

A large, leafy tree stands in a grassy field under a clear blue sky. A person is sitting on a branch of the tree. 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

# STAKEHOLDERS



Együtt.  
Veled



5 GENDER EQUALITY



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

6 CLEAN WATER AND SANITATION



8 DECENT WORK AND ECONOMIC GROWTH



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



10 REDUCED INEQUALITIES



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



13 CLIMATE ACTION



14 LIFE BELOW WATER



15 LIFE ON LAND



17 PARTNERSHIPS FOR THE GOALS



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



STAKEHOLDER SURVEY

When preparing the Sustainability Report of Magyar Telekom we rely on our preliminary research findings and regularly monitor the opinions of our stakeholders concerning the importance of our sustainability topics.

In our annual questionnaire survey we seek to find out how different stakeholder groups evaluate the corporate sustainability practices of our company. Our questionnaire offers the rating of 37 issues on a 1–5 scale where 1 stands for the least important and 5 for the most important topic.

The analysis and evaluation of the answers play crucial role in rating the importance of our sustainability activities. All issues are important contributing elements to the successful delivery of our strategic goals; nevertheless, we pay particular attention to those that our stakeholders rated as medium or high importance.

In addition to rating the subject issues our stakeholder survey also addresses the following:

- suggestion of other relevant sustainability topics that are not listed
- examples of important scientific findings that would be important and worthy of consideration for ICT companies.
- threats and opportunities for companies in relation to their sustainability approach
- the most widely used communication platforms of Magyar Telekom from where its sustainability activities and approach are accessible,
- which global Sustainable Development Goals (SDGs) Magyar Telekom should consider as priorities, based on its activities.

The latest survey, conducted in December 2022, shows that **Climate protection and energy efficiency**, **Waste management** and **Environmental targets**, costs and compliance are the most important areas for our stakeholders.

Our stakeholders reiterated that Telekom can contribute most to the achievement of **SDG4: Quality Education**, **SDG11: Sustainable cities and communities** and **SDG12: Responsible consumption and production** objectives.

We wish to continue on joint thinking and cooperation with our stakeholders therefore, we encourage everyone to share their comments, ideas and opinion with us by sending them via the **stakeholder survey** or to the **sustainability@telekom.hu** email address

Topics evaluated by the stakeholder groups and their importance

| Topic                                                             | Customer    | Employee    | Supplier/ Partner | NGO         | Future generation | Media       | Investor    | Regulator   | Local community | Average |
|-------------------------------------------------------------------|-------------|-------------|-------------------|-------------|-------------------|-------------|-------------|-------------|-----------------|---------|
| Climate protection and energy efficiency                          | 3.72        | 4.61        | 3.21              | 4.04        | 3.69              | 4.00        | 2.88        | 4.25        | 3.35            | 3.75    |
| Waste management                                                  | 3.60        | 4.54        | 3.43              | 4.00        | 3.60              | 4.00        | 2.93        | 4.25        | 3.29            | 3.74    |
| Environmental targets, costs and compliance                       | 3.54        | 4.43        | 3.33              | 3.94        | 3.52              | 4.00        | 2.72        | 4.25        | 3.21            | 3.66    |
| Emissions                                                         | 3.58        | 4.40        | 3.40              | 4.10        | 3.50              | 3.20        | 2.86        | 4.25        | 3.18            | 3.61    |
| Human rights, equal opportunities                                 | 3.42        | 4.25        | 3.23              | 3.78        | 3.53              | 4.00        | 2.87        | 4.25        | 3.03            | 3.59    |
| Protection of minors in the Digital Age                           | 3.61        | 4.56        | 3.17              | 3.84        | 3.50              | 3.20        | 2.88        | 4.25        | 3.26            | 3.59    |
| Cooperation in environmental and social issues                    | 3.44        | 4.34        | 3.15              | 3.74        | 3.40              | 4.00        | 2.71        | 4.25        | 3.00            | 3.56    |
| Informing of customers                                            | 3.53        | 4.30        | 3.28              | 3.58        | 3.36              | 4.00        | 2.65        | 4.00        | 3.12            | 3.54    |
| Sustainability in the supply chain                                | 3.47        | 4.29        | 3.12              | 3.58        | 3.44              | 4.00        | 2.63        | 4.25        | 2.97            | 3.53    |
| Corporate compliance                                              | 3.29        | 4.13        | 3.05              | 3.60        | 3.23              | 4.00        | 2.84        | 4.25        | 3.01            | 3.49    |
| Involvement of our customers                                      | 3.34        | 4.30        | 3.27              | 3.28        | 3.24              | 4.00        | 2.60        | 4.25        | 3.06            | 3.48    |
| Sustainability coordination                                       | 3.32        | 4.24        | 2.97              | 3.72        | 3.44              | 4.00        | 2.28        | 4.25        | 3.09            | 3.48    |
| Resource consumption                                              | 3.50        | 4.42        | 2.97              | 3.64        | 3.41              | 3.20        | 2.53        | 4.25        | 3.14            | 3.45    |
| Innovation for sustainability                                     | 3.44        | 4.31        | 3.20              | 3.52        | 3.45              | 3.20        | 2.83        | 4.00        | 3.05            | 3.44    |
| Occupational health and safety                                    | 3.41        | 4.30        | 3.11              | 3.50        | 3.42              | 3.20        | 2.55        | 4.25        | 3.04            | 3.42    |
| Customer satisfaction                                             | 3.50        | 4.32        | 2.76              | 3.70        | 3.22              | 3.20        | 2.48        | 4.25        | 3.12            | 3.39    |
| Our employees as corporate citizens                               | 3.18        | 4.01        | 3.05              | 3.66        | 3.09              | 4.00        | 2.41        | 4.25        | 2.81            | 3.38    |
| Data protection                                                   | 3.45        | 4.25        | 3.04              | 3.68        | 3.23              | 2.40        | 2.67        | 4.25        | 3.05            | 3.34    |
| Local procurement                                                 | 3.32        | 4.20        | 2.71              | 3.52        | 3.34              | 3.20        | 2.39        | 4.00        | 3.04            | 3.30    |
| Regulatory compliance                                             | 3.30        | 4.15        | 2.87              | 3.22        | 3.27              | 3.20        | 2.46        | 4.25        | 2.98            | 3.30    |
| Risk management                                                   | 3.27        | 4.10        | 2.88              | 3.24        | 3.22              | 3.20        | 2.47        | 4.25        | 2.89            | 3.28    |
| Involvement of employees                                          | 3.04        | 3.88        | 2.97              | 3.08        | 2.87              | 4.00        | 2.35        | 4.25        | 2.71            | 3.24    |
| ICT for sustainability                                            | 3.19        | 3.95        | 2.95              | 3.36        | 3.16              | 3.20        | 2.56        | 4.00        | 2.76            | 3.24    |
| Managing changes                                                  | 3.13        | 3.98        | 3.05              | 3.36        | 3.02              | 3.20        | 2.53        | 4.00        | 2.79            | 3.23    |
| Addressing legal and ethical aspects of content service providing | 3.12        | 3.89        | 2.91              | 3.72        | 3.01              | 3.20        | 2.32        | 4.00        | 2.82            | 3.22    |
| Digital competency                                                | 3.13        | 3.95        | 2.64              | 3.22        | 3.07              | 3.20        | 2.47        | 4.00        | 2.87            | 3.17    |
| Professional cooperation                                          | 3.00        | 3.83        | 2.83              | 3.46        | 2.89              | 3.20        | 2.30        | 4.25        | 2.68            | 3.16    |
| Supplier relations                                                | 3.24        | 3.97        | 2.68              | 3.08        | 3.02              | 3.20        | 2.46        | 4.00        | 2.75            | 3.16    |
| Service availability                                              | 3.33        | 4.11        | 2.91              | 3.38        | 3.09              | 2.40        | 2.72        | 3.50        | 2.90            | 3.15    |
| Safe use of mobile phones, electromagnetic fields                 | 3.11        | 3.93        | 2.87              | 3.36        | 2.97              | 2.40        | 2.54        | 4.25        | 2.89            | 3.15    |
| Donations                                                         | 2.80        | 3.58        | 2.63              | 3.48        | 2.73              | 4.00        | 2.35        | 4.00        | 2.57            | 3.13    |
| Suppliers' Award                                                  | 3.04        | 3.80        | 2.59              | 3.32        | 2.92              | 3.20        | 2.08        | 4.25        | 2.57            | 3.09    |
| Talent management                                                 | 3.11        | 3.81        | 2.47              | 3.12        | 3.00              | 3.20        | 2.51        | 3.75        | 2.63            | 3.07    |
| Investor relations                                                | 2.93        | 3.56        | 2.67              | 3.10        | 2.73              | 3.20        | 2.45        | 4.00        | 2.50            | 3.01    |
| Sponsorship                                                       | 2.46        | 3.19        | 2.60              | 3.16        | 2.41              | 2.40        | 2.09        | 4.00        | 2.31            | 2.74    |
| <b>Average</b>                                                    | <b>3.28</b> | <b>4.11</b> | <b>2.97</b>       | <b>3.52</b> | <b>3.20</b>       | <b>3.41</b> | <b>2.55</b> | <b>4.14</b> | <b>2.93</b>     |         |

## MATERIALITY

### Magyar Telekom Sustainability Methodology:

When preparing this report – in compliance with the Global Reporting Initiative Standard (GRI Standard 2021) – we put emphasis on materiality, stakeholder inclusiveness, completeness, accuracy, comparability, timeliness, reliability, balance and sustainability.

The Sustainability Squad's tasks include approving the reporting process and methodology, and appointing the expert staff responsible for reporting for each data area.

In addition to the GRI requirements, the data elements reported will be managed in line with Deutsche Telekom's sustainability objectives, Magyar Telekom's sustainability strategy and the responsible stakeholder expectations detailed below.

During the reporting process, the responsible experts sometimes use external professional methodologies (e.g. Greenhouse Gas Protocol) to determine the data, which are always described at the relevant point in the report.

The scope and the content of the report were defined on the basis of Magyar Telekom's materiality analysis and as an external source, we also used the questions of responsible investor analysts (ISS ESG Rating, FTSE Russell, MSCI, S&P, TCFD) as well as the materiality analysis and manual of the

Global e-Sustainability Initiative (GeSI) prepared for the ICT sector.

Magyar Telekom's materiality analysis helps to define all sustainability topics that are important and currently emphasized for the company and its stakeholders and support the implementation of the stakeholders' interests into business processes and strategic objectives.

The topics were defined, prioritized and grouped primarily during the preparation of Magyar Telekom Group's Sustainability Strategy, and during its annual reporting to the management (Leadership Squad). Continuous harmonization with the strategies of the company's other areas also helps to shape the materiality process.

In order to determine the scope, content and structure of the report for the year 2022, we also took into account the survey conducted among our stakeholders.

The individual topics were scored based on the strategy, business, and stakeholder priorities, and the materiality list was formed along order of importance of the topics.

When defining the scope, content and structure of the year 2022 report we took into account the results of the stakeholder survey. Based on the comparison of the sustainability strategy priorities for the period between 2021 and 2030 and the priorities of the stakeholders the ranking and groups of the materiality of sustainability topics are as follows:

### Materiality of sustainability topics of Magyar Telekom in 2022

| HIGH PRIORITY TOPICS |                                                         | MEDIUM PRIORITY TOPICS |                                             | LOW PRIORITY TOPICS |                                                                   |
|----------------------|---------------------------------------------------------|------------------------|---------------------------------------------|---------------------|-------------------------------------------------------------------|
| ▲ <sub>6</sub>       | Emissions (GRI 305)                                     | ▼ <sub>8</sub>         | Innovation for sustainability               | ▼ <sub>6</sub>      | Protection of Minors in the Digital Age                           |
| ▲ <sub>3</sub>       | Risk management (GRI 201)                               | ▼ <sub>1</sub>         | ICT for sustainability                      | ▼ <sub>5</sub>      | Cooperation in environmental and social issues                    |
| ▲ <sub>2</sub>       | Climate protection and energy efficiency (GRI 302)      | =                      | Managing changes                            | ▲ <sub>3</sub>      | Occupational health and safety                                    |
| ▼ <sub>3</sub>       | Waste management (GRI 306)                              | ▼ <sub>12</sub>        | Service availability                        | ▼ <sub>4</sub>      | Our employees as corporate citizens                               |
| ▲ <sub>14</sub>      | Corporate compliance (GRI 419)                          | ▲ <sub>5</sub>         | Talent management                           | ▼ <sub>1</sub>      | Local procurement                                                 |
| ▲ <sub>10</sub>      | Sustainability in the supplier chain (GRI 308, GRI 414) | ▲ <sub>9</sub>         | Informing our customers                     | ▼ <sub>3</sub>      | Supplier relations                                                |
| ▲ <sub>11</sub>      | Corporate governance                                    | ▲ <sub>15</sub>        | Involvement of our employees                | ▼ <sub>1</sub>      | Investor relations                                                |
| ▲ <sub>15</sub>      | Data protection (GRI 418)                               | ▼ <sub>9</sub>         | Resource consumption                        | ▲ <sub>5</sub>      | Safe use of mobile phones, electromagnetic fields                 |
| ▼ <sub>3</sub>       | Environmental targets, costs and compliance (GRI 307)   | ▼ <sub>9</sub>         | Customer satisfaction                       | =                   | Regulatory compliance                                             |
| ▲ <sub>2</sub>       | Human rights, equal opportunities (GRI 405, GRI 412)    | ▼ <sub>12</sub>        | Involvement of our customers                | ▼ <sub>2</sub>      | Addressing legal and ethical aspects of content service provision |
|                      |                                                         | ▼ <sub>6</sub>         | Initiatives to eliminate the digital divide | ▲ <sub>1</sub>      | Donation                                                          |
|                      |                                                         | ▼ <sub>8</sub>         | Professional cooperation                    | ▼ <sub>2</sub>      | Supplier's Award                                                  |
|                      |                                                         |                        |                                             | =                   | Sponsorship                                                       |

\* The labels (▲, ▼, =) in the table above show how the classification of each topic has changed compared to the 2021 classification.

Based on the analysis and the materiality ranking we believe that all topics have significance both inside and outside the company.

The structure of the report follows the priorities of the sustainability strategy and the materiality analysis: high priority topics are presented in detail, information on medium priority topics is provided partly in the chapters, partly in the GRI table of contents whereas low priority topics are primarily provided in the GRI table of contents to provide as transparent information as possible to all stakeholders on the company's corporate governance, environmental and social impact as well as the underlying risks and opportunities.

## PROCESS FOR DETERMINING THE CONTENT OF THE REPORT

### OBJECTIVE AND USE OF THE REPORT

The objectives is to give a full-scope picture, as the report is an information source for all stakeholders; however the entirety of the report is primarily prepared for our shareholders and investors, and among them chiefly our responsible investors and sustainability analysis.

### SPECIFICATION OF THE TOPICS

The topics of the report were determined on the basis of the information required by responsible investor analysts, investors and regulators.

### INVOLVEMENT, TESTING VALIDATION

Continuous collection information analysis of trends, harmonization with the company's organizational units, involvement of stakeholders, incorporation of feedback into the material.

### PRIORITIZATION OF THE TOPICS

Prioritization is provided in the strategy however, the Sustainability report is a reporting tool, therefore it covers all specific topics.

## SUPPLIERS

Anti-corruption measures and ethical conduct are important cornerstones of the operation for Magyar Telekom. Consequently, the company requires its suppliers to adopt Telekom's Anti-corruption statement, the Suppliers Code of Conduct and the Coltan Policy of Magyar Telekom. As part of the contractual terms each and every supplier must know, approve and comply with these requirements as stated.

The Suppliers Code of Conduct includes the following principles:

- Code of Conduct
- Social Charter
- Diversity Policy
- Magyar Telekom Group's Environmental Policy
- Financial Code of Ethics
- Corporate Governance Report
- Magyar Telekom Group's Quality Policy

Because of its size, Magyar Telekom Group has significant impact on other stakeholders of the economy, thus the scope of its responsibilities cannot be limited to the company itself. As part of our risk management strategy, we maintain our ambition to do business with suppliers who appropriate a high level of social, economic and environmental performance and standards. In order to ensure this, the group manages its supplier contacts with a strong commitment to fostering a sustainable supply chain. The group-level coordination of vendor relations is ensured by the Procurement, Logistics and Real Estate Management HUB, partly through the provision of centralized procurement services, and partly through the coordination of the member companies' functional organizations.

Suppliers are selected in compliance with the laws, in procurement procedures that ensure fair competition, transparency, and documented processes, which are under continuous control by the Internal Control System (ICS) used jointly with Deutsche Telekom Group. Besides providing proper controls the system encourages us to improve and accelerate our processes, with respect to contracting, the company seeks to develop mutually advantageous, value-creating partner relations. To ensure cost-efficient operation, the company continuously rationalizes its processes by tapping the synergies of the parent company and group-level procurement.

One of the main interfaces for supplier relations is the interactive **website of the Procurement, and Logistics HUB**, where suppliers – upon registration – can directly reach the newsletter service, the supplier qualification system, the OneSource system where quotations and auctions are managed, privacy policy, electronic invoicing description and may find useful information on our procurement processes and sustainability requirements.

The references, financial standing, quality assurance and sustainability capabilities of the suppliers are audited in a prequalification system which is also operated on the internet site of the Procurement, Logistics and Real Estate Management HUB. The company's enhanced vendor prequalification system enables registered suppliers to complete the sustainability-focused questionnaire and also its evaluation. The results ensure the identification of risks and the possibility of joint improvement with the suppliers. The qualification results are important factors in the supplier selection process.

The company buys services and products from qualified suppliers. After filling out the questionnaire, we inform registered suppliers about their results in the vendor qualification system. In 2021 we procured more than 79% of the value of the orders from prequalified external suppliers, through 796 partners.

Magyar Telekom is continuing its Sustainability web audit, a questionnaire on environmental, social and business ethics topics.

There is a special focus in the assessment process on whether the suppliers have any sustainability expectations declared towards their partners or not. The final score is calculated with an industry weighing of the supplier. In 2022, 14 companies participated directly in this survey which translates to 3% of the purchase value (this value was 21.07% in 2017, 26.42% in 2018, 4.11% in 2019, 16.77% in 2020 and 13.39 in 2021). In 2022, our 54 suppliers had a valid evaluation, representing 22.02% of the purchase value. Respondents were informed about their results, and they also received topic-specific feedback on their performance.

Upon request, we have also provided further information via email or phone to partners who requested it. There was no incident risk or non-compliance identified in 2022.

Throughout its operations, Magyar Telekom is keen on maintaining sustainability throughout its operations in a transparent manner and encourages its partners to do their share of sustainable development. Therefore, we highly appreciate all partnerships through which we can gain a better understanding of our partners' sustainability-related strategies and operations.

In 2022, the „Magyar Telekom's TOP3 sustainable supplier” title was given to: DXC Technology, McKinsey & Company Inc. and Technicolor Delivery.

For the purpose of the sustainability evaluation of our active suppliers we use the internationally recognized and operated EcoVadis system, which is also supported by Deutsche Telekom. We invited strategically important and high-risk suppliers to declare their operational practices based on the detailed EcoVadis criteria. As a result, 4 suppliers have received direct and 11 suppliers indirect evaluation of social, environmental, economic and sustainable procurement aspects in 2022. These suppliers accounted for 34.28% of the overall procurement value, which value was 40.59% in 2017, 45.06% in 2018, 44.40% in 2019, 38.30% in 2020 and 36.56% in 2021. The validity of the EcoVadis ratings is two years, thus the results of 2021 and 2022 were taken into consideration.

Our 2021–2030 sustainability strategy's objective is to ensure that Magyar Telekom's commitment to sustainability becomes part of the suppliers' business and that our suppliers' CO<sub>2</sub> emission decrease

An e-learning course is available for all Magyar Telekom employees about sustainable supply chain processes and in 2022 we informed our colleagues about these topics through several channels. The e-learning material is available on the intranet and contains all processes, their detailed description and the list of contacts of topic owners.

As part of the sustainable supplier chain management process, and in order to support effective operations, we created a working group, the members of which are responsible for and take action in the event of negative environmental, work practices, human rights or social impacts arising in connection with suppliers. The permanent members of the working group include employees of the procurement and legal areas supplemented by the staff of the ordering organization affected by the incident and experts of the incident-provoking issue. In order to support these efforts, we established an incident management process that defines the relevant actions in such cases.

The incident management process analyses the event that triggers the incident, the strategic importance of the supplier, the severity of the given case, the supplier's reaction and provides guidance on potential remedies. In 2022 no such process was called for as the audits did not identify any negative environmental, labor practice, human rights or social cases of non-compliance.

As part of the sustainability process, our procurement and compliance organization has an ongoing monitoring process responsible for the identification of legal or economic non-compliance cases. There were no such cases identified in 2022.

Deutsche Telekom provides significant support for the sustainable improvement of supplier relations through sectoral initiatives such as JAC – Joint Audit Cooperation. As a result, audits are being conducted worldwide for the selected suppliers. The integrated audit criteria assure compliance with the basic social and environmental benchmarks when it comes to shared suppliers of different subsidiaries.

Proving compliance with the common group standards, in 2022 a total of 8 indirect Magyar Telekom suppliers were involved in Deutsche Telekom's JAC audits which accounted for 28.29% of the overall procurement value. (This value was 36.91% in 2017, 40.14% in 2018, 38.87% in 2019, 12.34% in 2020 and 34.68% in 2021.) Depending on the results of the audits, corrective action plans are given to poorly performing suppliers, followed by a repeated audit if necessary.

Combining the above assessments, 66 suppliers had valid assessments in 2022, accounting for 53.36% of the annual order value.

The risk criteria of the evaluations applied to our company's suppliers have been identified based on the following:

|                                      | ECOVADIS                                           | MT WEBAUDIT                                         | AUDIT | PRE-QUALIFICATION | SUPPLIER SCORE CARD | GESI |   |
|--------------------------------------|----------------------------------------------------|-----------------------------------------------------|-------|-------------------|---------------------|------|---|
| <b>ECONOMICS</b>                     | Anti-corruption and Bribery                        | ✓                                                   | ✓     | ✓                 | ✓                   | ✓    |   |
|                                      | Conflict of interest                               | ✓                                                   | ✓     | ✓                 | ✓                   | ✓    |   |
|                                      | Fraud                                              | ✓                                                   | ✓     | ✓                 | ✓                   | ✓    |   |
|                                      | Money laundering                                   | ✓                                                   | ✓     | ✓                 | ✓                   | ✓    |   |
|                                      | Anti-competitive practises                         | ✓                                                   | ✓     | -                 | ✓                   | ✓    |   |
|                                      | Respect of intellectual property rights            | ✓                                                   | ✓     | ✓                 | -                   | ✓    |   |
|                                      | Truthfulness of marketing and advertising messages | ✓                                                   | ✓     | ✓                 | -                   | ✓    |   |
|                                      | Consumer/client data protection and privacy        | ✓                                                   | ✓     | ✓                 | ✓                   | ✓    |   |
|                                      | Access to essential services to products           | ✓                                                   | ✓     | -                 | -                   | -    |   |
|                                      | Partner/supplier data protection and privacy       | -                                                   | ✓     | -                 | ✓                   | ✓    |   |
|                                      | Associate/employee data protection and privacy     | -                                                   | ✓     | ✓                 | ✓                   | ✓    |   |
|                                      | Business Continuity Management                     | -                                                   | ✓     | -                 | -                   | -    |   |
|                                      | <b>ENVIRONMENT</b>                                 | Reduction of production-related environmental risks | ✓     | ✓                 | ✓                   | ✓    | ✓ |
|                                      |                                                    | Energy Consumption and GHGs                         | ✓     | ✓                 | ✓                   | ✓    | ✓ |
| Water management                     |                                                    | ✓                                                   | ✓     | ✓                 | -                   | ✓    |   |
| Biodiversity                         |                                                    | ✓                                                   | ✓     | ✓                 | ✓                   | ✓    |   |
| Local Pollutions                     |                                                    | ✓                                                   | ✓     | ✓                 | -                   | ✓    |   |
| Materials, Chemicals management      |                                                    | ✓                                                   | ✓     | ✓                 | -                   | ✓    |   |
| Waste management                     |                                                    | ✓                                                   | ✓     | ✓                 | -                   | ✓    |   |
| Product lifecycle management         |                                                    | ✓                                                   | ✓     | ✓                 | ✓                   | ✓    |   |
| Property lifecycle management        |                                                    | ✓                                                   | ✓     | ✓                 | -                   | ✓    |   |
| Promotion of sustainable consumption |                                                    | ✓                                                   | ✓     | -                 | ✓                   | ✓    |   |
| Sustainable forest / paper policy    |                                                    | -                                                   | ✓     | -                 | -                   | -    |   |
| Customer health and safety           | ✓                                                  | -                                                   | ✓     | -                 | -                   |      |   |
| <b>SOCIETY</b>                       | Employees health and safety                        | ✓                                                   | ✓     | ✓                 | ✓                   | ✓    |   |
|                                      | Working Conditions                                 | ✓                                                   | ✓     | ✓                 | ✓                   | ✓    |   |
|                                      | Labor Relations                                    | ✓                                                   | ✓     | ✓                 | ✓                   | ✓    |   |
|                                      | Career Management                                  | ✓                                                   | ✓     | -                 | ✓                   | -    |   |
|                                      | Child and Forced Labor                             | ✓                                                   | ✓     | ✓                 | ✓                   | ✓    |   |
|                                      | Discrimination                                     | ✓                                                   | ✓     | ✓                 | ✓                   | ✓    |   |
|                                      | Fundamental human rights                           | ✓                                                   | ✓     | ✓                 | ✓                   | ✓    |   |
|                                      | Customer health and safety                         | -                                                   | ✓     | -                 | -                   | -    |   |

|                    | ECOVADIS                                                   | MT WEBAUDIT | AUDIT | PRE-QUALIFICATION | SUPPLIER SCORE CARD | GESI |
|--------------------|------------------------------------------------------------|-------------|-------|-------------------|---------------------|------|
| <b>PROCUREMENT</b> | Sustainable procurement charter                            | ✓           | ✓     | -                 | -                   | -    |
|                    | Training of buyers on issues within the supply chain       | ✓           | ✓     | -                 | -                   | -    |
|                    | Integration of social or environmental contract clauses    | ✓           | ✓     | ✓                 | -                   | ✓    |
|                    | Regular supplier assessment                                | ✓           | ✓     | -                 | -                   | -    |
|                    | Audit of suppliers                                         | ✓           | ✓     | -                 | -                   | -    |
|                    | Corrective action to facilitate supplier capacity building | ✓           | ✓     | -                 | -                   | -    |
|                    | Sustainable buyers performance appraisal                   | ✓           | ✓     | ✓                 | ✓                   | -    |
|                    | Pre-qualification of suppliers before evaluation           | -           | ✓     | -                 | -                   | -    |
|                    | Identified risks and impacts                               | ✓           | ✓     | ✓                 | -                   | ✓    |
|                    | Conflicts minerals                                         | ✓           | ✓     | ✓                 | -                   | -    |

The procurement processes constitute a significant part of vendor relations and are implemented with the support of IT systems. Internal procurement processes are initiated mostly through electronic systems. The suppliers' selection process is supported by an internet-based RPF and tool (OneSource), orders are also placed/confirmed through an electronic commerce solution (CPEX) or e-mail, managing transactions growing from year to year.

These electronic solutions substantially reduce the processing time of the procurement processes and the e-mail-based placement of orders further reduces the quantity of paper-based documents. In past years, direct electronic procurement transactions (CPEX) hit a steady high level and in 2022 reached 95,58% of all items ordered (2018: 92.35%, 2019: 93.78%, 2020: 94.73%, 2021: 95,58%).

In 2022, the proportion of requests submitted electronically in the order support system for network-relevant real estate assets and technological area asset movements (PSL) running in the corporate governance system (DT Group One. ERP) upgraded in 2016–2017 was 98,1% (2018: 99.65%, 2019: 97.41%, 2020: 97.2%, 2021: 98,3%). The total number of orders sent electronically without intervention in the procurement area was 89.8% in 2021.

In 2017, we explored areas where robotization could be applied to improve our procurement business processes. In 2020, the screening process for the entire supplier base was robotized.

We ensure compliance with the statutory and corporate expectations by including sustainability, environmental clauses in the supplier contracts. We expect our suppliers to use environmentally-friendly materials, technology and energy-saving solutions.

In the office stationery catalogue, the supplier already marks "green" products, and we encourage our colleagues to order such items.

As to products, there is a blacklist and a grey list of ingredients, i.e. products that contain any of the listed materials are banned from procurement (blacklist) or are not recommended to be procured (grey list) by Magyar Telekom.

In an effort to prevent any damage and minimize transportation time, hazardous materials purchased are transported directly to the internal customer, with the exception of storing a minimum inventory. In an effort to raise cost efficiency and reduce transportation, we increase the percentage of stocks managed by the suppliers. We study the possibility of this jointly with the supplier when entering into the contract.

Despite the globalization of procurement, we continue to purchase a considerable amount of products and services from local<sup>1</sup> suppliers. In 2022, 63,91% of our suppliers belonged to this category. By ordering products and services from local suppliers we significantly contribute to the retention of jobs.

<sup>1</sup> Suppliers with headquarters in a given country.

## Value ratio of products and services from local suppliers<sup>2</sup>, Magyar Telekom Group

| SUBSIDIARIES <sup>3</sup> | 2018   | 2019   | 2020   | 2021                | 2022   |
|---------------------------|--------|--------|--------|---------------------|--------|
| Magyar Telekom Plc.       | 85.56% | 81.09% | 78.14% | 80.53%              | 63.91% |
| T-Systems Hungary         | 82.87% | 80.92% | 86.62% | 89.48%              | 83.67% |
| Makedoski Telekom         | 61%    | 75%    | 73%    | 52,11% <sup>4</sup> | 51.69% |

<sup>2</sup> 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.

<sup>3</sup> Magyar Telekom Group member companies with significant procurement value.

<sup>4</sup> Corrected data. It was listed incorrectly in the 2021 Sustainability Report.

## CUSTOMERS

### CUSTOMER SATISFACTION

Magyar Telekom performs customer satisfaction surveys with ongoing data collection, among residential customers, by applying the internationally used TRI\*M customer satisfaction research method. With the help of this method, the company can continuously monitor the general expectation levels of subscribers as well as their level of satisfaction with Telekom services.

These surveys produce a composite index reflecting customer satisfaction for all Magyar Telekom customers and for individual customer groups, respectively, which helps in tracing and easily interpreting the changes over time. Moreover, the detailed analysis of service elements enables detection of the current perception of factors impacting customer satisfaction, identifying the fields where Magyar Telekom delivers outstanding performance according to customer feedback, and the fields where actions are necessary for quality improvement in comparison to earlier performance or results from competitors.

#### TRI\*M - Residential customers

The TRI\*M index of Telekom customers has risen above that of the rivals by a margin we have not seen before, thereby in 2022 Telekom safely had the highest customer satisfaction and loyalty rating for telecommunication services. Although, the unfavorable economic and political atmosphere during the last quarter year had its toll on Telekom's results, Telekom managed to maintain the high satisfaction level achieved following the first Covid wave in 2020. The results show that Telekom represents stability and reliability on the market.

Within the customer base, the satisfaction of customers in the Magenta1 segment continues to be extraordinary. The even performance of individual customer groups should be also emphasized reflecting the stabilization of our customer loyalty.

One of the principal strengths of Magyar Telekom is the renewing choice of fixed and mobile services, new tariffs and range of equipment, handsets. In comparison to other market players, Magyar Telekom customers have evaluated the reliability and stability of TV service with above market marks as well as showed high satisfaction levels with regard to the available TV channels. The stability and speed of fixed internet connection reflects the successful network development.

Furthermore, Magyar Telekom's evaluations were exceptional at questions related to mobile network coverage and experience with network when making calls.

In 2022, Magyar Telekom managed to make information of services and products available in the most appreciated way.

The customer satisfaction regarding Flip, the second brand of Magyar Telekom offering a service package including three fixed-line elements (telephone, Internet and television), has been measured on a six-monthly basis since 2018. The Flip customer base is the most satisfied among customers of telecommunication providers present on the market. Telekom also did well comparing market players' results in online channels (OneApp).

Since 2018, we have also been measuring the satisfaction of customers of Magyar Telekom's 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 the most satisfied telecoms operators on the market.

#### Medallia

In addition to the strategic focused TRI\*M satisfaction measurement system covering also competitor opinions, this year Medallia VOC (Voice of Our Customers) platform was introduced in all member countries of Deutsche Telekom, which replaces the NG ICCA survey in Hungary.

The Medallia research system targets residential and small business (SOHO) customers and/or non-customers contacting Telekom (Flip).

The surveys are carried out on four levels:

- 1. Provider:** We are collecting general feedback about our customer impressions in regards to their provider
- 2. Service:** We are expecting answers concerning one specific used service type
- 3. Transaction:** We are interested in the customer service experience. Our scope covers the following channels: call center, shops, door-to-door agents, telesales, technical service, application, web and chat transactions
- 4. Journey:** We are doing deep-dives in six complex journeys: pay, buy, get help, fault repair, change and terminate. At these cases, the customers got into contact at least twice with their provider while solving one issue.

The cornerstone of the Medallia measurement is the Net Promoter Score (NPS) methodology, where we research the client's willingness to recommend. For a "How likely are you to recommend Telekom to your friends and family?" question, our respondents can provide their answer on a scale from 0 ("Not at all likely") to 10 ("Extremely likely").

The calculated value of the NPS can fall between 0–100, which is obtained by subtracting the ratio of 0–6 marks from the ratio of customers giving 9–10 ratings.

In relation to the service provider or services, we contact all our customers at least once a year to provide an opportunity to understand their opinions. At transactional measurements, we ask for our customer's opinion the day after the interaction. At the call center, as in the past, we also allow an immediate evaluation after the call, in order to get a clear understanding of their impressions as close to the experience as possible. In addition, this method significantly increases the number of questionnaires that can be evaluated, allowing us to examine the feedback in an even more detailed manner.

As a new element, we also introduced the in-app measurement of app interactions, thus making feedback easier for our customers. This is all the more important because, similar to the web channel, this digital contact point is becoming more and more important in the lives of our customers.

Furthermore, it has made a big difference that the research results appear immediately on the Medallia platform. Telekom colleagues can monitor the development of the evaluations without delay.

In case of receiving a low rating during the transaction, the group leaders initiate callbacks within two days after the event, so that the problems that have arisen can be resolved as soon as possible. In case of dissatisfaction with the frontline agent, the head of the team provides individual coaching to his subordinate and, depending on the topic, shares the lessons learned on a group level, as well. Our special call center team contacts customers with complaints related to our services and makes efforts to eliminate all errors. Should process problems arise, they will be resolved under the guidance of the CEX team. They have a significant role in identifying the detected problem hotspots and coordinating their solutions.

We closed the year 2022 successfully. Our customers' willingness to recommend Telekom in the last quarter showed significant increase compared to the previous quarter. Similar to the TRI\*M trends, our mobile service users strongly support their provider. Overall, we were able to continuously increase the proportion of our promoters, that is, highly recommending clients, based on their transaction experience. In addition, significant development can be observed in terms of evaluations related to change journeys.

### Changes in measuring customer satisfaction – Micro-, small- and medium-sized enterprises

In January 2020, Magyar Telekom Plc. took over from T-Systems Hungary the management of micro-, small- and medium-size business (SOHO and SMB) customers. As a result, the SOHO and SMB segments returned to Magyar Telekom Plc. management after 2018–2019, while large companies and institutions remained under the management of T-Systems Hungary. During 2022, there were no significant changes in this operation.

Despite these changes in customer management the methodology of the measurement remained unchanged, customer satisfaction is still measured by TRI\*M in the SOHO and by strategic satisfaction research in the SMB end large enterprise segments.

By 2019, a stabilized customer satisfaction survey system had been put in place where TRI\*M remained the measurement tool for customer satisfaction and loyalty of SOHO customers with six-monthly frequency.

Due to the 2017 change in methodology, conclusions from SOHO TRI\*M survey findings can only be made from this date similar to the residential market. However, in the case of the SMB segment, after the successful measurement of 2018 as a base, customer satisfaction was measured by strategic satisfaction research both in 2019 and 2020.

The aforementioned Medallia VOC system also covers the SOHO clients.

### TRI\*M – Microenterprises (SOHO)

The TRI\*M index measured among Magyar Telekom microenterprises was higher in 2022 than that of its main competitors, that is, among microenterprises using telecommunications services, the overall satisfaction and loyalty of Magyar Telekom customers were the highest in 2022. Since Q3 2021, a continuously rising trend can be seen in the evaluation of the index. The satisfaction and loyalty of SOHO customers subscribing to mobile services are somewhat higher compared to subscribers of fixed services; the highest index was measured among Magenta 1 Business customers. The favorable result is attributable, among other causes, to the high quality of fixed and mobile services, to attractive offers, to the CEX activities, furthermore, the impact of quality improvement steps aimed at service provided to small businesses can also be detected in the evaluation of various channels and administration.

### Annual strategic satisfaction research – small-, medium and large enterprises

Within the frame of the annual satisfaction research, we ask our customers' IT and telco decision-makers about their satisfaction with the services and customer service of Magyar Telekom.

The research is carried out with a questionnaire survey in the SME segment managed by Magyar Telekom Plc., while it is conducted with a hybrid, online + telephone, methodology among T-Systems Hungary's large corporate and institutional customers.

In 2018, the sample targeted by the survey was extended to include the SMB segment in line with T-Systems Hungary's new segmentation structure. With these 2018 results as a base - in 2019 year-on-year analysis was utilized in the SMB segment as well. Although in 2020 the SMB segment was back under Magyar Telekom Plc. control, the measurement of customer satisfaction remained unchanged. In 2020 both in the SMB and large enterprise segments customer satisfaction is still measured by one common market research, with the same methodology.

However, in 2021, the measurement of SMB and corporate customer satisfaction was separated. In the case of SMB, the previous methodology remained with a minor modification.

The change here was also about strengthening the competitor sample in the research in order to have a more stable basis for measuring satisfaction among competitors' customers for better comparability. During 2022, there were no changes in this methodology.

In contrast, in 2021 a new satisfaction measurement framework has been developed in the large enterprise sector, with more targeted measurements (to be discussed later), which also meant that in-depth interviews were removed temporarily from the annual overall satisfaction survey. However, in the case of the largest corporate customers (TOP segment), based on customer feedback, it was decided that deeper, qualitative satisfaction insights were needed, so in-depth corporate interviews were conducted again in 2022.

The 2022 questionnaire survey was conducted on 400 SMB and 577 large enterprise companies, a random sample of the entire customer base. The questionnaires were completed anonymously, but the respondents also had the opportunity to identify themselves with their names during the interview.

The annual satisfaction survey includes industrial benchmark questions too. In order to make a truly independent customer satisfaction survey, the measurement and the evaluation is performed by our market research partner.

The results are processed and presented to the representatives of the relevant fields, broken down into the total performance, service areas and - in the case of large companies - sub-segments of Magyar Telekom. Based on the results, the business segments and their professional areas develop an action plan to increase customer satisfaction.

Based on the results to date, of the Magyar Telekom Plc. and T-Systems Hungary strategic satisfaction survey we can state that the overall performance of the company is reliably high and balanced.

Customer satisfaction in the SMB segment remained very high in 2022, although the results showed a slight decrease compared to the breakout year of 2021. The survey was carried out at a time when the economic environment was a serious challenge for most customers, and thus a general negative market sentiment developed. In accordance with this, we experienced a small decrease in almost all business process areas, but in the case of sales activities, we still managed to maintain the extremely high satisfaction level of 2021. On the product side, in addition to the appropriate price-value ratio, the wired portfolio should continue to be highlighted, especially data communication and Internet services, where optical network developments are the key to maintaining and increasing customer satisfaction at a high level.

It has already been mentioned that a new satisfaction measurement framework has been developed for the large corporate and institutional customers managed by T-Systems Hungary. As part of the system, we will continuously measure the satisfaction of our customers after the closure of the largest IT / SI projects from 2022, but we will also regularly ask the opinion of our customers with the largest monthly service contract about our services.

As part of this framework, we also put the annual strategic satisfaction survey on a new footing in 2021. Online / telephone hybrid research works with a simpler set of questions than before, but provides satisfaction results for each portfolio and business process area based on the following indicators: Net Promoter Score (NPS) and Satisfaction Score (Overall Satisfaction). Due to the new methodology, 2021 became the base year to which we can now compare the results of 2022. Based on the results, we can see that we managed to preserve and maintain our customers' satisfaction at a high level in the enterprise segment, and we were even able to increase it in the case of the largest companies.

### Contact person satisfaction research

Contact satisfaction research is carried out every year at regular intervals for customers who have used Magyar Telekom's or T-Systems' customer care processes by telephone or e-mail. Within the frame of the survey, we contacted our customers' contact persons who turned to the Business Customer Service of Magyar Telekom. or the T-Systems Service Desk with fault reports or complaints.

In case of T-Systems Service Desk the survey is performed with the involvement of a partner monthly whereby we contact approximately 40–50 contact persons by telephone; then, based on the answers received, the evaluation is completed after a six-month period. After the end of the second half-year measurement we prepare an annual contact person satisfaction report which is presented to the professional areas of the company.

Magyar Telekom's customer service area is being subjected to its own (ICCA) satisfaction survey. This is complemented by a quarterly, so-called "Detractor" research, also involving an external partner. The essence of this is that at the end of each quarter, based on a representative sample, we search for customers who have made a transaction by phone and identify those who are dissatisfied with the administration. Qualitative interviews are conducted with these dissatisfied clients to gain a deeper understanding of their concerns. Each quarter, after the end of the research, based on the evaluation of the interviews, together with the affected business areas, we identify the process areas where changes are necessary, and then formulate business activities for this. We plan to introduce the same methodology in the segment of large corporate customers as of 2023.

In 2022, both channels (Magyar Telekom Plc. Customer Service and T-Systems Service Desk) performed at a high level and had a distinctly positive impact on the perception of Magyar Telekom. Both the administration process and the professional preparation, competence and treatment of clients are highly rated. Over the course of the year, the majority of clients considered the administration to be smooth and successful. The duration of the administration typically met the SLA undertaken by Magyar Telekom and the expectations of the customers.

In addition to the above, starting in 2021 in Magyar Telekom's SMB area, we also introduced a sales contact satisfaction survey. The research takes place every quarter, and with its help, the sales colleagues of the SMB segment receive regular and direct feedback from their customers regarding their work. In addition to the work of the sales colleagues, customers evaluate the SMB sales channels (satisfaction on a scale of 1–5) and Magyar Telekom as a whole (using the NPS recommendation indicator).

The results consistently showed a high level of satisfaction throughout the entire year 2022.

### CUSTOMER FEEDBACK MANAGEMENT

The voice of the customer is of outstanding importance to us in order to maintain the high quality of our services in accordance with customer expectations. Feedback from Magyar Telekom's customers is constantly helping us to shape, regularly review and transform our services and processes.

When handling complaints, we also focus on our customers' satisfaction and the best customer experience. Our main task is to provide qualitative and reassuring solution for our customers during the investigation and handling of complaints as well. Along these lines, we increase Magyar Telekom's service experience for the customer with solutions tailored to individual needs.

Despite a challenging year in all respects in 2022, we have been striving for solutions that are unique and meet the life situation and needs of our customers, as Telekom can be expected by its customers in any life situation.

In 2022, as a result of improvements in our processes and service, the number of complaints decreased by another 7%.

We believe that complaint management is an integral part of the customer experience, just as we believe that we are the best partner for our customers in this regard.

### CUSTOMER INVOLVEMENT

#### Telekom Vivicitá

Telekom is committed to supporting popular sports and has been the name-giving sponsor of the **Telekom Vivicitá** for more than 20 years, bringing together professional athletes, amateur runners and families to promote the importance of sport and exercise in everyday life. In 2022, the run took place in early spring as usual and the atmosphere was reminiscent of the pre-pandemic runs, even if the number of participants did not reach pre-pandemic levels. For those who preferred to run alone in their own familiar surroundings, a virtual race format was available in 2022. In total, the event attracted more than 17,000 participants from 730 Hungarian cities and 72 countries around the world.

Magyar Telekom and the SUHANJ! Foundation have been closely linked for several years through their joint activities at the event and through the donations offered by Magyar Telekom and the company's employees donating SUHANJ! and its initiatives.

In 2022, Magyar Telekom played an active role in supporting families fleeing the armed conflict in Ukraine by joining the humanitarian work of the Hungarian Interchurch Aid Organization. Telekom Vivicitá was an excellent opportunity to reach even more people together with the organization, and to do so more effectively in order to involve them in the relief effort, either as donors or as volunteers.

The situation has also prompted SUHANJ! Foundation to help the refugees from Ukraine as much as possible and in more ways than one. The Foundation has started a day care service in SUHANJ! Fitness for Children from Ukraine. Telekom supported this initiative with a donation of HUF 2.5 million, to which was added another HUF 1 million in employee donations.



#### Mobildonor Program

In 2020 Telekom launched the pilot of the program, which helps disadvantaged families by enabling them to enter the digital world by collecting and donating smartphones no longer used by other people. In 2021, the program was transformed from a demo into a continuous commitment and an inclusive endeavor through the involvement of the donors and partners.

Participants of the **Mobildonor Program** are invited to offer their no longer used but still usable mobile phones to disadvantaged people and thus become Mobile Donors. By revitalizing an old device and donating it to someone in need, they can really change someone's life. The phones are distributed by the initiative's partner, NIOK Foundation, which pass them on to their new owners, selected on the basis of predefined criteria. Telekom collects the devices by courier service, carries out minor repairs and deletes all data as needed, and even provides the necessary SIM cards.

The mobile phones can be dropped off at any of Magyar Telekom's stores across the country, or on request, Magyar Telekom will send a courier to pick up any suitable used phone and carry out the necessary minor repairs and data recovery on the phones collected.

Since the launch of the program, 888 individual Mobildonor donations have been received and by the end of December last year, the NIOK Foundation had distributed 1,276 devices donated by Magyar Telekom to people in need.

In addition, as part of the Mobildonor program Telekom donated 5,000 mobile devices and prepaid cards to refugees fleeing the armed conflict in Ukraine.

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#### Carbon neutrality

One of the biggest challenges of our age is climate change which is mainly attributable to human activity resulting in carbon dioxide emission. Telekom recognized the importance of climate protection back in the 90s and now it is an integral part of the company's day-to-day operation. In line with our corporate Sustainability Strategy and through the implementation of innovative solutions the company has gradually decreased its energy consumption and increased its energy efficiency

In 2022, Magyar Telekom Group completed its eighth consecutive carbon-neutral year.

In addition to reducing the carbon footprint of its own operations, **ExtraNet Green 1 GB extension option** continues to give its customers the opportunity to do their bit for the climate by choosing the first green service based on 100% renewable energy.



## Telekom stores

### Our stores in general:

- Paperless operation - We no longer use leaflets in our stores, we sign contracts on tablets and print them only when really necessary.
- Chemical-free cleaning agents – We use eco-/chemical-free cleaning agents in our store chain of shops.
- Mobile donor drop-off point – As part of the mobile donor program, we also collect unused but functional smartphones in our stores, which we refurbish and deliver to those who need them with the help of our foundation partners.
- Recycled paper bags - In our chain of shops, we only give our customers bags made of recycled paper for their purchased devices.

Since 2020, the design of our stores (the points mentioned below currently apply to 51 stores across the country, a third of our chain of shops already uses the new design, but unfortunately the following applies fully to only 12 of our stores):

- Green wall - In our newest stores, we welcome our customers with a living green wall, which is not only beautiful, but also improves air quality.
- Organic floor – In our newest stores, the floor is made of organic material.
- LED lighting – In our newest stores, lighting uses recyclable LEDs.
- Use of sustainable materials - We work with sustainable materials in the design of our newest stores, including PVC-free paint and decorative elements.

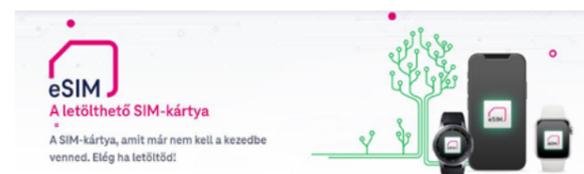
**+1 step forward:** We have halved the size of our SIM cards, in addition to being the first in Hungary to introduce an electronic SIM card, so with smartphones capable of using eSIM cards the physical SIM card can be completely dispensed with.

## eSIM

Magyar Telekom aims to promote and spread eSIM in both the residential and business segments, thus we focus on offering and activating eSIM-enabled mobile devices in our stores.

Just think about it, we are protecting and preserving our environment from the production, packaging, transport and storage of millions of plastic cards, as modern mobile phones, smartwatches and tablets have an eSIM chip available, where we can download an eSIM profile with a few clicks, replacing the traditional physical SIM card. The eSIM has the same functionality as a traditional SIM, i.e. it provides perfect connectivity for both voice and data services, and makes the daily life of customers much safer, as it cannot be damaged or lost, and remains online until the profile is erased subject to entering its security code, making it easy to locate if stolen.

eSIM is the technology of the present that is with us and will ensure sustainable progress in connectivity.



### Omnibus survey on consumers' habits

In 2022 Telekom and non-Telekom customers were questioned about their consumption habits in the framework of the Omnibus research. We surveyed core services, (such as TV, internet, telephone service) as well as insurance. As a rule 1000 persons are involved in the survey quarterly.

## EMPLOYEES

### EMPLOYEE INVOLVEMENT

Our colleagues were personally involved in supporting refugees from the armed conflict in Ukraine in 2022. Most of them were involved in the distribution of Telekom devices and SIM cards for refugees at train stations and in the BOK hall, but many also helped refurbish temporary accommodation and worked with humanitarian organizations on the border. Our leaders were also involved in volunteering.

Our colleagues took part in blood donation drives organized by the Hungarian Red Cross at Magyar Telekom premises on 303 occasions. With this and with all the other volunteer activities, 231 Magyar Telekom colleagues volunteered a total of 3,449 hours in 2022, worth 13 million forints theoretical donation to society.



### 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, Telekom's senior management, through their personal responsibility and financial donations. The original aim of the Foundation was to support our employees affected by the coronavirus epidemic. In 2022, the Foundation expanded its targets to include support for employees in financial hardship due to serious illnesses requiring long-term rehabilitation.

This initiative, which is unique in the Hungarian market, is based on personal donations by the employees that are supplemented by Magyar Telekom's annual donation. From the total amount collected, the Foundation has granted HUF 21,907,500 to 101 colleagues in 2022.

Anyone can donate to the Foundation and, of course, any Magyar Telekom employee can apply for a grant if necessary.

### Donation - Climate protection

Magyar Telekom has joined the Good Cause Initiative initiated by Deutsche Telekom to support an important climate protection program of WWF Hungary.

The Good Cause Initiative, launched in Deutsche Telekom's European segment, aims to protect and restore natural habitats in Europe to enable the survival of local - indigenous - flora and fauna.

WWF Hungary is working with residents in five small towns to implement a natural water conservation project to reduce water scarcity caused by climate change. Magyar Telekom is supporting the program by setting up a monitoring system so that the data collected can be used to successfully implement the environmentally friendly solution in as many places as possible. The accelerating pace of climate change is responsible for the extreme weather phenomena we are already experiencing: sudden storms with torrential rain and flash floods, weeks without rain, and severe droughts regardless of the season, exacerbated by heat waves in summer.

These extremes are also experienced by urban dwellers, but for those living and farming in small villages, this unpredictability and extremity cause huge problems in their daily lives. However, there are natural solutions that can help people adapt to the negative impacts of a changing climate. The most effective way to deal with water scarcity caused by climate change is to retain water naturally and in the right places, rather than draining it away in sudden rainstorms.

### Telekom's commitment to supporting refugees in the Ukraine crisis

Magyar Telekom responded to the armed conflict in Ukraine by helping both refugees arriving in Hungary and family members remaining in Ukraine. In this context, the company provided unlimited credit for international calls and SMS messages to mobile and fixed lines in Ukraine, as well as for mobile roaming charges on partner networks in Ukraine, and supported the humanitarian activities of the Hungarian Interchurch Aid Organization with HUF 7,500,000 cash donation, device donations, accommodation for volunteers and volunteer work.

The company's volunteers played an active role in the distribution of devices and SIM cards donated through the MobilDonor program, to Ukrainian refugees at several locations, including border assistance stations operated in cooperation of aid organizations, at Ferihegy Airport, Keleti and Nyugati railway stations, and the temporary shelter of Migration Aid located on Madrid Street.

### INVESTORS

The Chief Executive Officer and the Chief Financial Officer presented quarterly results to the representatives of investors four times during 2022 (23 and 24 February 2022: Release of fourth quarter 2021 results; 11 and 12 May 2022: Release of first quarter 2022 results; 9 and 10 August 2022: Release of first half 2022 results; 8 and 9 November 2022: Release of third quarter 2022 results).

On 12 April 2022, Magyar Telekom held its Annual General Meeting, at which the shareholders approved the audited consolidated and separate financial reports of the Company, as well as the Corporate Governance and Management Report of the Company for the business year of 2021, and decided on the use of the profit after tax earned in 2020.

Magyar Telekom's top management and staff from the Investor Relations department meets investors and analysts in investor conferences, road-shows and one-on-one meetings (both in virtual and traditional format) roughly on 100 occasions throughout the year.

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

In addition to the above, the company assesses investor needs annually and biannually with the help of a questionnaire. An independent specialist firm is commissioned to prepare a so-called perception study, which assesses investors' opinions, needs and expectations with the help of a series of detailed questions posed to a representative sample.



## REGULATORY AUTHORITIES

Magyar Telekom - typically on request, e.g. in the case of the submission of an industry strategy or draft legislation to the public debate, holds professional consultations with the competent regulatory authorities and supervisory bodies, including the responsible organization of Prime Minister's Cabinet Office (MK), Ministry of Economic Development (GFM), Ministry of Culture and Innovation (KIM), Ministry of Justice (IM), the National Media and Infocommunications Authority (NMHH), the Hungarian Competition Authority (GVH), and The National Authority for Data Protection and Freedom of Information (NAIH) and the consumer protection authority.

## NON-PROFIT ORGANIZATIONS (NGOs)

WWF Hungary has implemented a natural water conservation project in five small villages in partnership with local residents to reduce water scarcity due to climate change. Magyar Telekom is supporting the program by setting up a monitoring system to ensure that the data collected are used to successfully implement the environmentally friendly solution in as many places as possible.

Magyar Telekom regularly contributes to the work of industry groups (especially with the Telecommunication Reconciliation Council [HÉT]; in some specific cases: with the Scientific Association for Infocommunications (HTE); IVSZ Alliance for the Digital Economy) where the company's key objective is to establish a common legal and professional opinion on the legislative process.

In 2022 Magyar Telekom joined the Netre-Fel! mobile device replacement support program of the NMHH (National Media and Infocommunications Authority).

T-Systems Hungary, which has been a close partner of the International Children's Emergency Service for many years, is supporting the operation of the organization by providing non-stop IT systems following a major IT project. Since last year, the cooperation has included full IT support for the international dressage and equestrian therapy competition regularly held at the association's Fót site - practically in the middle of a park..



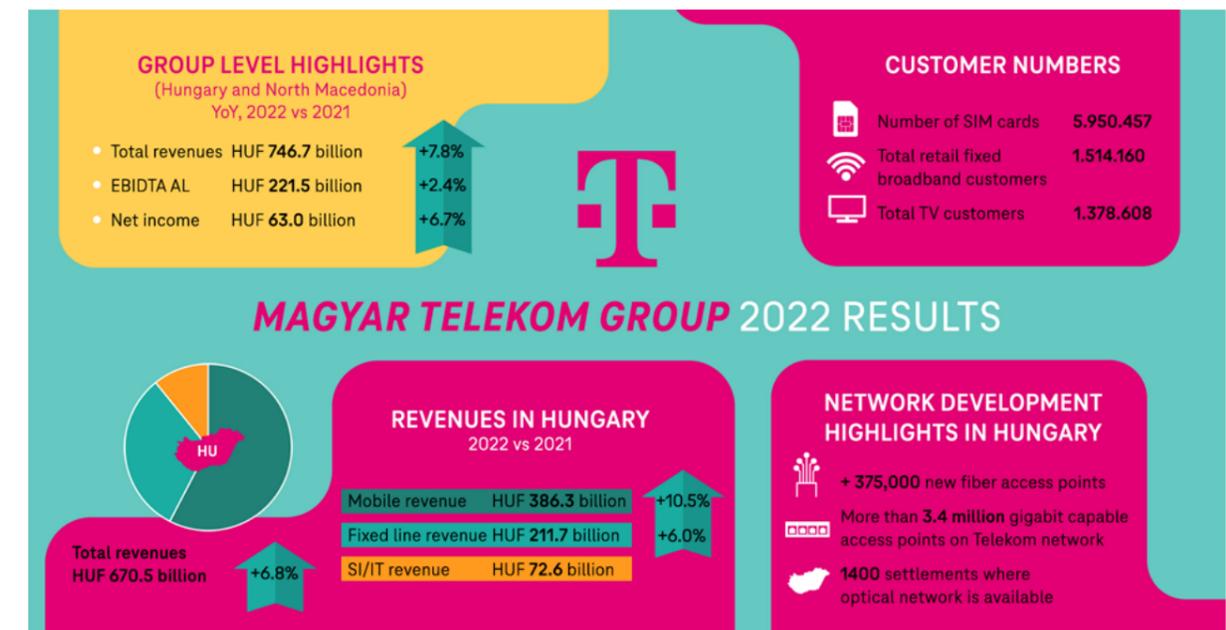
## LOCAL COMMUNITIES

Magyar Telekom switched off its 3G network on 1 July 2022. Customers will not be left without service after that: the 4G network, with its near nationwide coverage and better customer experience than previous technologies, will continue to be available for both voice and data traffic. Customers with 3G-enabled handsets or less will have their voice traffic taken over by the existing 2G network. Magyar Telekom is also preparing for the future, continuing this year its multi-year network modernization program launched in 2020, in which Ericsson Hungary is a partner. The modernization aims to maintain and improve service quality and increase capacity. The network modernization and the 5G-enabled equipment used in it are important prerequisites for the geographic roll-out of the 5G network in the medium term.

The agreement fits into the Telekom general sponsorship objectives and aligns with the parent company's international support system: Hungary's leading telecommunication service provider supports the biggest and most successful clubs and their athletes, such as Telekom Veszprém and FTC.

Magyar Telekom and the Hungarian Contemporary Architecture Center continued to run community gardens in 2022, too. Gardening works are still ongoing at Csárdás Garden. Although, the Kerthatár Community Garden has been closed due to the sale of the real estate, a new community garden was created in Pomáz, in the courtyard of our telephone exchange.

Due to the COVID-19 pandemic, our lives changed suddenly, with greater focus on collaboration, assistance and new solutions constantly emerging, and digitalization playing a major role. In 2022 Magyar Telekom was acting as a responsible company to protect and help its employees and customers. Even in the most difficult times, digital phenomena open up new opportunities and enable us to make a difference in our everyday lives, to aid each other in new ways.



## FUTURE GENERATION

In 2022, more than 2,500 young people came to KraftLab. We were also able to provide a venue for events that gave young, up-and-coming musicians the opportunity to show their talent. Local high school students also regularly organize programs at KraftLab, where foreign students are also actively present. In the fall, we started a lecture series called KriptoKraft, where visitors can get to know the world of crypto currencies from several perspectives.

In 2022 again Magyar Telekom launched a 24-hour trainee recruitment campaign. In a unique selection process, the company recruited 21 talented young people in one day from a pool of 200 applicants, who in September had the opportunity to start their career in the most attractive workplace in the telecom sector, according to a recent Randsstad survey.

Also in 2022, Deutsche Telekom set the aim of supporting Gen Z volunteerism. Globally, 82% of Gen Z say they are active in some way when it comes to advocacy and activism with the biggest motivation cited as impact on community, friends and family. The brand recognizes the importance to the next generation of taking action on environmental issues and social causes.

The **#WhatWeValue** is free to access to all volunteer project leaders aged 18 to 30 from across the brand's European footprint, including Hungary, to host their own volunteering projects. Projects that meet the required criteria can feature and amplify their work on the platform. Diverse categories include gender and racial & social equality, disability advocacy, climate change, urban regeneration, mental wellbeing, migration and more.

A private, dedicated mobile network that was even more closed and protected than public networks - Telekom and T-Systems' so-called Campus Network's solution - ensures smoother payment at Festipay terminals at the three major events of the summer, such as the EFOTT, Sziget and Strand Festivals. As participants of the events, all we perceived from this was that we did not have to stand in long lines just because the terminal where we wanted to pay was slow or unable to connect to the appropriate server. This is due to the fact that, in the background, the organizers can dedicate the private mobile network, established by Telekom on location, to the goal they consider a priority - to serve the festival-goers as quickly as possible, independent of any possible public network load.

## MEDIA

Magyar Telekom put special emphasis on providing a greatest number of people in all age groups with digital means, in cooperation with the media.

The Magenta podcast channel has also continued, with the company sharing interesting topics and knowledge, exemplary stories of a digital theme and really useful suggestions with students, thus making it easier for them to navigate in our current world. The podcast is meant both for those who are only just getting familiar with the benefits of technology and for those who already know more about them: the end result is an entertaining and meaningful dialogue about our everyday lives and the digital world around us.

Home office, digital solutions and ways of communication during a pandemic have become the main topics on Pont.MOST blog, too.

## DATA PROTECTION

**Among the 2022 sustainability objectives, Magyar Telekom pays special attention to the protection of personal data, with special regard to the General Data Protection Regulation (GDPR) that became applicable as of 25 May 2018. Magyar Telekom ensures the highest standard of data security and technical and organizational measures regarding personal data management/processing.**

In the course of its operation and prior to developing new products and during the provision of services, Magyar Telekom considers the protection of its customers', employees' and business partners' personal data a top priority. Magyar Telekom processes personal data in accordance with the General Data Protection Regulation and the applicable legislation, also taking into account the guidelines of the European Data Protection Board and the National Authority for Data Protection and Freedom of Information. Magyar Telekom has put particular emphasis on preparing for the application of the General Data Protection Regulation, guarantees the security of data security and technical and organizational measures regarding personal data management/processing, which are regularly reviewed and, where necessary, reinforced. Magyar Telekom adopted the data privacy principles of Deutsche Telekom Group (Binding Corporate Rules Privacy).

Magyar Telekom regularly holds training sessions for employees and subcontractors to introduce the up-to-date regulations and internal processes regarding the protection of personal data. In 2022, the renewed and mandatory Data Protection in Telecom training was successfully completed by a significant number of colleagues.

In the case of contracting with data processors, Magyar Telekom requests that its contractors and subcontractors in the data processing agreement process personal data according to the highest standard of data security - also meeting the requirements of Magyar Telekom - and technical and organizational measures. From 2021 onwards, our processes and agreements for data transfers outside the EU have been reviewed and aligned with existing data protection decisions and recommendations.

We continuously monitor changes in the legislative environment and prepare for the implementation of new data protection legislation expected in the near future (e.g. Data Sharing Regulation/Data Act, Data Governance Regulation/Data Governance Act, Artificial Intelligence Regulation/AI Act).

Magyar Telekom provides information to its customers via multiple channels on the processing of their personal data. Magyar Telekom also grants to its customers the right of access and other types of data subjects' rights regulated by the GDPR. We treat our customers' personal data-related complaints and inquiries as matters of key importance and provide factual responses within the relevant deadline.

For further information, please visit [this](#) website

### Related research

Phishers target everything, but increasingly micro, small and medium-sized businesses, the majority of which are still unaware of the vulnerability of their IT solutions and the damage an incident can cause. Based on the latest research by Telekom and BellResearch the vast majority of businesses do not pay enough attention to protecting themselves against phishing, and in most cases even their managers are unaware of the relevant risks.

According to a recent representative survey\* involving micro, small and medium-sized enterprises\* by BellResearch upon Telekom's assignment, two third of companies think of IT tools and the security of corporate and customer data when it comes to safe operation. They also think that they are protected by using firewalls, antivirus software, backups while trying to protect their devices, correspondence and passwords. The same number of businesses believe that due to their size they will not be targeted, and 70% are convinced that they do not manage data that needs to be protected. In addition, the vast majority of companies (80%) calm themselves that they do not have data that cannot be replaced, believing that a data loss incident would not cause an impossible challenge to their business operation. This suggests that these companies do not only underestimate the level of risks, but also the impact of a data breach incident, as they do not take into account their responsibility of keeping their business partners' or even their customers' information safe.

This is well explained by the extremely low sense of threat measured in the survey, as only 20% of micro businesses and 30% of SMEs think that their systems are exposed, at least to some extent, to IT attacks and threats. In addition, 60% of the former and 40% of the latter try to manage IT and data security matters in-house. Even matters like the management of data loss incidents. Only around 10% of micro and small businesses reported such events, compared to 20% of medium and large enterprises. This is significantly behind the international experience.

Based on the above it is not surprising that three quarters of the micro and small businesses believe that their current protection is sufficient, but even those companies underestimate the relevant risks that are aware of such dangers. Too much confidence leads to insufficient focus on protecting themselves against phishing.

According to the survey, 90% of the companies think that if they protect their IT devices, they simultaneously protect their data too. Nevertheless, 42% of the respondents have a solution specifically focusing on protecting company and customer data. Half of micro-businesses are comfortable with protecting their PCs and laptops with SW coming together with their devices, however, this kind of awareness is higher among SMEs, as two thirds of these companies invest in other security solutions. Most companies do not think about the continuous maintenance and upgrade of their security solutions: less than 10% of micro businesses and a quarter of SMEs continuously review their existing systems and look for up-to-date solutions.

#### BLOCKING CERTAIN ELECTRONIC DATA ON THE INTERNET

The coercive measure of blocking certain electronic data on the internet was introduced by the new Penal Code (Act C of 2012 on the Penal Code). The most important rules of this measure are contained in Section 158/B-D of Act XIX of 1998 (Act on Criminal Procedures - "ACP") – amended by Act LXXVIII of 2013. The ACP distinguishes two types of measures: the removal of electronic data where the primary target group is hosting service providers, and the temporary or final blocking of access to electronic data which is mainly applicable to telecommunications service providers.

The blocking or filtering of websites with content that is subject to public prosecution is implemented in conformity with the ACP measures: the court may order to make electronic data temporarily inaccessible by way of temporarily blocking access thereto. When elaborating the new Penal Code the original objective of the above measure was to be able to take immediate action in serious cases (child pornography, crime against the state or act of terrorism) so that the authorities do not have to wait until a final court decision.

The amendment of **Act LXXVI of 2015** has significantly extended the scope of criminal offenses where court resolutions can rule on the temporary blocking of content.

Such crimes are as follows:

- drug trafficking,
- incitement to the use of narcotics,
- facilitating the production of drugs,
- drug abuse,
- abuse of new psychoactive substance,
- child pornography,
- criminal act against the state,
- act of terrorism
- or financing terrorism,

if electronic data are connected with such crimes.

The technical implementation of temporary blocking is the responsibility and obligation of the National Media and Infocommunications Authority (NMHH) and the internet service providers.

In 2013, upon the implementation of the above coercive measure, a similar legislative measure was introduced by the National Tax and Customs Administration of Hungary (NAV) by promulgating **Paragraph 36/G of Act XXXIV of 1991 on the organization of gambling games**, according to which the tax authority - without the involvement of a court - is entitled to render any data provided through an electronic communications operator temporarily inaccessible if the access thereto or the publication thereof is related to prohibited gambling.

The temporary blocking of content pursuant to the Tax Authority's resolution may last up to 365 days.

From 1 January 2015, in accordance with **Act XCV of 2005 on the use of pharmaceutical products applied to humans and the amendment of other regulations of the pharmaceutical market**, the National Institute of Pharmacy and Nutrition (OGYÉI) is also granted the right to temporarily block electronic data on non-authorized medicinal products, i.e. may request the hosting service provider of the website to remove the website in question.

The link between the potential sanctions of courts and the Tax Authority is so strong that the entity responsible for the enforcement of the measures is the National Media and Info-communications Authority in both cases.

Since 2014, in accordance with 159/B (3) of **Act C of 20043 on Electronic Communications**, the National Media and Infocommunications Authority has been managing a central database on rulings to block access to electronic information (hereinafter referred to as "KEHTA"), and processes the data entries to that end. This database contains all court and Tax Authority rulings that order the blocking of websites. All electronic communications operators must join the KEHTA thereby all operators are obliged to block prohibited websites. Thus, in line with the provisions of law, Magyar Telekom has also been blocking the given web pages.

**Magyar Telekom, as a market leader telecommunications company listed in the stock exchange, complies with all requirements of the Hungarian law and actively participates in the industry's self-regulation and the respective efforts of the NGOs.**

## SPONSORSHIP

The purpose of the corporate group's sponsorship activities is to create experiences and value for customers and partners.

As one of the country's biggest sponsors, the group has spent a significant amount of money to support Hungarian sports and culture in recent decades.

Magyar Telekom has been a committed supporter of domestic sports for decades and regards sports as a defining part of its sponsorship strategy. The company is proud to have contributed to the outstanding success of many domestic sports and athletes as a sponsor.

As an important element of its sports sponsorship strategy, in 2018 Telekom signed a four-year agreement with **Ferencvárosi Torna Club**. The parties extended the agreement for another 4 years in 2022.

Since 2014, Telekom has been supporting the youth football training program of the Ferencvárosi Torna Club, the adult men's football team as a key sponsor of FTC since 2015, and as the main sponsor of FTC under the new agreement. The company is the title sponsor of the multiple Hungarian Cup, Champions League and LEN Cup winner FTC-Telekom Waterpolo division, the Erste Liga and Hungarian Cup winner FTC-Telekom Ice Hockey division, the cup winner FTC-Telekom Women's Football division and the FTC-Telekom Men's Gymnastics division, which has also achieved great results. The renewed agreement, announced in 2018, is still in line with Telekom's general sponsorship strategy and the parent company's international sponsorship system: as the country's leading telecommunications service provider, the

company supports the work of the most popular and successful actors in domestic sports.

Our company has been sponsoring the **Telekom Veszprém handball team** for more than 20 years. Taking our cooperation to a new level, we have been present as the team's title sponsor since 2016, contributing to the domestic and international successes of a team, belonging to the world elite, such as winning the SEHA League or consecutive participation in the Final Four of the Champions League. Magyar Telekom believes that such world-class performances and results will significantly contribute to more young people choosing active sports and promote a healthy lifestyle.

We are proud of the successes of our supported teams, including the 33rd championship title of the men's football players, their successful participation in the European League, the additional championship titles of the men's water polo team, and their successful participation in the Champions League.

In 2021, we tried to show fans interesting content through which they can get an insight into the lives of athletes, people around sports, and clubs. We try to bring content that they can't get anywhere else and thus bring them closer to their favorites, our supported teams, and sports. We will continue this work in 2023 and try to expand it..

In 2021, the Ferencvárosi Torna Club and the Telekom Veszprém teams also became dedicated supporters of the Telekom Mobile Donor program.



In 2020, Magyar Telekom launched the program as a pilot, which helps the needy enter the digital world by collecting smartphones left unused at home.

In 2021, the full expansion of the program took place, turning it from a demo program into continuous commitment, as well as creating inclusivity with the involvement of donors and partners. Applicants to the Mobile Donor Program can offer their unused but still functional smartphones to someone in need, thus becoming Mobile Donors. By giving new life to an old device and donating it to someone in need, you can actually make a difference in someone's life. The phones reach their new owners - who are selected on the basis of predetermined application criteria - through the initiative's professional partner, the NIOK Foundation. The devices can be dropped off at any Telekom store across the country, and Telekom will send a courier for all suitable used phones upon request, and carry out the necessary minor repairs and data deletion on the collected devices. Since the start of the program, 888 individual Mobile Donor offers have been received, and by the end of December last year, the NIOK Foundation distributed 1,276 devices to those in need from the devices donated Magyar Telekom at the end of 2021. As part of the Mobile Donor Program, Telekom offered 5,000 mobile devices and prepaid cards to those fleeing the armed conflict in Ukraine. At the beginning of 2023, the Ferencvárosi Torna Club and the Telekom Veszprém handball teams also became committed supporters of the program. They now also function as on-site collection points, and the tools they collect also contribute to the success of the program for digital assistance.

Telekom considers it important to support mass sports as well, so for more than 20 years it has been title sponsor of Telekom Vivicitta, in which, besides professional athletes, many amateur runners and families also participate, thereby promoting the importance of sports and exercise in everyday life. In 2022, the competition took place again at the usual early spring time, and the atmosphere recalled the pre-Covid competitions, even if the number of entrants did not reach the pre-epidemic level. For those who would rather run their race distance alone in their own familiar environment, the virtual race format was also available in 2022. In total, there were more than 17,000 entrants to the event, who came to the competition from 72 countries in addition to 730 Hungarian settlements.

In the summer of 2022, at variance with previous practice, we did not give extra data or voice, but rather experiences to our customers. We saw that in the past period they had to adapt to many unexpected circumstances, they were exhausted and looking forward to the summer, which they saw as a period of recharge. As a brand that pays attention to its customers, we decided to actively contribute to ensuring that these three months are really about relaxation and recharge for Telekom customers. We collected more than a hundred experiences, adventures for them in the Telekom application, and we were their partner throughout the summer in making an everyday event an experience of a lifetime.

On the first of June, our first event was a stream concert at the Svábhegy observatory, where we streamed Billie Eilish live from Bonn, with nearly 700 on-site participants. This was also the case at the revived Telekom VOLT Festival, which we filled with a host of surprising gigs, giving people a genuine festival sensation: we built a labyrinth full of surprises and used our Sesame app with which people could win sweepstakes.



And at the end of the summer, STRAND Festival opened its doors in Zamárdi for the tenth time, and also closed the Balaton summer season with a wider program offering than ever before. Telekom put in both sponsorship and on-site presence. Telekom Electronic Beats is the award-winning international music program of Deutsche Telekom. Launched in 2000, the Europe-wide initiative covers many areas, from music to lifestyle, from design to art and fashion, as well as technological innovations, with a focus on digital activities and live events. With world-famous artists such as the Gorillaz, Grace Jones, Róisín Murphy, London Grammar or New Order, as well as up-and-comers such as Perel, FJAAK and many others, the diverse program has found fans worldwide.

The program's international digital platform ([www.electronicbeats.net](http://www.electronicbeats.net)) and country-specific editions ([www.electronicbeats.hu](http://www.electronicbeats.hu) in Hungary) cover the most current topics through up-to-date journalism and innovative storytelling. On 11 June 2022 the Telekom Electronic Beats Festival returned to an industrial facility on the edge of town in the Főzdepark in Kőbánya, and was attended by nearly two thousand people. At the beginning of 2022, we announced another competition, where the Hungarian Telekom Electronic Beats was looking for the best songs of 2022. The winning songs, in three categories, were released in an album. Nearly 1,000 entries were received in the song contest and the greatest hits album was uploaded onto all music platforms

## MAGYAR TELEKOM GROUP MEMBERSHIPS IN INDUSTRIAL AND OTHER ASSOCIATIONS, NATIONAL OR INTERNATIONAL ADVOCACY ORGANIZATIONS

| NAME OF ASSOCIATION                                                   | STRATEGIC MEMBERSHIP | MAGYAR TELEKOM GROUP POSITION IN A GOVERNANCE BODY |
|-----------------------------------------------------------------------|----------------------|----------------------------------------------------|
| <b>MAGYAR TELEKOM PLC.</b>                                            |                      |                                                    |
| Hungarian 5G Coalition                                                |                      |                                                    |
| European Telecommunications Network Operators Associations (ETNO)     | x                    |                                                    |
| GSMA Association                                                      | x                    |                                                    |
| Joint Venture Association (JVSZ)                                      | x                    | Board of Trustees membership                       |
| German-Hungarian Chamber of Industry and Commerce                     | x                    | Board of Trustees membership                       |
| Communications Reconciliation Council                                 | x                    | Chair                                              |
| ICT Association of Hungary                                            | x                    | Chair, multinational department                    |
| Scientific Association on Telecommunications and Informatics          |                      |                                                    |
| Hungarian Competition Law Association                                 |                      |                                                    |
| Hungarian AI Coalition                                                |                      |                                                    |
| Employer's Equal Opportunities Forum                                  | x                    |                                                    |
| Hungarian Logistics, Procurement and Inventory Management Association |                      |                                                    |
| Association of Hungarian Content Providers                            |                      |                                                    |
| Hungarian Marketing Association                                       | x                    | Chair                                              |
| Hungarian Advertising Association                                     | x                    | Chair                                              |
| American Chamber of Commerce in Hungary                               |                      |                                                    |
| <b>T-SYSTEMS HUNGARY</b>                                              |                      |                                                    |
| Hungarian 5G Coalition                                                |                      |                                                    |
| Hungarian Drone Coalition                                             |                      |                                                    |
| ICT Association of Hungary                                            | x                    |                                                    |
| Hungarian Hospital Association                                        | x                    |                                                    |
| Hungarian Water Utility Association                                   | x                    | Vice-presidency                                    |
| Hungarian Project Management Association                              |                      |                                                    |
| Hungarian AI Coalition                                                |                      |                                                    |
| Scientific Association for Infocommunications                         |                      |                                                    |
| Hungarian Chamber of Engineers                                        |                      |                                                    |
| Hungarian Logistics, Procurement and Inventory Management Association |                      |                                                    |
| IT Service Management Forum (ITSMF)                                   |                      | Board membership                                   |
| Chamber of Bodyguards, Property Protection and Private Detectives     |                      |                                                    |
| Hungarian Innovation Association                                      |                      |                                                    |
| Connected and Automated Mobility Cluster of Zala                      |                      |                                                    |
| Ipar 4.0                                                              |                      |                                                    |
| <b>MAKEDONSKI TELEKOM</b>                                             |                      |                                                    |
| International Telecommunication Union (ITU)                           | x                    |                                                    |
| European Telecommunications Network Operators Associations (ETNO)     | x                    |                                                    |
| RIPE Network Coordination Centre                                      | x                    |                                                    |
| GS1 Macedonia (bar code association)                                  |                      |                                                    |
| Macedón Gazdasági Kamara                                              | x                    | Board membership                                   |
| Amerikai Kereskedelmi Kamara Macedónia (AmCham – USA)                 | x                    | Board membership                                   |
| Macedón-Német Üzleti Szövetség                                        | x                    |                                                    |
| Macedón Informatikai Kamara (MASIT)                                   | x                    | Board membership                                   |
| GSMA Association                                                      | x                    | Board membership DT                                |
| Macedón Építészeti és Mérnöki Kamara                                  | x                    |                                                    |
| Északnyugat-Macedóniai Gazdasági Kamara                               |                      |                                                    |

## ENVIRONMENTAL AND SOCIAL EXTERNAL INITIATIVES

Besides professional challenges, the Group also seeks cooperation opportunities for the solution of social and environmental problems

Magyar Telekom has been an active member of **ETNO's** (European Telecommunications Network Operators' Association) Sustainability Workgroup for years. The members work closely towards solving all kinds of sustainability-related programs.

Our company is in constant consultation with the national advocacy organizations of people with disabilities (AOSZ, ÉOFÉSZ, MEOSZ, MGVYOSZ) in order to review and adapt its barrier-free customer services and services to the changing needs.

The Company provided professional knowledge to the work of the Presidential Committee of the Hungarian Academy of Sciences. Our colleagues maintain contacts with a number of higher education institutions: they assist in university work by with consultancy for writing theses, expert education and giving lectures.

Magyar Telekom was the first among the Hungarian companies to accept **OECD Guidelines for Multinational Enterprises** and set them up as mandatory guidelines for its operations.

The **European Union's Diversity Charter** has been signed by the company and considered a mandatory guideline.

Magyar Telekom has signed the **UN Global Compact** for 10 guidelines, and also fulfils its commitment to submit annual progress reports.

Magyar Telekom has acknowledged the **UN Sustainable Development Goals (SDG)** and through incorporating those of key importance in its Sustainability strategy 2016–2020 the company includes the contribution to these goals as a mandatory element of its operations.

Magyar Telekom discloses data and information on its climate-related activities through the **CDP** (Carbon Disclosure Project) platform.

Magyar Telekom was the first Hungarian company to join the **Science Based Target Initiative (SBTi)** and has emission reduction targets approved by SBTi.

Magyar Telekom has joined the **UNFCCC Climate Neutral Now** initiative.

In 2020 Magyar Telekom joined the **Equalizer Foundation**, where it is also represented on the 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

