and caregiving partners in our employee community, which is supported by meetings with professionals, and thought exchange events among colleagues.

Our Women's Day 2022 event, titled #insteadofflowers, was again inclusive, open to all colleagues interested in equal opportunities, regardless of gender. Mental health, work-life balance, body-mind recharging and body positivity were also featured in our expert events, the recordings of which were made available to all our colleagues afterwards. Our staff also attended the Equalizer Foundation International Women's Day Conference, hosted at our headquarters in Budapest. The event focused on women's leadership and women leaders. On June 30, 2022, we held a roundtable discussion on the occasion of the Kapcsolat Nap (Connection Day) titled Women in Telekom, which was also our first event towards the creation of a 'Women in Telekom' employee community.



In October 2022 Magyar Telekom and T-Systems had the privilege of hosting a live Girls' Day event. Meeting female role models and gaining inspiration from exciting new era digital solutions our young guests received first hand experiences about the beauties of technology related careers. They attended a roundtable discussion showing female role models and inspirational female leaders from a variety of tech and digitalization related areas within the company, after which the girls attended a number of professional presentations, familiarizing themselves with the latest technologies and also visited Telekom's innovative Kraft Lab.

In October, together with the Hintalovon Foundation for Children's Rights, we organized a conference called 'I am a Digital Parent', where we explored how to be a responsible parent and create a safe online environment for children.

WORK-LIFE BALANCE

Magyar Telekom considers stress, overload and burnout related risk-reduction as its priority duty in relation to its employees. In order to take charge of these risks by securing an empowering environment to develop and maintain a healthy lifestyle, employees are also provided with coaching and training opportunities and the availability of the Employee Assistance Program all of which help in maintaining a sustainable life balance. In 2022, continuing the practice of previous years, we provided physically, mentally and emotionally recharging solutions, from expert presentations, coaching and thematic team sessions to personal training sessions in the TGym facility at Telekom's Budapest headquarters, and Magenta hiking activities promoting a fitter lifestyle and building community.

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

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

Besides, it is strategically important for the company to build teleworking into the company's culture. Following the state of emergency, we switched to hybrid working, which we maintained through 2022.

In our general operations we continue to work on the principle of a shared desk in our HQ. The workspace design of the new HQ building of Magyar Telekom is based on the shared desk principle, its social and creative lounge spaces and well-equipped digital conference rooms also support the highest level of telepresence flexibility. Teleworking is also supported by the continuous maintenance and development of a solid digital office network access, which received an even higher level maintenance to sufficiently support our remote collaboration and teamwork during the pandemic.

Employees receive mandatory courses to manage potential accessibility and/or data privacy risks related to teleworking. In frontend roles, where employees are working in shifts, teleworking is limited for shift-working colleagues, but they can arrange their schedules in light of their personal commitments.

In 2022, 557,591 teleworking days were recorded - a decrease of 8.6% compared to previous years due to the hybrid operation after the epidemic.

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

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

4-day working week

In Hungary, the Magyar Telekom Group is the first company in the corporate sector to announce a pilot programme to test the 4-day working week. In a pilot scheme, four teams worked four days a week for four months at the same basic salary.

Surveys carried out during the pilot phase of the 4-day working week show encouraging results: the relative performance of staff working fixed hours on customer-facing tasks increased by ten percent compared to their pre-pilot performance after the introduction of the 4-day working week test period.

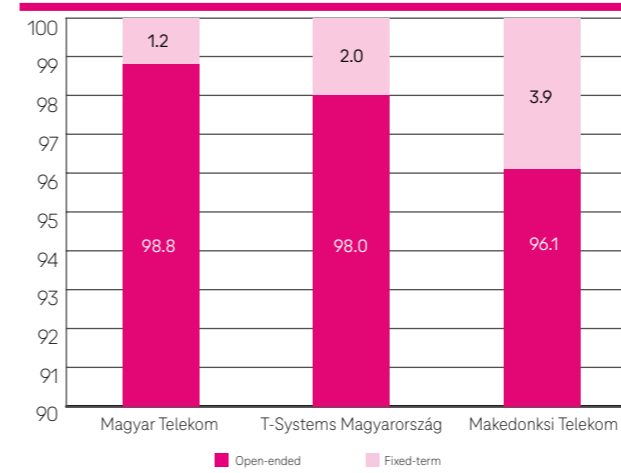
An internal survey of the colleagues involved showed that 92% of staff who took part in the 4-day pilot felt that they had enough time for personal life in addition to work, and at the end of the pilot period 90% said they would like to continue working 4 days.

Seeing the results, Magyar Telekom will continue to test the 4-day working week, from 1 February 2023, by involving additional teams, doubling the number of participating colleagues and extending the testing period to 6 months.

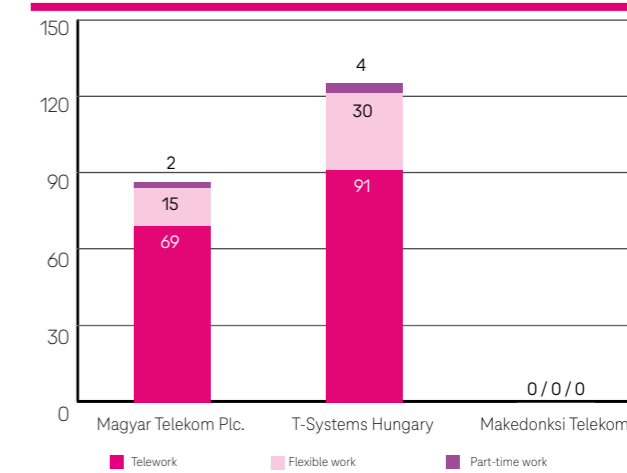
In the second phase, the company will continue the project with a 36-hour working week, with no change in pay and maintaining the current level of efficiency, and will examine the impact of the 4-day working week on recruitment selection, employer brand, and will also analyse the evolution of turnover within the test teams and possible changes in sick days.



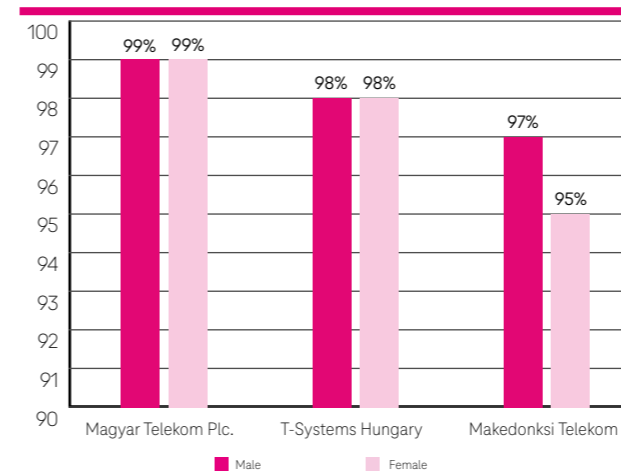
Ratio of fixed term to open-ended employment at Magyar Telekom Group in 2022 (%)



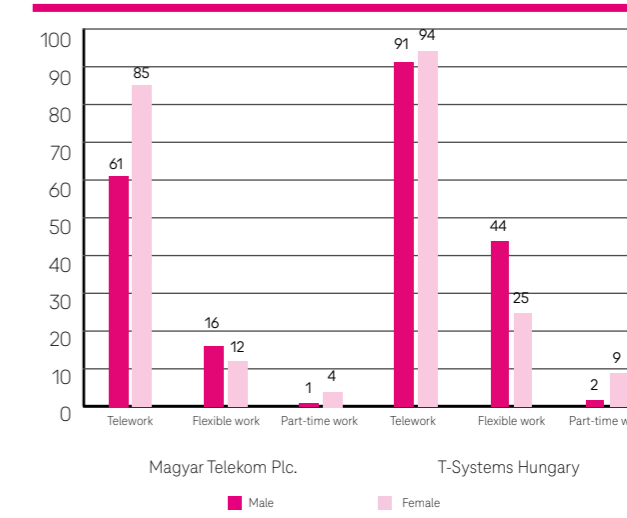
Non-typical forms of employment at Magyar Telekom Group in 2022 (%)



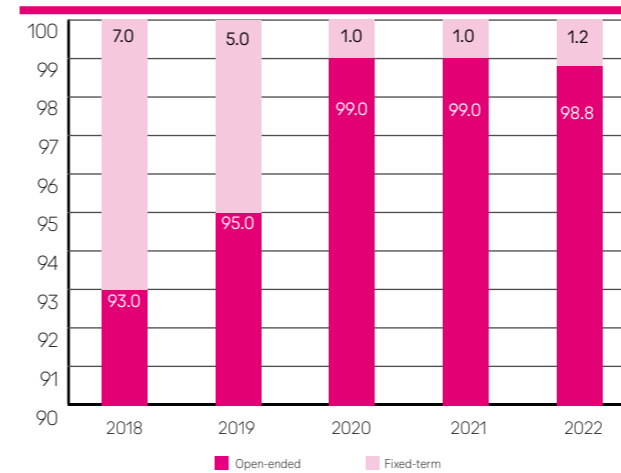
Ratio of open-ended employment contracts by gender at Magyar Telekom Group in 2022 (%)



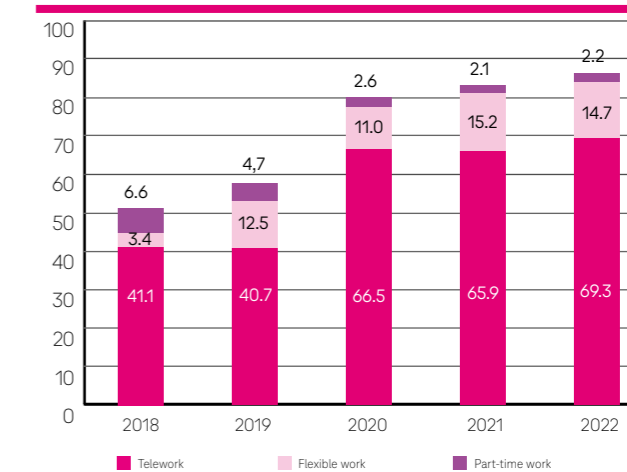
Gender mix of non-typical forms of employment at Magyar Telekom HU. in 2022 (%)



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



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



FAMILY FRIENDLY MAGYAR TELEKOM

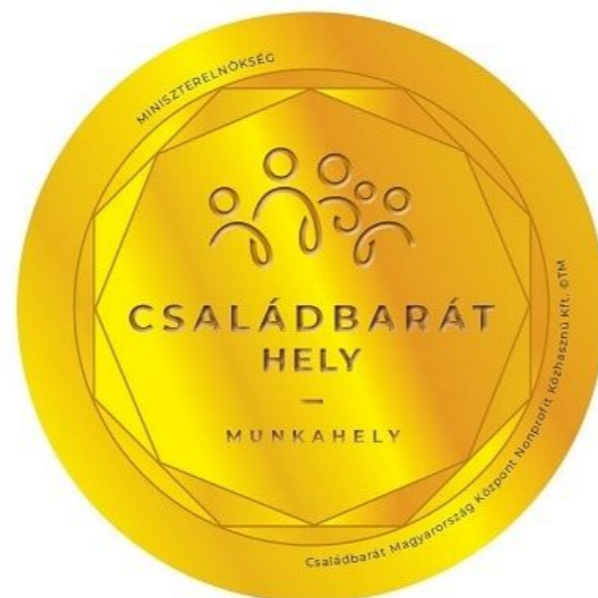
In 2022 one of the most important elements of Telekom's Diversity & Inclusion approach remained the improvement of our entire parental leave process from planning to stay in touch during leave all the way to reintegration support. In 2022 we informed our affected employees about the parental leave and return support scheme and received and processed their contact requests. Preparation for the long-term parental leave is being supported by and internal process, that is designed to assist both the employee and the people manager in the smooth planning of pre-absence tasks. To maintain the connection of the employee on parental leave and the company, the company intranet remains accessible throughout the leave period, thus the employee can stay in touch with the corporate news, follow the changes and access all HR information relevant to their situation. The internal employee direct HR chat is also available for quick administration.

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

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

Magyar Telekom's family-friendly corporate processes, values and solutions for its employees were recognized by Family-friendly Hungary Nonprofit Public Benefit Ltd. with a Gold-level Family Friendly Place certification during the audit process.

In 2022 Dimenzió Mutual Insurance and Self-help Association's Family Support initiative assisted families in the Telekom community by offering discounted summer camp opportunities for their children during the long summer holiday season. In addition, the tax-free nursery-kindergarten support is an optional element of the cafeteria system which also contributes to the reduction of the financial burden of parents with young children.



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

The opening of the playroom has been preceded by thorough needs assessment, and our children and grandchildren were also invited to show in a drawing contest what furniture, toys they desired in their space. Once the epidemic was over, the Kids' Den opened again in full capacity during school holidays in 2022.

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

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

By developing hybrid working in the aftermath of the epidemic, we are building a culture that supports both flexibility and community cohesion. Where the nature of the work allows and supports focused working, our colleagues work in full telecommuting (such as in the customer service call centre). And across the company as a whole, the telecommuting rate continues to be over 70%.

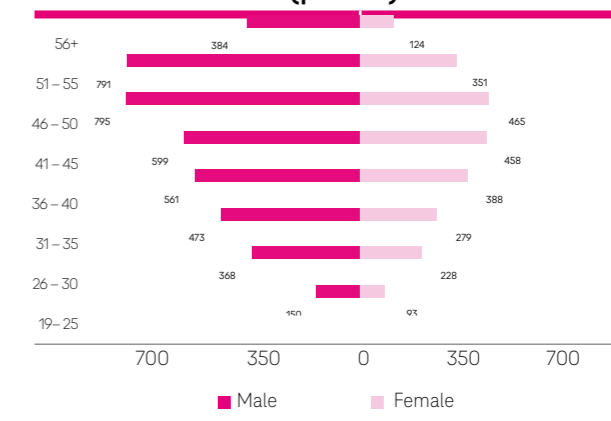
The Magenta Alliance Foundation started by CEO Tibor Rékasi in April 2020 at the initiative, personal responsibility and financial contributions of the Leadership Squad, continued its operations in 2022 in support of employees facing financial insecurities due to the pandemic crisis. In 2022, the Foundation broadened the scope of its support to include employees with serious illness requiring long-term rehabilitation, or those caring for such relative. In 2022, the Foundation provided support to more than 100 colleagues.

GENERATIONS AT MAGYAR TELEKOM

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

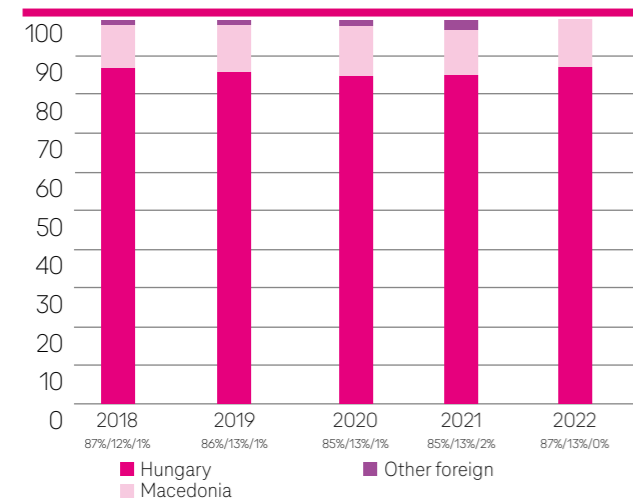
The family-friendly atmosphere of the company offers various ways of support to young employees with families and it also tries to help them in the challenging times of becoming a parent. Teleworking is not just attractive to colleagues looking after a baby, but it also offers a flexible way to manage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

Age tree of Magyar Telekom Group, December 31. 2022 (person)



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

Distribution of employees by region, Magyar Telekom Group, 2022 (%)



PwC Hungary conducts comprehensive research every year to explore key job selection factors. As a result of this survey Magyar Telekom won the Most Attractive Workplace Award in the telecommunication sector for the 5th consecutive year. The survey targeted young people over the age of 16, career starters and experienced workers too. As a result of our online preference survey 15 focus areas were identified. According to the results the top 3 criteria of selecting a workplace in the 16–28 age group are basic wage, flexible work schedule, working hours and an inspiring leader.

In 2022, in a national survey conducted by the Zyntern.com job portal, which focused on the labor market preferences of young people (16–28 year olds), Magyar Telekom came first as the most attractive employer among young people starting their careers. The survey was conducted for the fifth time in May 2022 and nearly 3000 young people filled in a detailed questionnaire. The survey questions covered, among other things, young people's job choice factors, their starting salary demand and the most attractive employers.

At the ninth Randstad Award 2022 event, which recognizes the performance of the most attractive employers in Hungary, Magyar Telekom received the Prize of Excellence, as it has been awarded the special prize for the most attractive workplace in the telecommunications sector for the fourth year in a row.

