



**SUSTAINABILITY
REPORT
2019**



EGYÜTT. VELED



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As a leading provider of info-communications services in the region, Magyar Telekom's commitment to sustainable development with a focus on preserving the environment lies in the centre of its mission. We have realized that many of our products and services help our customers to become more climate-friendly, at the same time, we are aware of the impact our industry has on the climate, too. Therefore, we identified strict emission decrease targets. In our Sustainability Strategy 2016-2020 we set the ambitious goal to reduce the level of our carbon dioxide emission below 100 000 tons.

In 2018 we were the first and only company in Hungary, whose long-term emission reduction targets have been approved by Science Based Target initiatives, in 2019 we updated the targets according to IPCC's 1,5°C scenario:

- reduce absolute scope 1 and 2 GHG emissions 84% by 2030 from a 2015 base year.
- reduce absolute Scope 3 GHG emissions 30% by 2030 from a 2017 base-year.

WE'VE HAD OUR SCIENCE-BASED TARGET APPROVED



2019 marked the fifth year in which Magyar Telekom Group set the objective of carbon-neutral operation – and reached it. We spent half of the income of our company car policy regulated bonus-malus system to carbon offset. We purchased 182,5 GWh renewable energy which covers 100% of our electricity consumption, beside that we purchased and retired 32,771 CER units to become 100% carbon neutral.

Strategic Goals

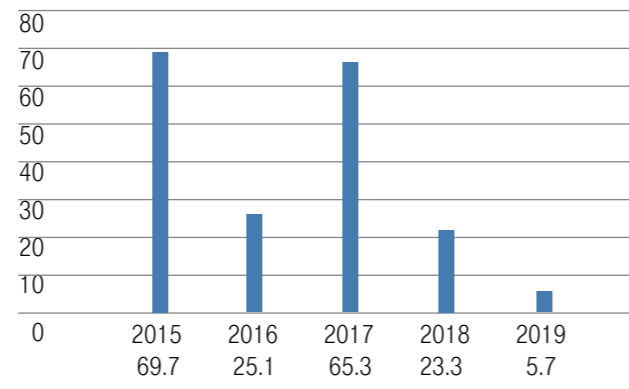
- Reducing our CO₂ emissions
- Energy consumption: saving energy (reduce consumption), increase of energy efficiency levels, using green energy
- Increase the energy efficiency of our buildings
- Decrease our fleet consumption, promotion travel replacement solutions and dematerialization solutions
- Introduction of sustainable and climate friendly products and services
- Measure the climate footprint of our customers and suppliers

	KPI by 2020
CO₂ emission	<100 000 t CO₂
fixed network	min. -44% based on 2008
mobile network	max. +35% based on 2008
data center	max. +3% based on 2008
buildings	min. -16% based on 2008
Energy efficiency	100 Gbit/kWh
Fleet	
fuel consumption	min. -34% based on 2008
average CO ₂ emission	<100 g CO ₂ /km
share of hybrid and electric car	min. 30%
CPE's emission	general decrease
Waste reduction	min. -10% based on 2015
Paper usage in the shops	min. -90% based on 2015

Risks and opportunities

Based on the Business Continuity Management System (BCM) we have identified the critical climate risks (floods, heat waves) that might affect our operations and we have prepared action plans for possible risk management. According to our annual assessment the rate of climate damage in the network did not reach the level of intervention (HUF 50 million damage/month). In 2019 we have identified 45 climate related cases (storm damage).

STORM DAMAGE (HUF M), MAGYAR TELEKOM PLC. ✓

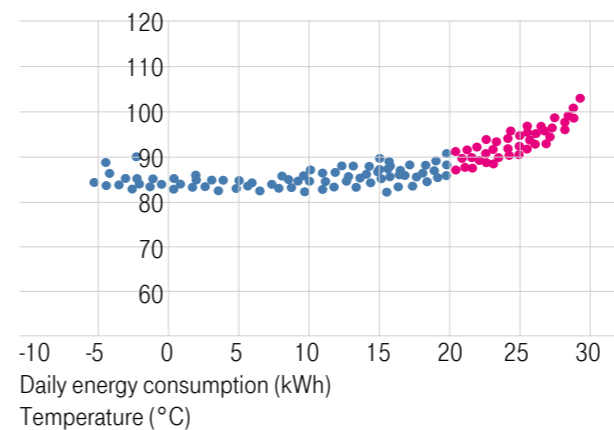


In 2019 during the heatwave many of our colleagues worked remotely in order to reduce the energy consumption of our offices, and we increased the core temperature of our data centres and base stations.

We observed that the energy consumption of our base station starts to increase when the temperature is above 20 C°, therefore there is an expected possibility that our climate change and health wave-related expenses could rise with tens of millions of HUF in the future.

Based on the recommendations of the TCFD (Task Force on Climate-related Financial Disclosure) initiative, we identified additio-

BASE STATION DAILY POWER CONSUMPTION DEPENDING ON TEMPERATURE LEVELS



RUNNING OUT OF GBS INCLUDED IN YOUR PACKAGE?

TRY IN GREEN!



Climate change is a relevant threat to our operations as well as to our supply chain. We can mitigate this risk by evaluating and educating our suppliers. We have a common interest in building a resilient supply chain network. For more information, see our **Suppliers** chapter.

The company pays increased attention on installing energy efficient equipment in our networks and securing that all of our products and services comply with the requirements of environmental sustainability. We aim to provide our customers with solutions they can benefit from, allowing them to use less energy and protect the environment. For more information, please refer to chapter **ICT for Sustainability**.

nal risks and opportunities in our operations.

In setting our emission reduction targets, we have considered the current Paris Climate Agreement and EU standards, as well as the IPCC's 1.5 C° goals, but we assume that regulators will set stronger emission reduction targets in the future, which may involve financial risks. On the other hand, thanks to our forward-looking climate strategy, we have an advantage over our competitors, along with rigorous regulations.

One of the pillars of our carbon-neutral operation is that we use 100% renewable energy in Hungary subsidiaries and the uncertainty of future prices poses a risk to this pillar. The more companies switch to green energy, the more the price may rise, which may mean more than 10 M HUF additional expenses for Magyar Telekom. In addition, long-term renewable usage can continue to be a business advantage as our customers are increasingly looking for sustainable products and services powered by green energy. Our surveys have shown that a large part of our customers is willing to pay more for their green products, so if we power our entire portfolio with renewable energy, we can potentially increase our revenue.

Green 1 GB data option

We would like to offer the choice to our customers who consider it as important as we do to fight against climate change to pick a service that serves the purpose of protecting the climate. That is why we came up with the globally unique ExtraNet Green 1 GB option. By choosing the ExtraNet Green 1 GB data extension option, we guarantee that we generate the same amount of energy as the one required to transmit 1GB data using our solar power plants installed on the top of our Kékvirág street facility.

New Headquarters

At the end of 2018 we moved to our new headquarters and 2019 was the first whole year in it, we tried to implement as many eco-friendly solutions as possible. We have already taken environmental aspects into account when designing, and we consider the effects of the 100-year flood events too. The building has innovative building control that significantly reduces its energy consumption. In addition, the operation of the building is supported by an application tailored to our employees. There are green walls within particular interior spaces and a green roof covers a part of the building-top, which is irrigated with rainwater. We use the waste heat of the server rooms and handle the waste types separated.

EMISSIONS AND ENERGY EFFICIENCY

To present the quantitative greenhouse gas emissions of Magyar Telekom Group's activities, in accordance with the global warming potential (GWP), we use a CO₂e (carbon dioxide equivalent) as an indicator. (We do not measure greenhouse gases separately and we do not have biogenic CO₂ emissions.)

The details of Magyar Telekom Group's CO₂ emissions are given in the following table. The CO₂-conversion factors were determined by the GHG Protocol, the recommendation of International Energy Agency Data Services (electricity), the UNEP guidelines (heating oil, fuel, natural gas), DEFRA's coefficients and by the data provided by a prominent Hungarian paper factory. We present our real emissions with and without carbon offset.

In 2019 Magyar Telekom Group's total emission reduced by 2% compared with 2018 and was 94,584 tonnes of CO₂.

AGGREGATED CO₂ IMPACT MAGYAR TELEKOM GROUP (T CO₂) REAL AND ADJUSTED BY GREEN ENERGY AND CARBON OFFSET EMISSIONS ✓

CO ₂ emission (t CO ₂)	2015	2016	2017	2018	2019
Natural gas	8 910	8 266	8 252	8 656	7 541
Oil	1 629	1 206	319	384	430
Fuel (total)	14 954	13 982	12 974	12 744	12 317
<i>Fuel (diesel oil)</i>	<i>8 364</i>	<i>8 109</i>	<i>7 248</i>	<i>7 316</i>	<i>7 446</i>
<i>Fuel (gasoline)</i>	<i>6 590</i>	<i>5 873</i>	<i>5 726</i>	<i>5 428</i>	<i>4 871</i>
Electricity (adjusted with green energy)	23 673	16 580	10 590	5 996	10 249
<i>Electricity</i>	<i>87 010</i>	<i>84 725</i>	<i>72 911</i>	<i>72 974</i>	<i>72 061</i>
<i>Green energy</i>	<i>63 337</i>	<i>68 145</i>	<i>62 321</i>	<i>66 978</i>	<i>61 813</i>
District heating	1 918	1 793	1 791	1 778	2 234
CO₂ emission of total energy consumption	114 421	109 972	96 246	96 536	94 584
CO₂ emission of total energy consumption (adjusted with green energy)	51 084	41 827	33 926	29 558	32 771
Carbon offset	-52 189	-50 000	-43 971	-30 000	-32 771
Cumulated CO₂ emission	0	0	0	0	0

SCOPE 1 EMISSIONS

Our Scope 1 emissions decreased by 7% compared with 2018. Hungarian subsidiaries show major changes, Magyar Telekom Plc lowered, T-Systems Hungary increased its emissions due to a new building

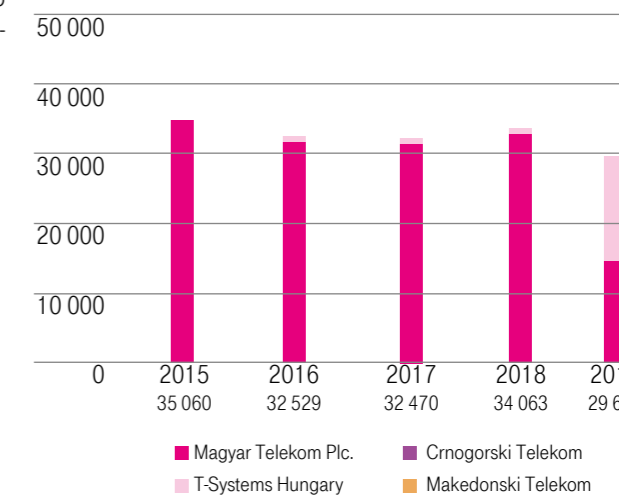
A MAGYAR TELEKOM GROUP'S SCOPE 1 EMISSIONS ✓

Scope 1 emissions (t CO ₂)	2015	2016	2017	2018	2019
<i>by source</i>					
Natural gas	8 910	8 266	8 252	8 656	7 541
Oil	1 629	1 206	319	384	430
Fuel (total)	14 954	13 982	12 974	12 744	12 317
<i>by member companies</i>					
Magyar Telekom Plc.	19 086	17 889	17 349	17 466	12 502
T-Systems Hungary	2 993	2 825	2 991	3 056	6 518
Crnogorski Telekom	1 120	997	0	0	0
Makedonski Telekom	2 293	1 744	1 205	1 261	1 268
Cumulated Scope 1 emission	25 493	23 454	21 545	21 783	20 288

Gas consumption

The Group's natural gas consumption decreased by 13% due to the relocation to the new headquarters building, but the rearrangement among the affiliates can be seen here, too.

GAS CONSUMPTION (MWH), MAGYAR TELEKOM GROUP ✓



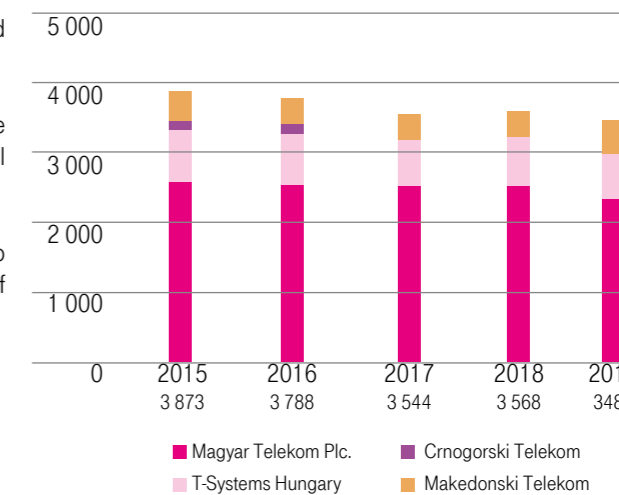
Fleet management, fuel consumption

The number of vehicles in the fleet on a Group level slightly decreased, but there are more benefit cars. The number of hybrid cars increased, their share in the benefit cars is 23.3%,

The fuel consumption (-4% ✓), the mileage (-3% ✓) and the average fuel consumption of vehicles (-1% ✓) has decreased at group level as compared to the previous year.

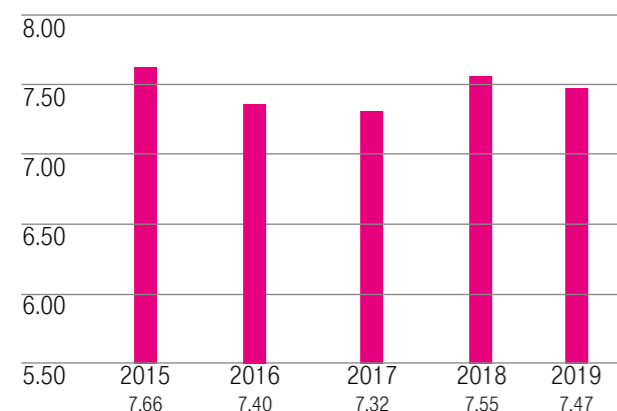
The electric cars' consumption decreased from 17.9 MWh to 17.1 MWh ✓ (Personal use is more significant due to the lack of refill-station capacity of the national network.)

TOTAL NUMBER OF VEHICLES MAGYAR TELEKOM GROUP ✓

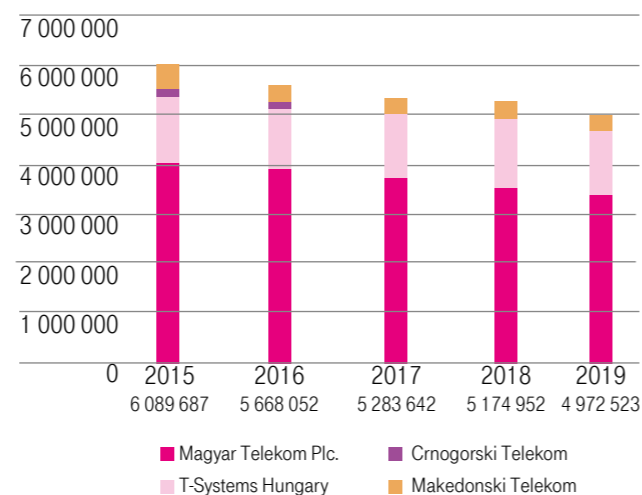


NUMBER OF VEHICLES BY FUEL AND USAGE TYPE ✓	2015	2016	2017	2018	2019
Number of vehicles	3 873	3 788	3 544	3 568	3 489
<i>by fuel type</i>					
Diesel	2 244	2 181	2 005	2 027	1 956
Gasoline	1 541	1 490	1 371	1 336	1 266
Hybrid	82	112	163	200	260
Electric	3	5	5	5	7
<i>by usage szerint</i>					
Benefit cars	1 423	1 359	1 399	1 450	1 587
Service cars	2 450	2 429	2 145	2 118	1 902

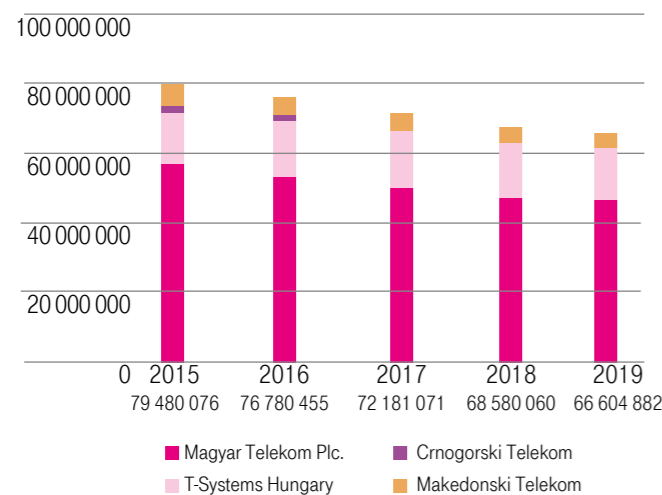
AVERAGE FUEL CONSUMPTION (L/100 KM), MAGYAR TELEKOM GROUP ✓



FUEL CONSUMPTION (LITER), MAGYAR TELEKOM GROUP ✓



MILEAGE OF VEHICLES (KM), MAGYAR TELEKOM GROUP ✓



SCOPE 2 EMISSIONS

Our Scope 2 emissions have increased because in 2018 the surplus of the renewable certificates (GoO – Guarantee of Origin) purchased of Magyar Telekom were accounted for Makedonski Telekom's emissions. In 2019 we purchased less GoOs. According to the GHG Protocol, CO₂ emissions from renewable energy were calculated as 0 tonnes of CO₂.

A MAGYAR TELEKOM GROUP SCOPE 2 EMISSIONS ✓

Scope 2 emissions (t CO ₂)	2015	2016	2017	2018	2019
<i>by source</i>					
Electricity (adjusted with green energy)	23 673	16 580	10 590	5 996	10 249
District heating	1 918	1 793	1 791	1 778	2 234
<i>by member companies</i>					
Magyar Telekom Plc.	7 886	1 534	1 556	1 493	1 889
T-Systems Hungary	1 276	35	28	145	204
Crnogorski Telekom	5 081	5 756	0	0	0
Makedonski Telekom	11 348 ¹	11 048	10 797	6 136	10 390
Cumulated Scope 2 emission	25 591	18 373	12 381	7 774	12 483

Electricity consumption

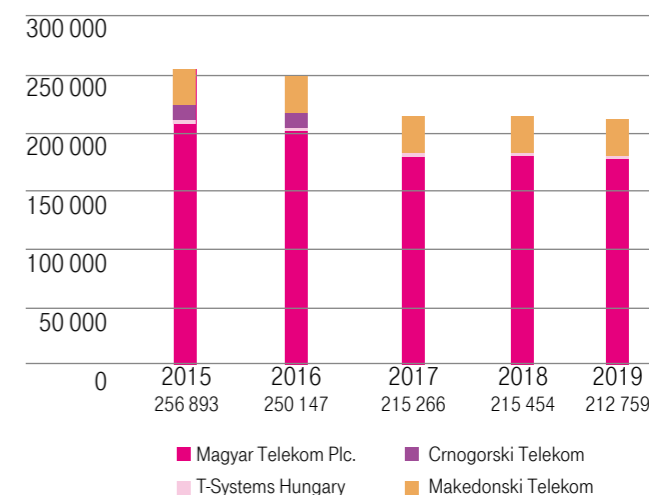
Magyar Telekom Group in 2019 Magyar Telekom Group continued with its efforts to energy-efficient operations, the electricity consumption decreased by 1% ✓. We continue to improve our energy efficiency in accordance with our Sustainability Strategy, and in compliance with the ISO 50001 standard.

The projects that could yield major savings (PSTN-replacement, data center ventilation, printer consolidation) had been completed by Magyar Telekom, in place of which several minor changes and maintenance projects ensured that energy consumption did not significantly increase. Thanks to the EMS (Energy management system) we could measure one by one the consumption of the most energy-efficient sites and we could correct the energy consumption immediately in case of over-consumption.

In 2019 we detected 1 081 MWh electricity savings at 3 main projects.

- Replacement of technological air conditioners, annual energy savings: 66 MWh
- Replacing chargers, annual energy savings: 725 MWh
- Battery replacement, annual energy savings: 290 MWh

ELECTRICITY CONSUMPTION² (MWH), MAGYAR TELEKOM GROUP ✓



¹ The data for 2015 had to be corrected compared to previous year's report because there was a mistype in case of Makedonski Telekom.

² Purchased electricity, the own energy production is not included.

COMMUNITY SOLAR PROJECT FOR EMPLOYEES

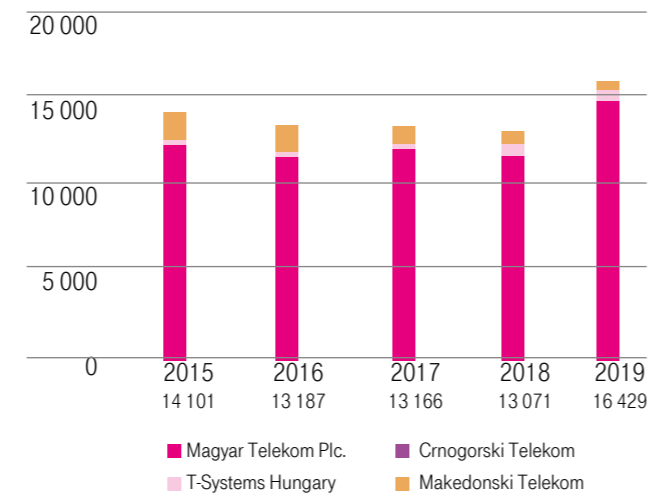
As the first in Hungary, Magyar Telekom introduced the Community Solar Project. As part of the project, 100 Magyar Telekom employees were able to rent a solar panel from the company for one year. The solar panels were installed on our Kékvirág Street educational building and the generated energy is used

locally. The system provides quarter of the energy consumption of the building. The employee solar panel project was also announced in 2019, all solar cells were sold out in about 18 hours record time. The solar system produced 32 MWh of clean energy in 2019. Current production can be followed [here](#).

District heating

At Group level, there is a minimally increasing trend in district heating, as we moved in to our new headquarter where district heating has been used instead of gas heating. Makedonski Telekom's energy consumption slightly increased, T-Systems' district heating has increased due to a newly rented property.

DISTRICT HEATING CONSUMPTION (MWH), MAGYAR TELEKOM GROUP ✓



SCOPE 3 EMISSIONS

Our Scope 3 emissions were measured more precisely by our commitment to Science Based Target initiative (SBTi). When we determined our emissions, we considered our own operating numbers, indicators of GHG Protocol and our suppliers' CDP disclosures.

MAGYAR TELEKOM PLC'S SCOPE 3 EMISSIONS (T CO₂)

Category	2017		2018		2019		KPI: 2030
1. Purchased goods and services	16 733	9,9%	16 920	12,9%	25 828	17,4%	13 387
2. Capital goods	12 311	7,3%	14 929	11,4%	22 789	15,4%	9 848
3. Fuel- and energy-related activities	4 132	2,4%	1 327	1,0%	2 026	1,4%	3 306
4. Upstream transportation & distribution	10 909	6,4%	12 338	9,4%	11 906	8,0%	10 909
5. Waste generated in operations	1 857	1,1%	1 987	1,5%	1 947	1,3%	1 857
6. Business travel	688	0,4%	410	0,3%	346	0,2%	344
7. Employee commuting	47 308	28,0%	2 893	2,2%	2 357	1,6%	37 846
8. Upstream leased assets	Not relevant, excluded						
9. Downstream transport	380	0,2%	637	0,5%	1 399	0,9%	380
10. Processing of sold products	Nem releváns						
11. Use of sold products	12 905	7,6%	14 596	11,1%	14 085	9,5%	6 453
12. End-of-life treatment of sold products	2 417	1,4%	2 734	2,1%	2 638	1,8%	2 417
13. Downstream leased assets	59 594	35,2%	62 153	47,5%	62 861	42,4%	29 797
14. Franchises	Not relevant, excluded						
15. Investments	Not relevant, excluded						
SUM	169 233	100%	130 923	100%	148 182	100%	116 543

Equipment in customers' premises

Our customers generate significant energy consumption by operating our CPEs, but that consumption is essential for using our services. Since 2016 we have conducted a precise calculation on the number and performance of CPEs (set-top-boxes, modems, terminals). Taking the number of subscriptions in 2019 into account, the energy consumption of our CPE's was 185.6 GWh ✓, which is equivalent to 62,86 tons ✓ of CO₂ emission. The average CPE's energy consumption dropped by 4% from 2018

Business travel

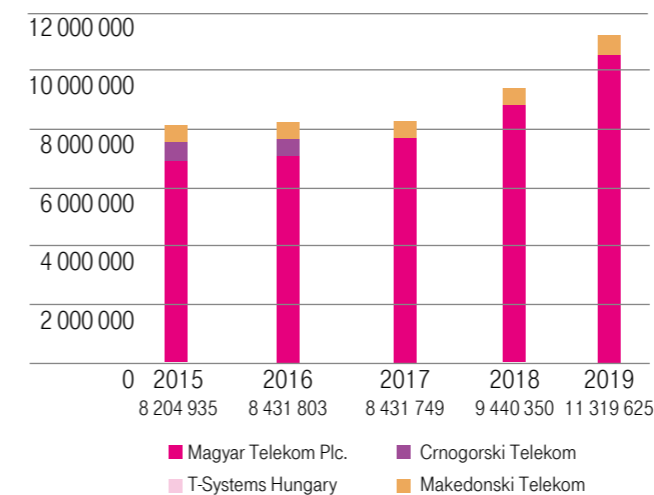
Share of business travels were the followings: 91% by plane and 9% by car. The emission of business travels (180 g CO₂/km as an average of air travel, and 111 g CO₂/km as an average car travel in 2019 was 592 tons of CO₂.

Electronic contract and billing

In the last couple of years Magyar Telekom has introduced e-signature and e-Terms of Service in its stores thus renewing personal customer service operations. This innovative solution may considerably reduce the number of printed documents, the working time and costs of printing, filing and storing. This will also improve the operational efficiency and reduce the environmental impact as well. Telekom's aim is to set up a full range electronic customer service in the future where legally binding documents with electronically recorded signatures will replace all paper-based contracts. The introduction of e-signature through tablets marks the first step of this process, as a result of which we were able to reduce the number of printed pages by 69%.

Thanks to the campaign Magyar Telekom achieved outstanding growth, electronic invoicing constitutes more than 26.6% of all residential billings.

ELECTRONIC BILLS (PCS), MAGYAR TELEKOM GROUP ✓



Teleworking

Magyar Telekom has been supporting telework for years as it is beneficial for the employer and the employee alike. In 2017 we started monitoring the commuting habits of our employees (based on a small sample, but for a large office building in a good location in terms of public transport): approximately 1/3 of the employees choose to come to work by car, driving a daily average of 40 kilometres and 2/3 choose community services commuting a daily average of 30 kilometres. In 2019 there were 169,161 telework days registered, saving 6 million kms of travel and 30 years of travel time. Considering this result, teleworking has a significant role in replacing travel. For additional information on teleworking see Chapter **Human rights and equal opportunities**.

Bicycle courier service

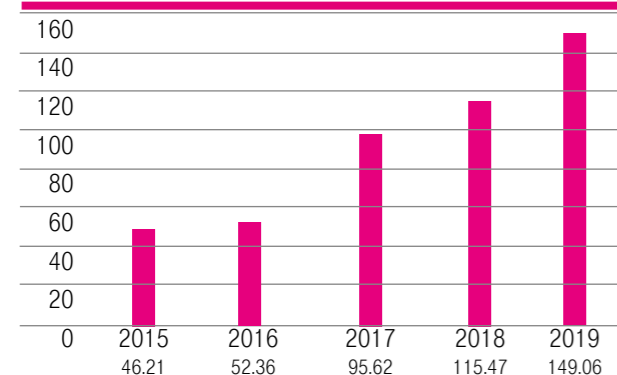
Since 2012 Magyar Telekom has been sending some of its consignments using bicycle courier service. In 2019 we used bike carriers 166 times and saved 1372 km of car travel. When moving to the new headquarters, the need to use bike couriers was kept to a minimum.

ENERGY EFFICIENCY

In order to measure our energy efficiency, in our Sustainability Strategy we use a Gbit/kWh indicator. Our goal was to reach 100 GBit/kWh, in 2019 it was 149.06 GBit/kWh ✓.

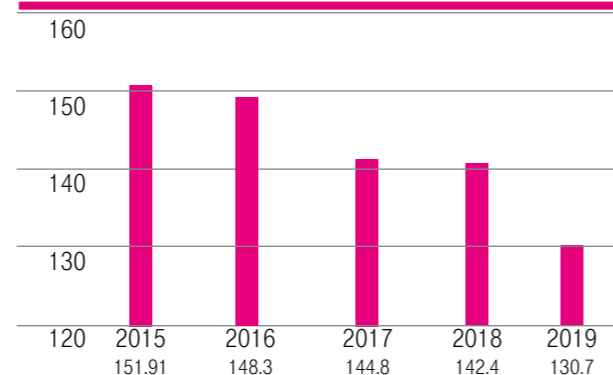
We apply three kinds of energy intensity indicators in order to show the changes in three factors: the electricity consumption of the network, fuel consumption of the fleet and the ratio of the revenue and the energy consumption. The effectiveness of the energy consumption of Magyar Telekom Plc.'s operation is characterized by the Gbit/kWh (transmitted bits/electricity consumption) energy efficiency indicator. The indicator shows that as the quantity of transmitted information grows the energy consumption proportionally reduces (i.e. we transfer more information with less energy). The fuel consumption efficiency is characterized by car pool average CO₂ emissions in g/km. For the revenue related energy consumption indicator, we use the GJ/HUF M. We would like to increase the first and reduce the second and the third indicator, we achieved all of them.

BITS TRANSMITTED/ENERGY CONSUMPTION (GBIT/KWH), MAGYAR TELEKOM PLC. ✓



Average carbon dioxide emissions from vehicles have further decreased to 130.7 g CO₂/km ✓, due to the introduced restriction in our bonus-malus system. We limited the emissions of the employee benefit cars and maximized their power.

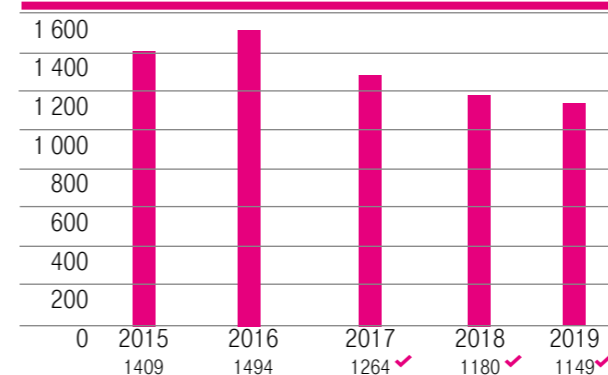
THE AVERAGE CO₂ EMISSIONS OF THE FLEET (G CO₂/KM), MAGYAR TELEKOM PLC. ✓



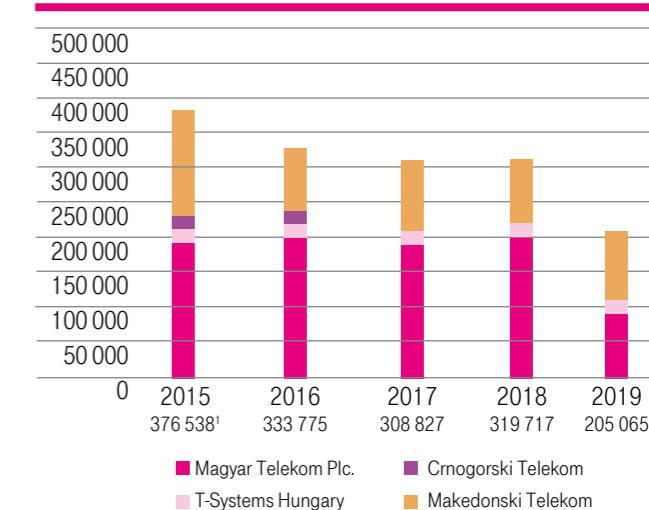
We introduced new financial incentives to make the hybrid and electric cars more favourable.

The revenue related energy consumption was 1149 GJ/HUF M ✓.

REVENUE RELATED ENERGY CONSUMPTION (GJ/M FT), MAGYAR TELEKOM GROUP



WATER CONSUMPTION (M³), MAGYAR TELEKOM GROUP ✓



ENVIRONMENTAL IMPACTS

Magyar Telekom Plc.'s developments are generally not obliged to prepare impact assessment studies (EIA). In 2019 there was no investment that concerned protected areas and/or Natura 2000 areas. Along our operations no damage occurred on the natural habitat and biodiversity of the concerned territories. We continue to pay increased attention to the protection of our shared natural heritage, by planning all our developments in compliance with the relevant rules and regulations.

Land use, landscape impact

It is important to the Group to implement its projects with only the necessary proportion of land use, thereby preserving the original biodiversity of the natural environment. Along our property investments we also make sure that our buildings fit in the original landscape.

The composition of the mobile network represents no significant change in 2019, there were 8003 base stations on Group level, the number of towers shared with other operators was 1713.

We contribute to local communities by creating community gardens and taking uncultivated land in use, thereby increasing the diversity of the area: in 2014 Magyar Telekom Plc. started the development of three community gardens, the first of which was opened near the company's site on Csárda Street, where the local gardeners started their work on 28 plots. In 2015 we opened two more community gardens near the company's site in Soroksári Street and Ceglédi Street. The community garden in Soroksári

Street is the largest in Budapest, where garden owners can work on almost 100 plots. We continued our cooperation in 2019.

Noise and vibration protection, electromagnetic fields (EMF)

In Magyar Telekom Group sites, we must pay increased attention to the following potential noise sources: outdoor air-conditioning equipment and emergency diesel generators. Last year, Magyar Telekom received 1 noise-related complaints from residents, in this case, the Green Authority carried out an inspection and determined by measurement that the limit was not exceeded, so the procedure was terminated. As to EMF issues, we carried out measurements in 13 cases, 2 of which prompted by complaints by residents, 10 upon the requests of lessors, and 1 mandated by the relevant authorities. The results of the measurements were in all cases in compliance with the relevant regulations.

Water consumption

The water consumption at Magyar Telekom Group is exclusively for social purposes. Group-level water consumption decreased by 36%.

Producer's and distributor's responsibility

In cooperation with equipment manufacturers Magyar Telekom is committed to environment friendly equipment manufacturing and recycling processes. For more details on our procurement requirements, please see chapter **Suppliers**. Sustainable products are elaborated in detail in chapter **ICT for sustainability**.

The major aim of the company is to carry out its operations with the least possible impact to the environment; we pay special attention to the revision, repair and re-use of the equipment in our network. The re-use rate of CPE devices is 57.6%.

Hungarian companies are obliged to comply with producer's responsibilities as follows:

- In the case of electronic equipment subject to product fee regulations most companies choose the payment of the product fee payment and the use of the national collection system. Magyar Telekom Plc. paid the mandatory product fee for electric and electronic equipment in 2019. The national collection rate requirement was 45% in the IT sector (the national system does not report company-level data.)
- In the case of batteries, in accordance with the provisions of law, Magyar Telekom Plc. partly transferred the obligation to intermediary organizations. Each year, our contracted partner, ReLem Limited Liability Non-Profit Corporation fulfils its obligation above the law enforced level.

In accordance with the legislations in force we inform our customers on our websites about the various waste disposal options for used equipment and batteries. The number of devices taken back was 32 kg in 2019.

All of our commercially available products are certified with energy efficiency certificates according to the requirements of the European Union and in compliance with the environmental standards set by Hungarian law. Manufacturer's statements with detailed information about the life cycle, reuse, the recycling of the product, the used materials and the reparability features are available in all of our stores. All of our procured network equipment should meet our high energy efficiency standards.

Emissions to Air

Magyar Telekom pays air pollution fee in accordance with the national legislations. The amount of pollutants emitted by Magyar Telekom Plc: NO_x: 1,0401 kg/h, CO: 0,207 kg/h according to air pollution control measurements. SO₂ emissions are not being tracked due to the desulphurization of fuels in Hungary. Magyar Telekom takes all necessary measures to treat the risk from operation of the fluorine greenhouse gas containing equipment. Based on the inspections carried out in accordance with the regulations there was no leakage in 2019. There is no equipment with R22 gas.

¹ The data for 2015 had to be corrected compared to previous year's report because values were incorrectly summarized.

WASTE

The quantity and quality of waste generated greatly depends on the current telecommunication projects and developments: on Group level in 2019, compared to 2018, the total amount of waste decreased by 2%. Due to the finished projects the Group level recycling rate has increased to 23%.

Within Magyar Telekom Group the largest proportion of generated waste (close to 60%) – is still the residual waste. Second by volume is technological waste 16%; hazardous waste is 11%; the proportion of paper waste is 3%.

In order to reduce the harmful effects of waste on the environment:

- We make sure that unused equipment gets reused either within the company, or by trading them to employees or external partners, or by renting, leasing or transferring them without compensation (donation).
- We collect waste selectively in more sites.
- We improve their effectiveness through the revision of our existing contracts, the regular revision of collection points and through communication.
- We continue to operate in accordance with the DT group level policy, released in 2015, for the regulation of the management of cables.



Recognizing the importance of plastic pollution at Magyar Telekom we set a new goal to significantly reducing the amount of single-used plastics generated during our operations. Within the Plastic Free Telekom initiative, first we removed these plastics from the headquarters operation. We provided our colleagues filtered water and jugs to reduce the amount of PET bottles.

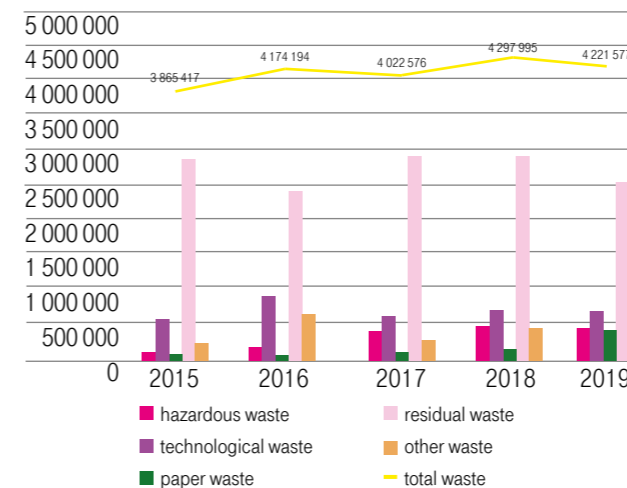
By the end of the Sustainability Strategic Period (2020), we aim to reduce the amount of PET bottles by 80% and completely eliminate disposable plastics. This requires strong cooperation with suppliers and partners and customers are affected too through the T-shops.

We reached our goal, we cut PET bottle usage by 80% by end of the year. We do not stop here: in 2020 we are willing to introduce the half size SIM card and expand the Plastic Free Telekom initiatives to all Hungarian Telekom sites.

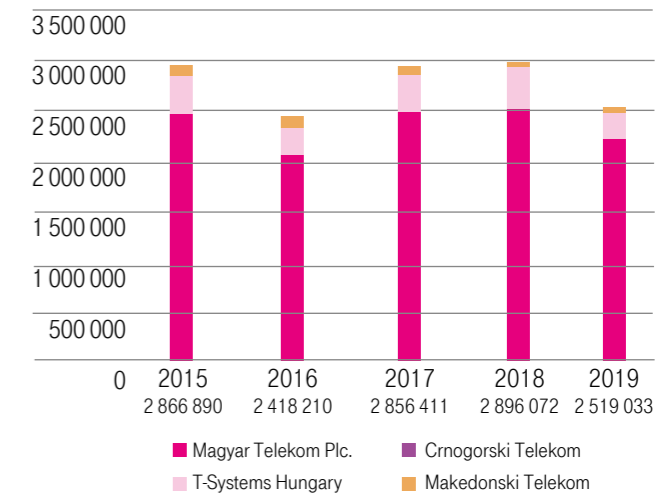
QUANTITY OF WASTE BY TYPE AND RECYCLING RATE AT MAGYAR TELEKOM GROUP, 2015-2019 ✓

	2015	2016	2017	2018	2019
Hazardous waste [kg]	119 556	219 469	241 162	383 097	472 507
Recycled hazardous waste [kg]	85 194	164 327	232 430	366 461	443 689
Technological waste [kg]	549 757	803 249	526 739	590 685	666 479
Recycled technological waste [kg]	335 142	778 975	173 793	189 452	201 806
Paper waste [kg]	79 337	97 046	90 690	126 712	132 646
Recycled paper waste [kg]	78 637	96 346	90 690	126 712	132 646
Residual waste [kg]	2 866 890	2 418 210	2 856 411	2 896 072	2 519 033
Recycled residual waste [kg]	0	13 317	12 045	1 543	0
Other waste [kg]	249 877	636 220	307 574	298 856	430 912
Recycled other waste [kg]	29 334	77 103	0	151 374	195 307
Total waste [kg]	3 865 417	4 174 194	4 022 576	4 297 995	4 221 577
Recycled waste total [kg]	528 307	1 130 068	508 958	835 542	973 447
Recycling rate (%)	14%	27%	13%	19%	23%

WASTE BY TYPE (KG), MAGYAR TELEKOM GROUP ✓



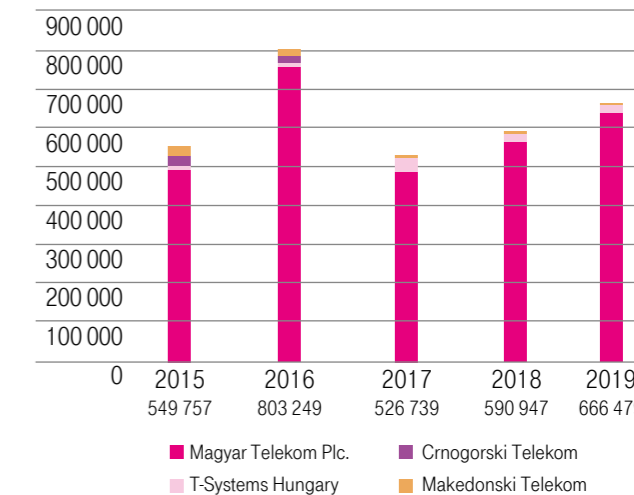
RESIDUAL WASTE (KG), MAGYAR TELEKOM GROUP ✓



Technological waste

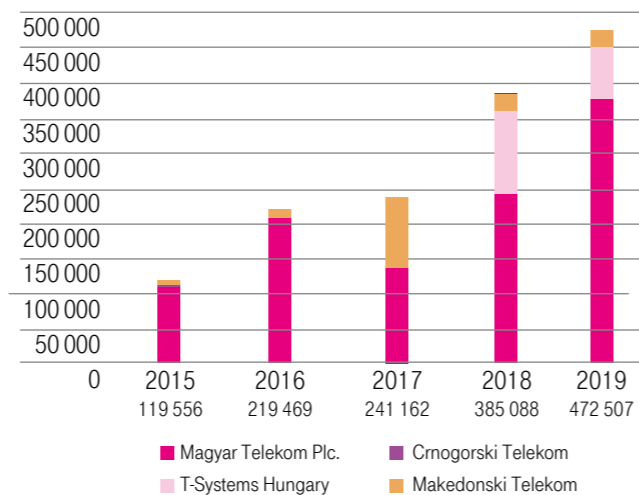
The amount of technological waste at group level increased by 13% ✓ due to a large-scale battery exchange project in our data centres. The recycling rate of technological waste has increased by 7%.

TECHNOLOGICAL WASTE (KG), MAGYAR TELEKOM GROUP ✓

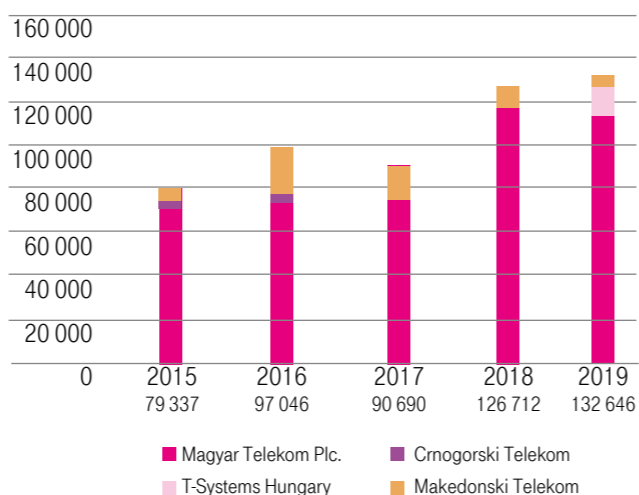


Hazardous waste

The amount of hazardous waste increased by 23% ✓ at Group level, due to network upgrade and maintenance (e.g. batteries, replacement of network elements). The amount of recycled hazardous waste increased by 21%.

**HAZARDOUS WASTE (KG),
MAGYAR TELEKOM GROUP ✓****Paper waste**

The quantity of paper waste increased at Group level by 5% ✓, due we used a significant amount of paper when moving into the new headquarters. 100% of the wastepaper is recycled

**PAPER WASTE (KG),
MAGYAR TELEKOM GROUP ✓**

At Magyar Telekom Plc. the recycling rate is nearly 23% ✓. In the case of residual waste, local public services must be used, so only estimated data is available; the waste is disposed into licensed landfill sites. The company does not transfer waste directly to incineration or composting.

The management of our stakeholders' environmental complaints is the responsibility of the Group Environment Protection Manager. Complaints and messages could be directed to: sustainability@telekom.hu (Our Hungarian e-mails addresses are fenntarthatosag@telekom.hu and kornyezetvedelem@telekom.hu). We are dedicated to respond to all proposals, complaints and enquiries as soon as practicable.