

A photograph of a woman and a young girl looking at a smartphone together. The woman is leaning over the girl, who is holding the phone. The image is overlaid with a solid magenta color.

Pioneering Digitalisation Our Responsibility for the Future

Magenta[®] Sustainability Report 2019

Key figures at a glance

Overview of key figures	Einheit	2017	2018	2019
Economy				
Revenue	€ million	899.6	1,054.7	1,276.0
EBITDA	€ million	266.5	336.0	467.0
Infrastructure investments	€ million	155.1	228.9	242.0
Transferred data volume (download and upload)				
Mobile	terabytes	313,503	491,364	659,661
Fixed network	petabytes	n.a.	1,478	1,784
SMS per year (outgoing and incoming)	billion SMS	2.1	2.2	2.1
Call minutes per year (outgoing and incoming)	billion minutes	13.7	13.9	16.7
Locations				
Shops	number	48	48	50
T-Center, regional offices, contact centres	number	6	11	11
Customers				
Customers (subscriptions)	million	5.9	8.7	5.0 ¹⁾
Share of customers using online billing	percent	75%	75%	75%
Resulting annual reduction of paper consumption	million sheets	69.5	75.0	88.9
Environment				
Total electricity consumption	MWh	123,196	132,470	180,291
Electricity consumption mobile network	MWh	118,212	127,484	134,911
Electricity consumption fixed network	MWh	n.a.	12,760	39,847
Energy intensity ²⁾	kWh/GB	0.38	0.26	0.20
Share of renewable energy (total)	percent	90%	90%	92%
Carbon footprint				
Scope 1 (heating, fleet, emergency standby systems)	tonnes of CO ₂ -eq	1,418	2,031	2,560 ³⁾
Scope 2 (electricity, district heating)	tonnes of CO ₂ -eq	2,253	3,506	4,329 ³⁾
Scope 3 (employee mobility, purchased goods and services, water, etc.)	tonnes of CO ₂ -eq	2,483	3,576	4,813 ³⁾
Total CO ₂ emissions	tonnes of CO ₂ -eq	6,154	9,114	11,702 ³⁾
Carbon intensity ⁴⁾	kg CO ₂ -eq/Terabyte	20	19	18
Employees				
Number of employees	headcount	1,503	2,512	2,424
Proportion of women	percent	40.9%	38.7%	37.5%
Proportion of men	percent	59.1%	61.3%	62.5%
Proportion of employees <30 years old	percent	22.8%	23.4%	22.9%
Proportion of employees 30-50 years old	percent	69.4%	66.4%	65.9%
Proportion of employees >50 years old	percent	7.9%	10.2%	11.2%
Age distribution/average age	in years	37	37	38
Proportion of women in management positions	percent	22.3%	26.4%	22.5%

1) As of 1 January 2019, inventory of M2M SIM cards in Austria was adjusted. 2.4 million customers were derecognised. The figure for 2019 was adjusted for this effect.

2) Figure refers to energy consumption and data volume only in the mobile network

3) Values subject to ongoing certification

4) Includes only data volume from the mobile network

n.a. = not available

About this report

Magenta Telekom strives to make a real contribution to sustainable development in Austria. This report provides an overview of specific activities we carry out within our company and beyond, relating to our stakeholders, current social topics and the protection and preservation of natural resources. All facts, figures and contents of this report were assessed on the basis of topicality, accuracy and reliability, comparability, clarity and balance. To determine the relevant sustainability topics, Deutsche Telekom conducts an ongoing, multi-stage materiality process, which has been implemented according to the methodology of the Global e-Sustainability Initiative (GeSI) since 2015. For the Sustainability Report 2019, a stakeholder dialogue was added to this process and the list of material topics was adapted to the Austrian market (see section “Constant Dialog with our stakeholders”).

The selection and presentation of the content, facts and figures in this report follow the international guidelines of the Global Reporting Initiative (GRI standards). This report has been prepared in accordance with the GRI Standards: Core option. The current Sustainability Report ties in with the previous report of 2018. However, the content, structure and indicators have been revised to align the report with Magenta Telekom’s new sustainability strategy (see section “Magenta Telekom – new sustainability strategy”). The key figures and activities presented refer to the Austrian market as well as the entire company Magenta Telekom (T-Mobile Austria GmbH) and essentially comprise the period from 1 January to 31 December 2019. Deviations are indicated accordingly. Magenta Telekom uses an annual reporting cycle.

For questions regarding the Magenta Telekom sustainability management or this report, please contact nachhaltig@magenta.at.

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Company and corporate strategy

Goals

The year 2019 marked the launch of the new Magenta brand, which was created in the wake of the merger of T-Mobile Austria and UPC Austria. Magenta's goal was to establish the new brand among all stakeholder groups. The merger to form a new company also required a revision of the sustainability strategy, which involved key stakeholders. This revision process was completed at the end of 2019.

Highlights 2019

- Launch of the new Magenta brand at a large stakeholder event
- 5G pioneer in Europe, with the launch of the 5G network in March 2019
- Gigabit for a million households in the Vienna region
- Multiple test winner for mobile communication and broadband internet in Austria
- Revision of the sustainability strategy

Customer growth 2019

- Increase by 5 percent in the mobile customer segment (2019: 5.02 million subscribers)
- 3 percent more broadband users (2019: 612,000 customers)

Statement by the management

Dear Readers,

We can look back on a highly successful and eventful financial year: 2019 not only marked the birth of the Magenta brand, but we also took significant steps forward as a company and as the backbone of digitalisation in Austria. In March 2019, we launched the first 5G network in Austria and became the first company within the Deutsche Telekom Group to operate a live 5G network. Moreover, we gave around a million households and businesses in the greater Vienna area an enormous technology boost in the fixed network: they can now enjoy internet speeds of up to one gigabit in Magenta's fibre-optic cable network, so they are in perfect shape for a digital future. Magenta Telekom's annual revenue rose by 21 percent to 1.28 billion euros and we improved our earnings by 36 percent to 467.4 million euros. Likewise, the number of broadband and mobile customers also increased.

In terms of sustainability management, the merger of T-Mobile and UPC to form Magenta and the new corporate strategy required us to review our sustainability strategy. We therefore initiated and implemented an intensive stakeholder process in the second half of 2019. Based on the key topics, we defined three strategic action areas: Our activities are guided by the goal to "use telecommunications for the benefit of society" and, above all, advance digitalisation in Austria. As a provider of critical infrastructure whose operations have been CO₂-neutral throughout the entire company since 2015, we aim to "lead the way towards a climate-friendly society". Since the handling of data and data privacy are increasingly gaining importance within society, our third focus is to "lead Austria into a secure digital future". These three strategic action areas lay the foundation for our measures and targets.

During 2019, climate protection became an especially important issue for me personally and I cannot over-emphasise the significance of our role as a telecommunications provider in sustainably reducing CO₂ emissions. Our infrastructure is the key to solving many problems and we are committed to putting an even stronger focus on these solutions in everything we do – this includes energy efficiency within our company, but above all the digitalisation of Austria's economy and households. At

the end of 2019, our Group adopted binding climate protection targets which we will enthusiastically implement at Magenta in Austria or have in part already met since 2015. Deutsche Telekom Group will switch over its entire electricity sourcing to renewable energies by 2021. As we have fully relied on electricity from renewable sources since 2015, this requires no action on our part. However, electrical energy is not the only aspect we focus on. Another goal is to reduce emissions from gas, oil and other energy sources throughout the Group. By 2030, we aim to lower our CO₂ emissions by 90 percent compared with 2017. We will work intensively to achieve this goal in the coming years.

Magenta Telekom was launched as a brand with a big promise in the Austrian market last year: We are the ultimate promise for Austria's digital future. However, we can only keep this promise if we act sustainably and stand by our values. To this we are committed.

Yours,
Andreas Bierwirth

Presentation of the management

Magenta management

The management of Magenta Telekom (T-Mobile Austria GmbH) consists of a six-person team. Andreas Bierwirth, CEO (Chief Executive Officer) and Chairman of the Executive Board, leads the company together with his colleagues Sabine Bothe (Chief Human Resources Officer), Volker Libovsky (Chief Technology & Information Officer), Gero Niemeyer (Chief Financial Officer, until April 2020), Philipp Pohlmann (Chief Financial Officer, from April 2020), Jan Willem Stapel (Chief Commercial Officer B2C) and Maria Zesch (Chief Commercial Officer B2B & Digitalization).



Andreas Bierwirth
CEO (Chief Executive Officer) and
Chairman of the Executive Board

Dr Andreas Bierwirth, born in 1971, has served as Chairman of the Executive Board since 1 September 2012. In addition, Bierwirth has been a member of the Supervisory Board of the sister company Telekom Deutschland since 2017. Previously he served as Chairman of the Supervisory Board of T-Mobile Poland from 2015 to 2016.

After training as a bank officer, Andreas Bierwirth studied business administration at the University of Münster and received his doctorate (Dr. rer. pol.) from the Institute for Marketing. In his role of Deputy CEO of Eurowings, he oversaw the repositioning and re-branding of the Lufthansa subsidiary as Germanwings from 2002, which he managed from 2004 onwards. After two years as Vice President Marketing of Deutsche Lufthansa, he was appointed Chief Commercial Officer of Austrian Airlines in 2008, and also Chief Financial Officer from 2009 to 2012. Bierwirth is a professional pilot and non-executive board member of easyJet, London, and Chairman of the Supervisory Board of the listed restaurant and catering group DO & CO AG, Vienna.



Sabine Bothe
CHRO (Chief Human Resources Officer)

Dr Sabine Bothe, born in 1973, was appointed Chief Human Resources Officer on 1 August 2018. In this role, she was among other things responsible for all personnel matters relating to the merger of T-Mobile Austria and UPC.

Sabine Bothe has a doctorate in law and is an HR specialist with broad strategic and operational competence and nearly 20 years of leadership experience in several corporate groups including Deutsche Telekom, T-Mobile Austria, Compass Deutschland and Deutsche Lufthansa. She possesses particular competencies in the areas of transformation and cultural change.



Volker Libovsky
CTIO (Chief Technology & Information Officer)

Volker Libovsky, born in 1978, has been responsible for IT, networks and operations as a member of the Executive Board since July 2019. He is therefore responsible for IT and operating and expanding the mobile and fibre-optic cable networks. Volker Libovsky has held various positions in technical management since 2002. Most recently he was the CIO of Virgin Media, Unitymedia, UPC and Vice President IT for System Integration and M&A at Liberty Global in Amsterdam and London. He studied Commercial Science at the Vienna University of Economics and Business with a focus on capital markets, which he applied in national and international roles as well as in M&A transactions for Liberty Global in the last 17 years.



Gero Niemeyer
CFO (Chief Financial Officer) and Deputy Chairman
of the Executive Board (until April 2020)

Gero Niemeyer, born in 1973, was Chief Financial Officer (CFO) from April 2017 to April 2020. Niemeyer has worked within the Deutsche Telekom Group since 2005 and transferred to the sister company T-Mobile Netherlands in April 2020, where he is now the CFO.

Prior to his role at Magenta Telekom, he was Managing Director of Customer Services at Telekom Deutschland, where he was responsible for around 15,000 employees as well as for the financial management of the customer service organisation. Thanks to his long-standing experience in consultancy, including several years in the USA, Niemeyer brings extensive international expertise to his work as CFO. Niemeyer has a degree in engineering, is a graduate of RWTH Aachen and Imperial College London and is an alumnus of the Stanford Graduate School of Business.



Philipp Pohlman
CFO (Chief Financial Officer) and Deputy Chairman
of the Executive Board (since April 2020)

Pohlmann, born in 1982, has held positions in Group Development of Deutsche Telekom AG since 2014 and managed several M&A projects of Deutsche Telekom AG. Most recently, he was Senior Vice President and CFO of the USA and Group Development segment. His responsibilities included the M&A transaction in the USA and, from a segment perspective, the finances of T-Mobile Netherlands as well as the radio towers in Germany and the Netherlands.

Pohlmann started his professional career with Deutsche Bank in 2005 and worked for Morgan Stanley in Frankfurt and New York. He has a business degree from the German business university WHU – Otto Beisheim School of Management. Pohlmann has German and Czech citizenship.



Jan Willem Stapel
CCO B2C (Chief Commercial Officer B2C, until June 2020)¹⁾

Jan Willem Stapel, born 1979, was a member of the Executive Board from October 2018 to June 2020 and was responsible for the private customer business. Born in the Netherlands, he brought many years of experience with convergent products and strategies to Austria as a former senior manager at KPN. He is a graduate of the University of Groningen and several other international business schools, including the Kellogg School of Management in Chicago and die IMD Business School in Lausanne.

Maria Zesch
CCO B2B (Chief Commercial Officer B2B) & Digitalization

Maria Zesch, born in 1973, is the CCO Business & Digitalization and responsible for both the business customer segment and digitalisation matters at Magenta Telekom. Zesch has worked within the Deutsche Telekom Group since 2003 and has held several management positions at T-Mobile Austria and the sister company T-Mobile Hrvatski since 2008.

She graduated from the Vienna University of Economics and Business, is a recognised marketing, sales and service leader and has more than 20 years of experience in top management functions, including working at the international consulting firm A.T. Kearney and the Austrian broadcasting corporation ORF. Zesch is also a member of the Supervisory Board of Oekostrom AG, and was elected to the Supervisory Board of Ottakringer Getränke AG in 2020.



¹⁾ Bruno Duarte, 54, will commence his role as Chief Commercial Officer B2C at Magenta in mid-August 2020.

Outstanding company development

2019 was an outstanding year for Magenta Telekom (T-Mobile Austria GmbH): In addition to growth in all earnings figures, the company launched the new Magenta brand very successfully. Moreover, Magenta Telekom was the first company within Deutsche Telekom in Europe and the first provider in Austria to start up its 5G network. Since May 2019, Magenta Telekom has offered its customers gigabit speed in the fibre-optic cable network in the Vienna region and won several renowned network tests for mobile communication and broadband. Compared with the 2018 financial year, revenues climbed by 21 percent to 1,276.2 million euros (2018: 1,054.7 million euros). The increase in revenues is predominantly attributable to the acquisition of UPC Austria. However, Magenta Telekom also grew operationally thanks to higher revenues in the contract customer segment and due to

increases in the wholesale business. The adjusted EBITDA AL (adjusted for one-off effects and leasing effects in accordance with IFRS 16) rose by 39 percent from 336 million euros to 467 million euros.

Customer growth in broadband and mobile communications

The number of mobile customers in the Magenta Telekom network amounted to 5.02 million SIM cards at the end of 2019, up roughly 5 percent on the prior-year figure of 4.78 million SIM cards. The number of broadband customers (fibre-optic cable internet and DSL) increased by approximately 3 percent to 612,000 connections in 2019.



Future investments for Austria's networks

With a record sum of 242 million euros, Magenta Telekom invested nearly a quarter of a billion euros in Austria's networks in 2019, and was the first provider in Austria to launch its 5G network in March 2019. In addition, Magenta has also offered speeds of up to one gigabit in the fibre-optic cable network to about a million households in the greater Vienna area since May 2019. Based on investments in a new transmission standard (DOCSIS 3.1⁴⁾), the Magenta fibre-optic cable network offers its customers gigabit speeds, making Vienna one of the first cities in Europe to be supplied comprehensively with gigabit internet. In 2020, other Austrian cities will also benefit from this upgrade. Likewise, the expansion of 5G will continue to advance throughout Austria in 2020; at the end of 2019, the first 58 5G locations were in operation in 33 communities. Along with the expansion of the 5G network, the first Magenta 5G campus will start operating in 2020 at TU Graz in order to enable research for future digital factories (Industry 4.0). With the best LTE mobile network in Austria (connect, Chip), 97 percent of all households in Austria were covered at the end of the year 2019. Moreover, the Narrowband-IoT network already penetrates 99.4 percent of the populated area in Austria.



5.02 million
SIM cards
at the end of 2019

Outlook

In 2020, Magenta Telekom aims to offer its customers an even better performance and product experience. The expansion of fibre-optic cable networks providing gigabit speed will be driven with the target of covering 1.2 million households throughout Austria, and an expansion of 5G to 1,200 locations across Austria is also planned by the end of 2020. With the rebranding of tele.ring to Magenta, all Magenta customers will benefit from a uniform world of benefits and participate in the MagentaEINS programme, which offers further cost-saving opportunities.

Economic key figures 2018 and 2019

	2019	2018	Increase	Change in %:
Revenues	1,276 million euros	1,055 million euros	221 million euros	20.9
EBITDA AL (adjusted for one-off effects) ¹⁾	467 million euros	336 million euros	131 million euros	39.0
CAPEX	242 million euros	229 million euros	13 million euros	6.0
Mobile customers Customers in thousands (k)	5,019	4,780 ²⁾	239 k	5.0
Fixed network connections in thousands (k) ³⁾	549	538	11 k	2.0
Broadband customers in thousands (k)	612	594	18 k	3.0

1) For the performance indicators newly defined due to the adoption of the accounting standard IFRS 16, the comparative figures for 2018 were determined on a pro-forma basis.

2) As of 1 January 2019, inventory of M2M SIM-cards in Austria was adjusted. 2.4 million customers were derecognised. This comparative figure was adjusted. (2018 unadjusted: 7,194 k customers)

3) As a result of the acquisition of UPC Austria, fixed network connections and broadband customers have been reported since the third quarter of 2018. The comparative figures for fixed network connections for 2018 were adjusted for TV-only customers.

4) The DOCSIS technology dates back to 1997, when the organisation "Cable Labs" developed a standard for fast data transmission via existing cable TV networks. The developers called the breakthrough technology Data Over Cable Service Interface Specification (DOCSIS). While the common 3.0 standard achieves transmission rates of up to 600 Mbit/s, DOCSIS 3.1 reaches rates up to 10 Gbit/s.

The strength of a global group

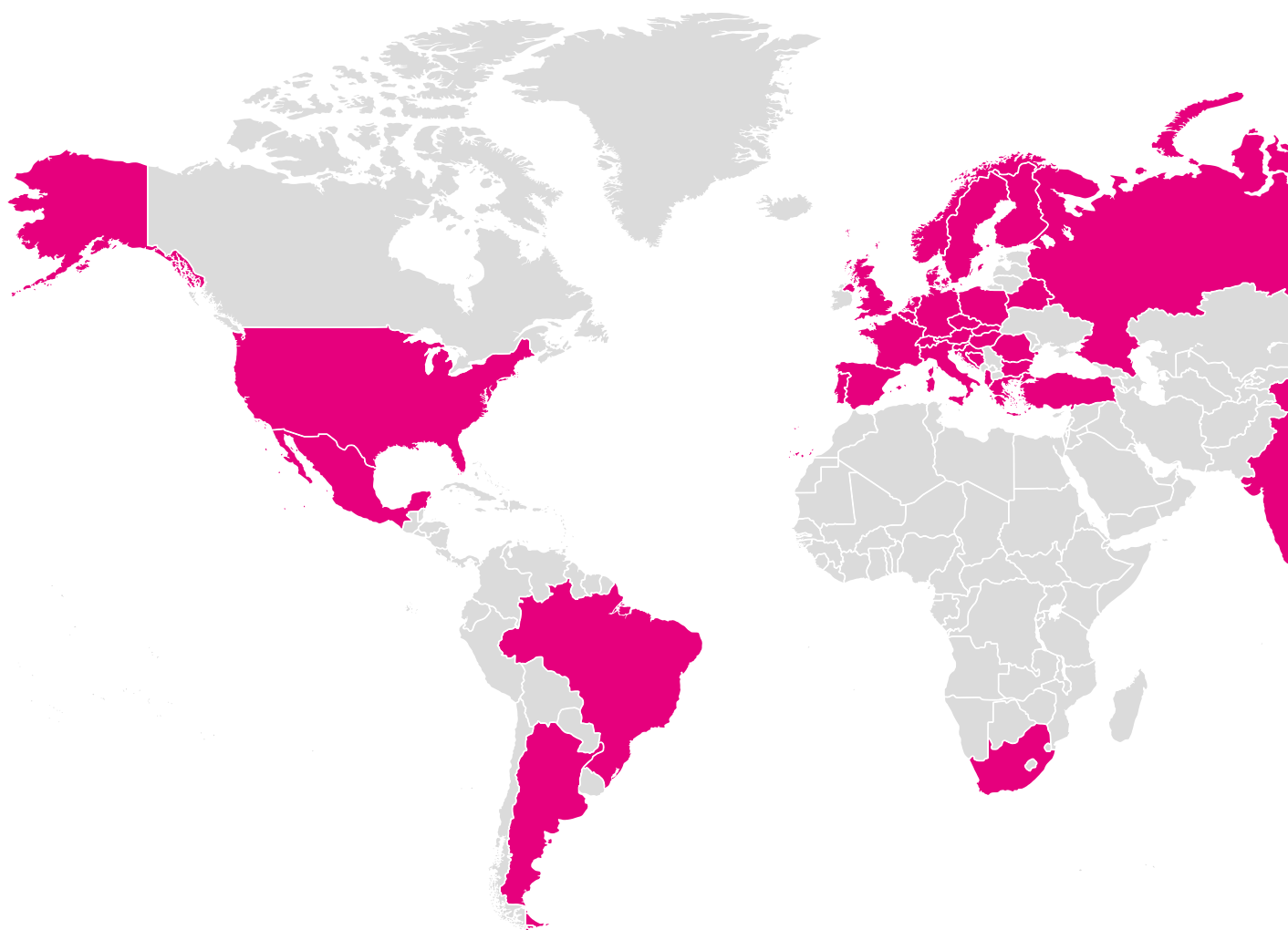
Magenta as a part of Deutsche Telekom Group

On our journey into a digital future, we are accompanied by our strong parent company, Deutsche Telekom AG (Deutsche Telekom). As part of the Deutsche Telekom Group, one of the main players in the global telecommunications market, Magenta Telekom benefits from the Group's innovative power and financial stability. In the 2019 financial year, the Group generated revenues of 80.5 billion euros. Magenta Telekom acts as a competence centre for the Internet of Things (IoT) for the entire Deutsche Telekom Group and as an M2M expert (Machine-to-Machine). Thanks to the concentrated expertise of the Deutsche Telekom Group, we also drive innovation in Austria.

Cross-border opportunities and innovative products

Not many Austrian companies can say that they have a research and development lab with several hundred researchers in Berlin. Few can claim to be among the largest providers of risk capital for European start-ups and to run their own office in Silicon Valley; or that, thanks to their global procurement power, they can offer their customers exclusive new products such as the first iPhone, the first Android phone or the Fairphone. All of these opportunities are open to Magenta as part of Europe's leading telecommunications group.

Deutsche Telekom – global presence in more than 50 countries



As a member of Deutsche Telekom Group, Magenta can draw on the full range of these resources. By the same token, the Group can draw on the experience gained where Austria has taken a pioneering role for the entire group. For example back in 2010, when Innsbruck, the first European city offering LTE commercially, opened the network of the future. In 2012, Magenta, along with T-Mobile Netherlands, was the first national company to offer music streaming as part of its portfolio. In 2019, we were also the first provider within Deutsche Telekom Group to launch 5G – the next standard for mobile communications.

At Magenta, we are particularly proud that here in Austria we were the first company of the Deutsche Telekom Group to become CO₂-neutral in early 2015. By 2021, 100 percent of the electricity used by all companies across the Group will be sourced from renewable energies, while emissions from gas, oil and other energies will also be reduced. All sister companies will follow Austria's example. The Group's target for 2030 is to cut CO₂ emissions by 90 percent compared to 2017. Emissions related to the supply chain and the customer utilisation phase of our products and solutions are also addressed: here, Deutsche Telekom Group aims to reduce CO₂ emissions per customer by 25 percent by 2030 in comparison with 2017.



Patent management of the Deutsche Telekom Group based in Vienna

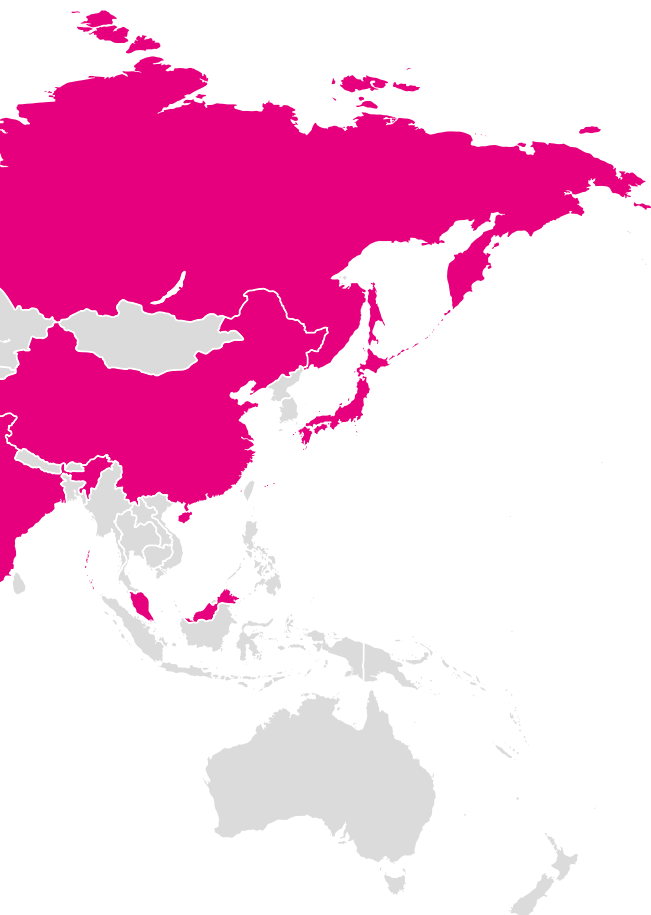
Vienna as a hub for patents and standardisation

The international tasks of the location in Vienna within Deutsche Telekom Group include overseeing the Vienna-based Standardization & IPR (Intellectual Property Rights) Management team. This team manages the patents to ensure that innovations of Deutsche Telekom are legally protected. Based on international standards, these innovations are made available to all customers around the globe.

Along with the Internet of Things and the further development of LTE, e.g. for energy-saving data transmission, one of the current focus areas of innovation is the intensive work on 5G, which ranges from the virtualisation of networks to automation and operation using AI/ML (artificial intelligence/machine learning) algorithms.

Standardisation itself generates innovation: discussions with other network operators and manufacturers give rise to new ideas that, in turn, lead to innovative technologies. Our Standardization team obtains patents to ensure that Deutsche Telekom retains the rights of use for these innovations.

Deutsche Telekom AG, like many other companies, is increasingly subject to attacks of so-called "Patent Assertion Entities" (PAE): law firms that buy up patents and subsequently institute proceedings against as many production companies as possible; the media often refer to such companies as "patent trolls". The tasks of the Standardization team also include working with the patent agents of Deutsche Telekom AG to defend the company against unfounded claims.



Magenta Telekom – new sustainability strategy

Sustainability is in our DNA

As a subsidiary of a globally leading telecom, at Magenta we strive to make a significant contribution to the sustainable development of our society. We adopt a position and stand by our convictions. To get better at this, we have established a sustainability structure in the company itself, where sustainability management falls under the responsibility of the Executive Board. As a responsible company, Magenta thus faces up to the economic, ecological and social challenges of the future. We aim to begin where, in light of our core business, we can make a significant contribution to the sustainable development of our society.

New strategy based on the stakeholder dialogue

We took the following steps to develop our new sustainability strategy:

1. Overview of the topics

We reviewed whether there were any topics we did not yet have on our radar. To this end, we conducted an industry analysis. Above all, however, we also compared our topics with those of our parent company, Deutsche Telekom – even though the final strategy would eventually have to focus on regional specifics in Austria. Consequently, we added individual aspects such as material sourcing and conflict materials in the area of the supply chain.

2. Benchmarking

Within the Deutsche Telekom Group, we benchmarked against other countries, comparing the performance of individual KPIs (e.g., share of women in management, CO2 intensity in relation to data volume, share of renewable energy, community investment, etc.), or comparing these KPIs with those of the industry and their questions: Which are the topics that targets are set for? Where are there particularly many and interesting initiatives?

3. Stakeholder dialogue

The following section explains in detail how the stakeholder dialogue was conducted.

4. SWOT analysis

We derived strengths, weaknesses, opportunities and risks.

5. Strategy workshop

A cross-functional strategy workshop was held with representatives from a variety of business units.

Result: the new Magenta sustainability strategy

The new sustainability strategy is based on Magenta's general corporate strategy: "The ultimate digital promise for Austria". We have also adopted this mission statement in our sustainability strategy. The strategy describes how this version will become reality while at the same time supporting the Sustainable Development Goals (SDGs). The sustainability strategy therefore perfectly complements the overarching corporate strategy.

Magenta's sustainability strategy underlines our efforts to be a positive force that actively shapes the transformation towards a sustainable society. In doing so, we offer our customers the best solutions for a safe, environmentally friendly and socially fair digital future. Living these solutions and values within our company, we also make a contribution to creating this sustainable society.

Mission statements for the strategic sustainability action areas

At Magenta, we strive to be a positive force that actively contributes to shaping the transformation towards a sustainable society and economy. In doing so, we offer our customers the best solutions for a secure, environmentally friendly and socially fair digital future.

	For our customers	For us at Magenta
Telecommunications for the benefit of society	<p>We connect living and working to enable a sustainable way of life.</p> <p>We make a positive contribution to shaping the changes in an increasingly digitalised working and living environment. Magenta Telekom provides innovative solutions to support more self-empowerment, a better quality of life for leisure time and work, more equal opportunities and participation in the information and knowledge society, and better health!</p>	<p>We live tomorrow's sustainable working environment today!</p> <p>In our organisation, we are already establishing a digital working environment today, making us a leader in mobile work, the reconciliation of working and family life, participation, the development of talent acquisition and employee development as well as equal opportunities and diversity.</p>
Pioneer for a climate-friendly society	<p>We offer digital solutions for a climate-friendly society</p> <p>Our solutions enable our customers and partners to live and work in a climate-friendly way. We aim to be the number 1 for digital offerings towards a low-carbon society. Our customers will benefit noticeably from these advantages.</p>	<p>We strive to be a carbon-neutral company</p> <p>For us, that means innovative solutions for energy efficiency, specific investments in renewable energy, climate neutrality through purchasing 100% green electricity and credible climate protection projects.</p>
Leading Austria into a secure digital future	<p>We strengthen media literacy and digital security for our customers</p> <p>We strive to be Austria's first telecommunications provider supporting interested customers in increasing their media literacy and living digital security. In particular, we want to be a partner for children and young people, helping them to get fit for a digital future.</p>	<p>We stand for data privacy and compliance</p> <p>Magenta stands for customer data privacy, digital security, and sets high standards regarding compliance and business ethics. Our credo is: We always play fair. With anyone. Anywhere.</p>

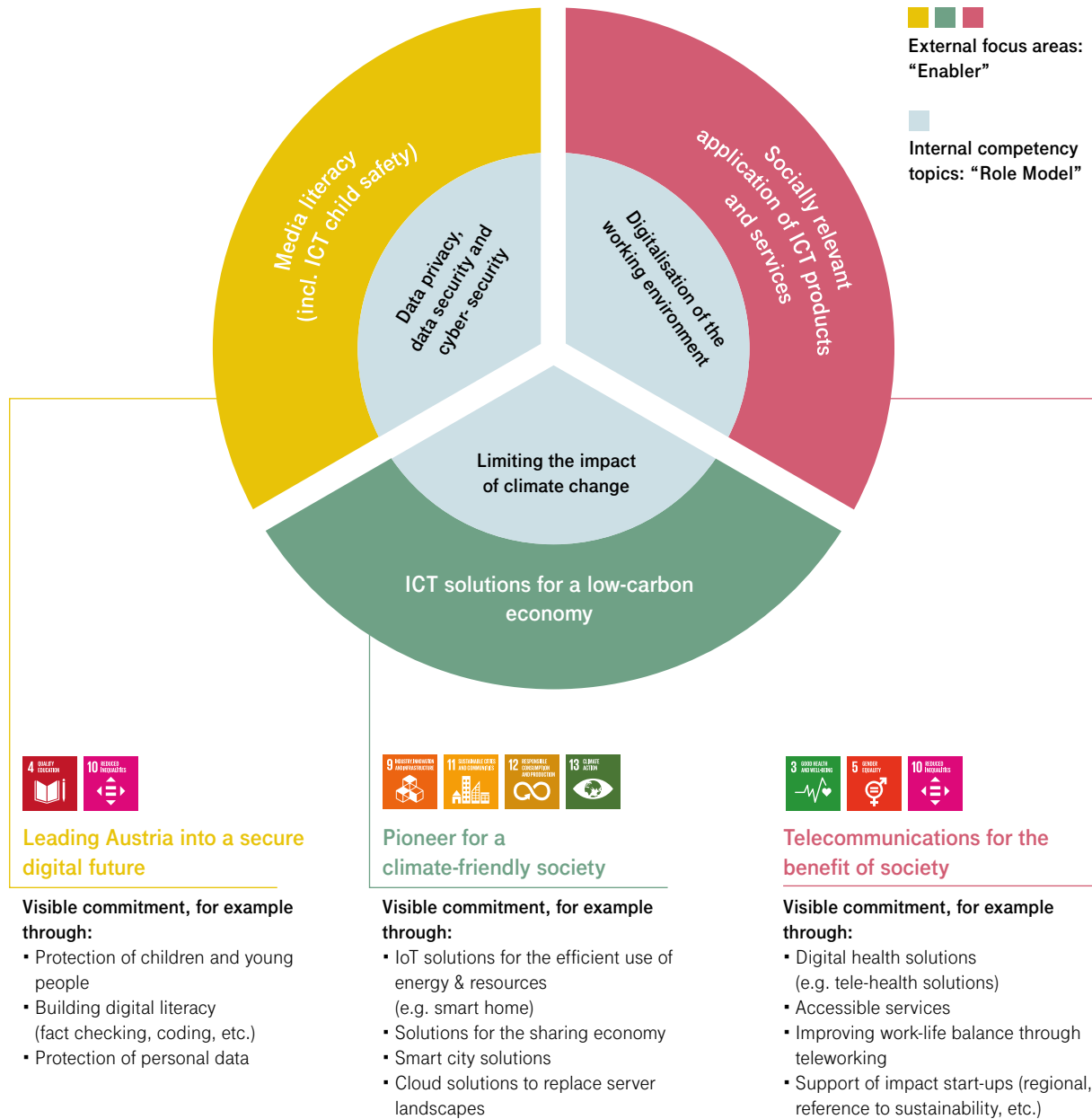
At Magenta, we will set specific targets in these areas and align our initiatives to them. However, the foundation of the sustainability strategy is undisputedly a good basis in these key issues:

- Network expansion
- Ethical business practices and compliance
- Diversity and anti-discrimination
- Product responsibility, resource conservation and recycling
- Talent acquisition, employee retention and development



Magenta is facing the economic, ecological and social challenges of the future.

Strategic sustainability focus areas



Magenta has established its own sustainability organisation in order to better coordinate these sustainability issues.

Sustainability management is part of the Corporate Communications & Responsibility department; the head of this department reports directly to the Executive Board. Magenta Telekom also has a Sustainability Board with representatives from all areas. Although Magenta itself is not a listed company, we issue Sustainability Reports to inform our stakeholders about our progress towards becoming a company with sustainable operations. In these reports, we comply with the internationally

recognised GRI Standards. In our Sustainability Programme, we define binding targets and measures for the years ahead. We measure our progress using our system of indicators and the Group-wide ESG (environmental, social and governance) key performance indicators. The Sustainability Manager is also integrated into Group-wide sustainability governance through the international Corporate Responsibility Manager Network, which includes representatives from over 20 national subsidiaries.

Constant dialogue with our stakeholders

A sustained dialogue is essential to our promise for Austria's digital future

As we kicked off the new Magenta brand, we also made a promise for Austria's digital future. Magenta aims to boost digitalisation in Austria, strengthening the location in the long term. However, acting sustainably is only possible with an awareness of the perspective of other groups in society. Again and again, dialogue with our stakeholders has given rise to new projects that make a significant contribution to our efforts to lead Austria into a safe digital future.

Employees, customers, trade associations, authorities, universities and social and environmental organisations all have certain expectations of us, as we do of them. To learn about these expectations and to discuss topics, we strive to regularly reach out to our stakeholders and maintain a dialogue with them. We use many different channels to hold this dialogue, including our social media pages (Facebook, LinkedIn, etc.), our company blogs (www.magenta.at/blog), appearances and participation in congresses such as the European Forum Alpbach or specific dialogue platforms such as the Austrian Mobile Communications Forum, which focuses in particular on the much-discussed topic of 5G.

In addition to all regular communication channels, we also experienced two particularly intensive phases of dialogue with our stakeholders in 2019, starting with the event launching the Magenta brand on 6 May 2019. That evening, 2,500 guests from a variety of different areas gathered at Marx Halle to witness the launch of the new brand: employees, business customers, media representatives, high-profile politicians including Chancellor Sebastian Kurz, Economics Minister Margarete Schramböck and Vienna's Deputy Mayor Peter Hanke, our Group CEO Tim Höttges as well as other senior managers of Deutsche Telekom Group, representatives of NGOs and civil society as well as friends of the company. They all celebrated the birth of the new Magenta brand and experienced an evening of intensive dialogue.

Key results of the stakeholder dialogue in 2019

Stakeholders' perceptions and expectations are dynamic and subject to continuous change. That's why we invited customers, suppliers, partners, public sector representatives, NGOs and employees to join us in a dialogue in autumn of 2019. Moderated by sustainability specialists, the participants discussed Magenta's key topics of the materiality process, which were adapted accordingly, and the Group's sustainability targets were adjusted to the Austrian market. In a first round of feedback, the participants presented and discussed the outcome. Based on the results of the discussion, the topics were assessed regarding their relevance for the stakeholders and subsequently prioritised. The top 3 issues were media literacy (incl. ICT and child safety), resource conservation & recycling and ICT solutions for a low-carbon economy. In a next step, the stakeholders extensively discussed these three topics in a deep-dive and sounded out specific solutions. The results of the stakeholder dialogue were subsequently incorporated in Magenta's new sustainability strategy 2019 (see section Magenta – new sustainability strategy) and the revision of the material topics for the Sustainability Report (see next page).

This form of dialogue led to exciting new projects: in the current year, we will focus on the question of how Magenta can contribute to fighting climate change and how integration can take place beyond all products and services. Moreover, the new Fairphone 3 was added to the portfolio in 2019. This project emerged from a previous dialogue with our stakeholders. Our partnership with Fairphone, a Dutch social enterprise, arose from a suggestion of our customer Dreikönigsaktion, a catholic youth charity, in 2016. In addition, we hosted an event on mining rare earths at Vienna's University for Applied Sciences for Journalism and Media. Since then, we have also been buying certificates in the rare earth mining regions to support the local economy. We also have a partnership with Caritas Austria aiming to help people who have fled to Austria to integrate in society.

We are determined to continue the intensive stakeholder dialogue in the years to come. If you would like to be part of this conversation, please contact us at: nachhaltig@magenta.at

Materiality process and topic selection

Our Sustainability Report shows where Magenta can and hopes to make a real contribution to sustainable development – within our company and beyond it, in relation to our stakeholders, current societal topics and the protection and preservation of natural resources.

Overview of the main stakeholders



To determine relevant sustainability topics, Deutsche Telekom carries out an ongoing, multi-stage materiality process, which it has implemented according to the methodology of the Global e-Sustainability Initiative (GeSI) since 2015. In the following step, Deutsche Telekom's current sustainability topics have been evaluated and adapted based on the requirements of selected Austrian stakeholders. This was done in the context of regular stakeholder communications. In addition, the results of the stakeholder dialogue 2019 as described above were considered in the selection of topics, which led to slight changes in the list of material sustainability topics in comparison with the Sustainability Report of 2018. Magenta derives 12 material sustainability topics, which also form the essential content of this report in accordance with the GRI standards. In addition, this report includes information on other topics, projects and initiatives of Magenta.

The 12 material sustainability topics of Magenta Telekom

The following table shows the 12 key sustainability topics of Magenta Telekom, where they can be found in the report and the GRI aspects applied by topic.

Key topic	Section in the report	GRI aspect
Resource conservation and recycling	Life is a cycle	No corresponding aspect
Data privacy / data security	Personal data privacy, Data privacy, data security, cyber-security	GRI 418: Customer Privacy
Service quality	Service quality	No corresponding aspect
ICT solutions for a low-carbon economy	Visible commitment through IoT solutions, Support of impact start-ups	No corresponding aspect
Talent acquisition, employee retention & development	Magenta Learning	GRI 401: Employment, GRI 404: Training and Education
Limiting the impact of climate change	CO ₂ neutrality & electricity consumption	GRI 302: Energy, GRI 305: Emissions
Media literacy and ICT and child safety	Product security, Protection of children and young people, Enhancing digital media literacy	GRI 416: Customer Health and Safety
Network expansion	Outstanding company development, Network expansion	GRI 203: Indirect Economic Impacts
Ethical business practices and compliance	Ethical business practices and compliance	GRI 205: Anti-corruption
Sustainability (working standards, environmental protection) in the supply chain	Sustainable supply chain	GRI 308: Supplier Environmental Assessment GRI 414: Supplier Social Assessment
Employee health, safety and well-being	Health, safety and wellbeing	GRI 403: Occupational Health and Safety
Diversity and anti-discrimination	Magenta is multi-faceted – we promote diversity	GRI 405: Diversity and Equal Opportunity, GRI 406: Non-discrimination

Active communication with all stakeholder groups

Magenta has a strong focus on intensive communication and uses numerous channels to interact with its stakeholders. In addition to traditional media relations work, the Corporate Communications & Responsibility team relies on digital communication, both internally and externally. Moreover, we use a variety of social media channels (Facebook, LinkedIn, Twitter, Xing, Instagram and Tic Toc) to communicate.

In 2019, the focus of communications was on the introduction and establishment of the new Magenta brand. The launch event itself was followed by several other events including a press conference on the brand launch, background talks with business journalist two weeks after the launch, several presentations for different management target groups and a series of in-house communication formats to give employees a more profound understanding of the new brand. During live talks with up to 1,100 viewers on the intranet, all Executive Board members were individually available for questions and deep-dives. As part of a major strategy update in July 2020, the first few months following the brand launch were analysed and discussed.

Along with the new brand, communication focused primarily on technological innovations in 2019. In March 2019, Magenta Telekom was the first telecommunications provider in Austria and within the Deutsche Telekom Group to commission its 5G network. In addition to the ongoing expansion of 5G and innovations such as the first 5G video call, the upgrade of the fibre-optic cable networks to 1 gigabit speeds was another key topic. The expansion of the DOCSIS 3.1 technology enabled all households in Vienna (which are connected to the cable network) to benefit from these top speeds. The expansion is being continued throughout Austria in 2020.

Employee communication concentrated on enhancing the understanding of the brand, the new product world and the numerous innovations and changes in the company in 2019. Under the motto #Wirwerdeneins (#Webecomeone), an internal communications campaign was launched in 2018, aiming to strengthen the team spirit of the two companies T-Mobile Austria and UPC Austria after the merger. After launching the new Magenta brand in May 2019, this campaign was continued under the hashtag #Wirsindeins (#Weareone). All activities

helping to make the new, combined company a tangible experience were communicated under this hashtag. The highlight of these activities was definitely the relocation of all employees in Vienna to the new headquarters at the T-Center on Rennweg. In November 2019, the internal communications campaign #Wirwerdeneins was nominated for the State Prize PR in the category "Internal communication".

In social media communication, we ran an intensive campaign accompanying the launch of the new brand on all channels, which led to new record ratings and many new followers. The community interacted with the new brand to a much greater extent, and many positive comments were made on the successful rebranding.

In 2019, Magenta published 66 press releases, informing several hundred journalists and media representatives in the business, technology, current affairs, entertainment, marketing and HR segments about our media work via direct mailing. Our communications work was also recognised by the media when Peter Schiefer, Company Spokesman of Magenta Telekom, was presented with the award for company spokesman of the year 2019 in the category technology (first place) by the magazine "Journalist". In addition, six meetings with the media attended by up to 40 journalists were held and numerous one-on-one interviews with members of the Executive Board were organised. Magenta press conferences are generally broadcast in public livestreams to offer both journalists and interested people and customer direct access to our information.



Magenta interacts with its stakeholders through multiple channels.

Leading Austria into a secure digital future

Goals

Magenta's goal in 2019 was to be a pioneer for the 5G communication standard in Austria and Europe and to set new standards with gigabit speeds in the fibre-optic cable network in Austria. That's the next step we are taking together on Austria's path into the digital future.

Highlights 2019

- Taking a pioneering role in the 5G communication standard
- Roll-out of the new DOCSIS 3.1 technology in the fibre-optic network
- Driving the merger between T-Mobile and UPC

Network expansion



Gigabit through the air and fibre-optic cable networks

The Magenta network is the heart of our company and ranks among the best in Europe. In 2019, Magenta's mobile network was rated "outstanding" by specialist magazine connect, making it the Austrian test winner for the second time in this European comparison. Winning 955 of 1000 possible points, Magenta also achieved a top mark compared with other European countries. In addition, Magenta's fibre-optic cable network was the Austrian winner of the "Broadband" network test conducted by connect in 2019. This quality is part of our promise to drive Austria's digital future.

Our network connects people and machines – all over the world. With our convergent fibre-optic cable and 5G & LTE networks, we are a fully integrated provider of mobile and fixed broadband internet, mobile and fixed network telephony and offer entertainment and technologies for digital life.

In rural areas, 5G and LTE provide even remote valleys in Austria with fast internet. In suburban regions, hybrid technologies and DSL guarantee additional powerful internet connections. In cities, a combination of the fibre-optic network with other broadband technologies achieves peak download speeds of up to one gigabit and more. Magenta supplies 97 percent of Austria's population with broadband internet, about 40 percent

of all households with speeds of up to 500 Mbit/s and roughly one million households even with up to 1 Gbit/s. But we want more still. That's why we are the first operator within the EU to expand our first-class 5G network, adding the state-of-the-art DOCSIS 3.1 technology in the fibre-optic cable network. Magenta is investing around one billion euros from 2018 to 2021 to provide Austria with a powerful mobile and fixed broadband infrastructure.

Leading the way to digitalisation

We reliably lead the way to digitalisation. Our network satisfies our society's growing hunger for data and offers new opportunities to make our professional and private everyday lives easier and more comfortable. Digital transformation is progressing at an enormous pace: in 2019, the data volume transmitted in Magenta's mobile network alone grew by 34 percent compared to the previous year, reaching 659,661 terabytes.

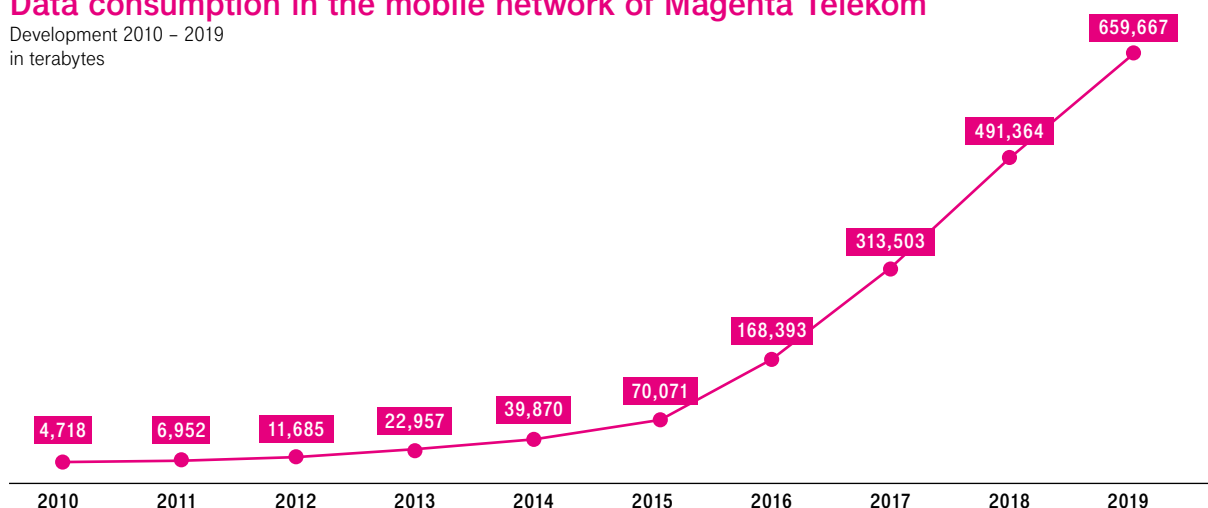
Different network technologies

Fibre-optic cable

In Austria's largest fibre-optic cable network, we offer state-of-the-art technologies for the ultimate surfing experience. Thanks to the introduction of DOCSIS 3.1

Data consumption in the mobile network of Magenta Telekom

Development 2010 – 2019
in terabytes



(Data Over Cable Service Interface Specification), the modern transmission standard for broadband internet via TV cable, up to 40 percent of all households in Austria benefit from the ultrafast speeds, stable performance and unlimited TV enjoyment. This standard technically allows up to 10 Gbit/s (downstream) and 1 Gbit/s (upstream). In practice, products are currently offered at download speeds up to 1 Gbit/s and were available in the greater Vienna area at the end of 2019. With the ongoing expansion, the gigabit region will continue to grow in 2020. Moreover, we are adding the GPON (Gigabit Ethernet Passive Optical Network)¹⁾ technology to our network in the first testing areas.

DSL

The DSL (Digital Subscriber Line) transmission technology uses the Austria-wide copper network, which is available in more than 90 percent of the Austrian households.

Mobile communications

LTE (Long Term Evolution), the fourth generation of mobile communications, currently forms the basis for powerful fast mobile internet and reliable telephony services in Austria's best mobile network (confirmed by the connect network test 01/2020 and the CHIP network test 05/2019).

On 31 October 2002, the first UMTS stations – also known as 3G – went on air, ushering in the era of mobile internet. Admittedly, the first UMTS connections were relatively slow by today's LTE standard. Nevertheless, at 384 kilobits per second (Kbit/s), it was possible to load large e-mail attachments and elaborately designed websites in a short time. By 2006, speeds of up to 7.2 megabits per second (Mbit/s) were reached. Today, speeds of up to 300 megabits per second are possible in the LTE

network. The previously used 2G technology is only applied in exceptional cases today, for example for pure voice telephony or SMS services.

The future of mobile communications: 5G

5G is gigabit through the air, a revolutionary mobile communications technology that allows 20 times higher download speeds, much faster loading times (lower latency) and a significantly more powerful network. We started intensive preparations for the use of 5G in 2018. In February 2018, a data transmission speed of 2 gigabits per second and a loading time of 3 milliseconds were achieved in a 5G showcase in Innsbruck, enabling the first flight of a drone with 5G control and image transmission in Europe. Only a year later, on 26 March 2019, we were the first company in Austria and within the Deutsche Telekom Group to launch a live 5G network. By the end 2019, 58 base stations had been set up; in 2020, we are once again significantly speeding up the expansion of the network.

Internet Hybrid

Internet hybrid combines fixed network and mobile communications, primarily the DSL and LTE technologies. This is a good choice when no Magenta fibre-optic cable network is available and the DSL internet speed offered in residential areas is insufficient for stable internet coverage. With this technology, the DSL landline is automatically complemented by the fast LTE technology via a hybrid modem to achieve faster internet speeds.

1) Gigabit Passive Optical Network (GPON) is a shared-medium technology based on passive optical networks (PON). Based on this technology, the user can be provided with data rates of up to 2.5 gigabit/s in downstream and 1.25 gigabit/s in upstream direction per cell.

Entertainment

Sustainability measures are taken for both central platforms and end devices in the households supplied. The continuous optimisation, consolidation and upgrading of system components have led to a further reduction of electricity consumption in central locations – even though the entertainment offering has been expanded. This idea is also catching on in households: the latest generation of end devices (set top boxes) comes without a hard drive – the recording function has been implemented through a central cloud recording solution.

We will continue to follow this path in future development. The “thin client” concept for set top boxes ensures a significant reduction of energy consumption and electronic waste at the end of the life cycle. Another highlight in the entertainment sector is the ongoing enhancement of image quality through increased bandwidth and optimisation of the necessary end devices for customers.

A mobile network for machines

With the new “NarrowBand IoT” technology and the 5G communication standard, the Internet of Things becomes reality. Magenta Telekom is the first telecommunications company in Austria to offer a nationwide network for the Internet of Things (NB-IoT). This mobile network for machines is available to 99.4 percent of the populated area in Austria, enabling extensive coverage of sensors. We are already working on the CAT-M standard, which will continue to drive the range of applications of the Internet of Things. Magenta Telekom acts as a competence centre for the Internet of Things (IoT) for the entire Deutsche Telekom Group.

Working on the digital future

We are working on a range of innovative projects for Austria’s digital future, for example:

5G Campus (TU Graz)

Set-up of a dedicated 5G campus network as part of a smart factory which enables all types of applications with extremely low latency. Robots and other automated machines connect with one another via 5G so that they can work in an autonomous mode. This campus is being installed at TU Graz.

EU research project ICT4CART

We are contributing to the European ICT4CART research project, which combines the technological possibilities of the telecommunications, automotive and IT industries in an attempt to improve and optimise them to provide the ICT infrastructure for the transition towards auto-

mating road traffic. The various sub-projects are conducted in cooperation with several partners and operators from different countries and are sponsored by the EU. As a member of this project, Magenta helps to shape the following applications:

1. Smart parking & IoT services
2. Optimising the level of vehicle automation based on infrastructure information
3. Optimising intersection traffic in urban and rural areas
4. Cross-border interoperability

Vienna 5G saves lives (City of Vienna 5G Use Case Challenge 1)

The goal of the project is to create an autonomous drone search and rescue solution bringing together drones, 5G, IA and edge computing. In cooperation with the fire brigade, Unmanned Life and the City of Vienna, a drone rescue simulation will be conducted in the Danube in Vienna.

Intrasafed (City of Vienna 5G Use Case Challenge 2)

Cooperation between Magenta, Swarco, the City of Vienna and the Vienna University of Technology to test and present a 5G warning system that increases the safety of pedestrians in bad visibility or at dangerous intersections in the city.

Supporting drone research at the University of Klagenfurt

We offer 5G connectivity and network knowledge to support research of 5G-controlled drone flights.

Special responsibility for health

Magenta is aware of the special responsibility it has towards its customers and the environment. Therefore, we guarantee that all base stations comply with the international personal protection thresholds set out by the World Health Organization (WHO) as well as by the EU in publicly accessible areas. This applies to all network technologies used, in particular to the new 5G mobile communication standard. For further information, all mobile network operators have set up an information page on the topic of 5G and health, which can be viewed at www.5ginfo.at. The EU also provides answers to questions regarding 5G, which are available at <https://ec.europa.eu/digital-single-market/>

Data privacy, data security, cyber-security

Secure in Magenta's network

The world of modern communication brings people closer together and opens up new opportunities for us every single day. Our digital world is based on a global network of a wide variety of different and complex systems. The spectrum ranges from spying on sensitive data to massive attacks on the availability of critical infrastructure. One method used in this context is the so-called distributed denial-of-service (DDoS) attack, which can be caused by unintentional overload or by a malicious, intentional attack on a server, computer or other components of a data network. This method has re-



peatedly been applied to attack fixed and mobile network operators in Austria and may cause large-scale disruptions for several hours.

Although it is impossible to provide 100 percent protection, Magenta has gone to great efforts to make the network secure. We take a wide range of security measures such as “washing” network traffic, meaning that network traffic is redirected to different access points. This ensures that prepared firewall rules identify certain patterns early on so that countermeasures can be initiated quickly. However, intelligent network monitoring is only one building block in our protection efforts. In general, many different components are used to protect the network, starting with the SIM card, where the saved data is protected through a cryptographic key.

Data transmission is generally encrypted in the network to make manipulation or interception impossible. All our base transceiver stations (BTS) are secured and continuously monitored. Once the BTS receives data, it is transferred to our own, secured network and processed using specially protected systems.

Further facts: Deutsche Telekom Group operates in 50 countries and serves more than 200 million customers. Magenta benefits from the global network and can draw on the expertise of 230,000 employees. In addition to this knowledge, numerous security procedures are in place which are backed up by nine Group Security Policies and standardised processes.

Digital signature verifies authenticity of Magenta e-invoices

The threats to online users posed by phishing e-mails – scams disguised as genuine bills – have increased considerably in recent years. In addition to a perfect imitation of the company design and proper spelling, recipients of spam and phishing e-mails are sometimes also addressed by their correct full name. In doing so, fraud has reached a new level. Magenta uses a digital signature to provide customers with security about the authenticity of the e-mail invoice they receive. Since August 2015, Magenta has only sent e-mail invoices featuring a digital signature, which is similar to a personal signature and confirms that the specified sender actually signed the e-mail. Signed e-mails can be identified by a corresponding symbol in the e-mail. Electronic data that only the authorised sender (signatory) can produce is attached to the electronic document. The automatic checks performed by the e-mail program ensure that the sender's identity is correct and that the electronically transmitted data has not been altered. When a user clicks on the signature symbol in the e-mail program, it displays additional information about the digital signature and, therefore, the verified sender of the message.

Paperless contracts save time and resources

Magenta uses digital signatures for contracts with suppliers and cooperation partners. Once the content of a contract has been established, a PDF file is uploaded to a platform of A-Trust, which is then digitally signed by the authorised signatories. The PDF then bears a legally valid signature in accordance with the Signature Act and is equivalent to a physically signed contract. Digital contracts save paper and simplify archiving on data carriers as well as creating back-ups and copies. Moreover, the time-consuming internal process for a contract on paper is eliminated, making the conclusion of contracts with suppliers and cooperation partners more efficient.

Additional sensors for intrusion detection system

The intrusion detection system identifies anomalies in network traffic and notifies them in the security monitoring. Cyber-attacks usually follow a certain pattern. The intrusion detection system identifies and reports such patterns. In 2019, Magenta expanded the intrusion detection system by including attacks known in the security community. Moreover, additional sensors were installed in the network to improve surveillance. To explain the idea behind this: the more cameras are installed, the more perspectives can be monitored – the same is true for a higher number of sensors in the network.

Security Incident and Event Management migrated to big data platform

Security Incident and Event Management collects and normalises log data of systems such as error messages or logins. By harmonising different log formats, anomalies or unusual behaviour can be identified. For example, attempts to use a root account with different passwords throughout a whole day can be detected this way. The data is also used when looking for errors in the network. If connections between individual systems do not work, errors can be searched efficiently in the collected log files.



Network tests by connect and CHIP confirm: Magenta has Austria's best LTE network.

In 2019, Magenta migrated Security Incident and Event Management to a big data platform, allowing storage of large data volumes and processing for different purposes. Thanks to large storage and computing capacities, new applications (use cases) for the evaluation of existing data can be implemented easily.

Extended checks of access to sensitive data in databases

Security measures help identify anomalies in access to databases. The authorisation matrix clearly defines competences and access rights for the work with personal data (customer data). An employee may, for example, retrieve individual customer data, but not 20 data sets at a time. This requires separate authorisation. Such rules ensure that compliance rules are followed and prevent unauthorised access and use of data.

External audits and reviews

In cooperation with Pentest and internal audits, the security measures were tested and externally evaluated for the first time in 2019.

Outlook

The systems and networks of the former UPC and T-Mobile are still gradually being integrated. In doing so, technical duplications are eliminated and technical systems are merged. Network technology is closely linked with network security and will therefore continue to be one of the focus areas of Magenta's activities in the coming year.

Personal data privacy

Data privacy is our top priority

Our customers and the public rightly expect us to handle the information entrusted to us by our business partners, customers and employees with due care. And we do our best to not only fulfil this expectation, but to ensure growing trust in us. Not only is Magenta subject to the relevant provisions concerning data protection (Austrian Data Protection Act and Austrian Telecommunications Act) and the corporate guidelines of the Deutsche Telekom Group regarding personal data protection (Privacy Code of Conduct), we also implement data protection from the very beginning in our processes, products, and services.

Data privacy serves for the protection of individuals in the processing of personal data. The right to data privacy is a fundamental right laid down in the constitution. Magenta Telekom processes a large volume of personal data of customers, business partners and employees, which must therefore be protected from unauthorised access and disclosure to unauthorised parties. The applicable Austrian Data Protection Act (DSG) builds upon the General Data Protection Regulation (GDPR) and protects the personal data of all persons. At Magenta Telekom, it is therefore our duty to protect the rights of our customers and employees and to meet our obligations to them.

How we secure data privacy

The protection of the personal data of customers and employees is a top priority for all companies of the Deutsche Telekom Group. The Binding Corporate Rules Privacy provide the basis for a global, standardised level of data protection and govern Magenta Telekom's obligations in connection with data processing.

They are publicly available at <https://www.telekom.com/en/corporate-responsibility/data-protection-data-security/news/data-protection-organisation-596466>

The Binding Corporate Rules Privacy are part of the security guidelines of the framework of security standards of Deutsche Telekom. The business units of Deutsche Telekom use sensitive information and data in order to assess, create and process their business tasks. This includes, for example, strategy papers, Management Board presentations, customer data, personnel data and telecommunications traffic data. Information and data represent fundamental and important company assets for

Deutsche Telekom, which must be adequately protected. Any measures for the protection of information or information security are risk-based and take into account adequacy and efficiency. Information is handled securely at Deutsche Telekom based on guidelines and protection targets.

In 2019, numerous internal process descriptions were implemented, including notification of a data breach, audits of service providers and the creation of new data protection regulations.

The Binding Corporate Rules Privacy also stipulate the appointment of a Data Privacy Officer for each Group company, regardless of whether or not this is a legal requirement. The Data Privacy Officer is supported by more than 30 Data Privacy Coordinators all over Austria. A part of their working time is dedicated to the Data Privacy Officer's operative tasks, for example conducting training measures and checks. They are the first point of contact for their colleagues from specialist departments for questions involving data privacy. Their responsibilities also include the records of processing activities and ensuring that these records are up to date.

In addition, Process and System Officers must be appointed to support the Data Privacy Officer in implementing provisions in business processes. These officers ensure that the measures taken ultimately lead to processes in accordance with data privacy requirements.

These corporate policies and the related organisation of data protection have been the basis for a very high level of data protection throughout the entire Deutsche Telekom Group for many years. The Group even goes beyond the strict rules of the GDPR and is consequently well equipped for the challenges of digitalisation still to come with respect to data privacy.

Overall, one justified complaint regarding the protection of customer privacy and the violation of data protection was submitted. Due to a system error, customer data was unintentionally passed on to a debt collection agency. The Data Protection Authority considered this a breach of the right to secrecy and upheld the customer's complaint. The authorities did not impose a penalty on Magenta.

The merger of T-Mobile and UPC to form Magenta also had data privacy implications

In order to guarantee the supervision of data privacy in all areas of business and to overcome all challenges related to the merger and the digital future, Magenta (T-Mobile Austria) hired a new Data Privacy Officer, who reports directly to the Executive Management.

In autumn of 2018, an independent auditing firm audited all UPC companies in Austria for weaknesses in data privacy. The resulting measures were successfully implemented in 2019, ushering in the beginning of the merger of the data protection organisations of UPC and T-Mobile.

In the first half of 2019, data protection activities were dominated by the rebranding of UPC and T-Mobile to Magenta. Based on the implementation of the measures derived from the audit of the UPC companies, numerous adjustments were made for Magenta. They included a new privacy policy, an adaptation of the consent to data processing, the standardisation of information forms and a facelift for the data protection page on the internet. All of these steps helped enhance the transparency of data privacy within the company and beyond.

After the successful merger of UPC and T-Mobile to form Magenta, the final acceptance of the data protection organisation by Deutsche Telekom took place in autumn 2019. The Internal Audit department reviewed the key elements of the General Data Protection Regulation (consent, transparency, data subject rights, processes, etc.). These measures were also successfully implemented in early 2020.

In addition to the merger, numerous awareness measures and training activities for employees were conducted. Training initially starts for all employees on the Welcome Day, when they join the company. In addition, they must also complete an online data protection training session every year. Data Privacy Coordinators receive special training. Separate training courses were held for specialist departments (e.g. Data Insights). Furthermore, employees can also register for voluntary face2face training. Many articles, such as the basics of data privacy, were published on the intranet and aim to assist employees in handling personal data.

Multiple public presentations were held for the Magenta brand in 2019. The Magenta brand was represented at the ARS Annual Meeting Data Protection and at the Business Breakfast of the Austrian Market Researcher Association, where the importance of data protection in telecommunications companies was emphasised.

Resources for data protection were increased in comparison with 2018. Currently, more than 30 Data Privacy Coordinators work with the Data Privacy Officer. In addition, numerous employees in a wide range of departments focus on data privacy topics in their everyday work.

Outlook

The targets for 2020 include, on the one hand, additional personnel to support the Data Privacy Coordinators and, on the other hand, monitoring and re-evaluating existing processes and documents. Moreover, there will be new products in the TV segment, which will be supported in their design from the outset – in line with the principle Privacy by Design.

Product security

We care about product security and customer safety

Internet users are getting younger and younger. Together with their parents as well as special organisations for the protection of children, we strive to offer the right products for users of all ages – in a form that is easy to explain, use and configure, while at the same time respecting the child's privacy.

Protecting the whole family – cloud protection, internet protection and cyber assistant

In 2019, Magenta aimed to provide customers with broad information on internet security in order to raise awareness of security issues. It was particularly important to us to point out dangers on the internet to our customers to ensure they are safe while surfing and using their digital devices. In doing so, we attached special attention to the protection of the internet line through cloud protection, internet protection preventing users from being redirected to fake pages, and Norton Multi-Security device protection. Along with intensive communication, we provided our solutions free of charge for three months in order to guarantee an optimal combination of internet line and device protection. The Cyber Assistant for the whole family was another important product we focused on in 2019. It provides protection from cyber-attacks, data loss and consequences such as financial losses.

By now, several hundred thousand customers use one of these products and are more than satisfied. In 2019, there were no violations related to the effects of products on health and safety.

Child safety

For many years, we have offered the product Kinderschutz (Child Protection), helping parents to make the internet safer for their children and to support them in finding their way in the digital world. This product equally protects children and strengthens the communication between parents and their children when exploring the internet. In 2018, we added the Magenta KidsWatch to our product portfolio, which shows parents the location of their child at any time and allows children to exchange messages with their parents as well as calling their parents or a predefined number directly in an emergency.

Fair&Secure: A replacement phone within one working day

For the Magenta Fair&Secure protection package, we work with the globally leading insurance provider Square Trade to give you the best possible support in cases of damage, theft, and misuse. We also provide an express replacement device so that our customers can stay well-connected.

We have taken customer input and used it to develop a new product. And the development will continue because insuring smartphones and tablets is especially important to us, as these products have become essential companions in our daily lives. Together with US insurance provider SquareTrade, we insure smartphones and tablets against any damage that may arise from moisture, breakage, short-circuiting, fire, and pets. The Premium package also includes theft or robbery. We take care of an express replacement device without red tape: In case of damage, you will receive the same, an equivalent, or better replacement device within one working day, depending on availability. For the sake of fairness, the insurance price is based on the price of the device, and you decide for yourself what you need and how you want to be insured.

Outlook

We will continue to focus on our customers' safety in the digital world in the years to come. Raising awareness of potential risks and how we can provide protection will always be important to us. That is why our activities will continue to focus on the ongoing development of our products and the implementation of the products in our new UPC customer base and the related systems.

Leading the way towards a climate-friendly society

Goals

- Securing and continuous optimisation of Magenta's energy requirements
- Ensuring that Magenta's electricity requirements are entirely covered by renewable energy sources
- Reduction of direct CO₂ emissions by 90 percent by 2030 compared with 2017
- Lowering CO₂ emissions per customer by 25 percent by 2030 compared with 2017
- CO₂-neutral operation of the company in Austria
- Implementation of the existing integrated management system for three certifications – ISO 14 001 environmental management, ISO 50 001 energy management, ISO 45 001 health and safety – for T-Mobile and the former UPC

Highlights 2019

- In 2019, the energy required for the mobile network was reduced by roughly 5.5 percent as a result of optimisation measures.
- The planning and integration of the former UPC into the company's energy management was started in 2019 and will continue in 2020.
- The Group-wide climate protection targets and their implementation in Austria were adopted.

There is no plan B for the environment – CO₂ neutrality and electricity consumption

How we limit the impact of climate change

Handling resources with care is our duty to this generation and those to come. Starting with planning and optimisation, we continuously optimise the use of energy and resources and have ensured carbon neutrality throughout the entire company since 2015. Since the merger with UPC, we have been able to keep our energy consumption CO₂-neutral and make the entire company CO₂-free. Even before the merger, T-Mobile had already been CO₂-neutral since 2015. In addition, we are constantly working on optimising Magenta's existing processes to ensure full integration of the former UPC for all energy sources.



100 %
of electricity from
renewable energies
since 2015

Magenta endeavours to use energy efficiently and puts strong emphasis on handling resources with care. This includes a CO₂-free network and the target to minimise CO₂ emissions throughout the company. To achieve this energy policy we have implemented the complete energy management system in accordance with ISO 50001 since 2015.

In 2019, Deutsche Telekom introduced Group-wide climate protection targets and Magenta Telekom adopted a formal resolution to implement the Group-wide targets for Magenta in Austria in the autumn of 2019. Since 2015, 100 percent of the electricity we purchased has

been sourced from renewable energies, so no further action is required to achieve this target by 2021. The Group also aims to reduce other emissions from gas, oil and other energy sources, thus lowering our CO₂ emissions by 90 percent by 2030 compared with 2017. We also keep an eye on emissions related to the supply chain and to the utilisation phase of our products and solutions with the customer. Here, we aim to cut CO₂ emissions per customer by 25 percent by 2030 in comparison with 2017.

CO₂ neutrality at Magenta

Preventing emissions is the top priority in everything Magenta does. Where this is not possible, we strive to continuously optimise them and compensate for any remainder.

Global warming is one of the greatest challenges of our time. Since early 2015, the electricity we purchase, which covers 90 percent of our total energy requirements, has been completely without CO₂ emissions and is produced from renewable, non-nuclear sources. The same is true for the UPC fibre-optic cable networks, which we acquired in 2018. The electricity used to operate these networks is also entirely drawn from renewable, non-nuclear sources. For the remaining 10 percent – made up of electricity supplied to individual locations by landlords from unknown sources – we compensate for potential CO₂ emissions in accordance with international standards through CO₂ offsetting. Our aim for 2020 is to assess these unknown electricity sources and to switch over to green electricity certificates instead of offsetting. So green electricity will definitely remain green electricity. In a next step, we will also compensate for CO₂ emissions from other sources, such as the CO₂ emissions produced by heating our buildings, our logistics operations, our vehicles and our employees travelling to and from their workplace. This impressive record has been confirmed by the certificates TÜV Austria has awarded to us for our measures for the years 2015-2019.

Our company-wide energy management system was successfully certified in accordance with EN ISO 50001 in 2015 and most recently recertified in 2019. The aim of this system is to continuously improve the efficient use of energy. Regular energy audits, in which external auditors analyse our energy consumption, are performed in accordance with statutory requirements. As a result of optimisation measures, we were able to improve our energy consumption in the mobile network by about 5.5 percent in 2019 – an impressive achievement.¹⁾

For our CO₂ offsetting work, we have specifically selected projects that are a good fit to us. We invest in certified projects in Africa, which we define in cooperation with Climate Partners. The initiatives we support include the installation of efficient ovens in Ghana, solar energy in Mauritius and forest protection in DR Congo. We opted for projects in Africa because, for one, mobile communication opens up major opportunities for social and economic development for many people. Moreover, mining regions for rare earth elements and other raw materials used in smartphones are located in Africa. With this funding, we aim to contribute to the development of civil society so that resources can be mined without causing violent conflict.

Data volume keeps rising exponentially – our electricity consumption hardly at all

Around 85 percent of the energy Magenta requires flows in our mobile network. Due to the large number of transmitter stations, operating this network requires significantly more electricity than a fibre-optic cable network. The data volumes we transfer are still increasing exponentially and have recently doubled in our mobile network within three years (2017-2019). The data volume transferred soared by 10 percent to 659,661 terabytes. Despite this surge in data, we have managed to keep our total electricity consumption nearly constant. This has only been possible by continuously increasing the efficiency of our technology and steady modernisation of our network. In 2010, the Magenta network trans-

ported around 5,000 terabytes of data. By 2017, this volume exceeded 313,503 terabytes, an increase by 86 percent on the previous year and by roughly 6,545 percent since 2010. Since then, the volume has doubled again. In contrast, energy consumption has only risen by 14 percent since 2017. The consumption required for one gigabyte of transferred data has halved again since 2017.

We continuously work to optimise the cooling of our base stations and data processing centres using new technologies (free cooling, using outdoor air for cooling rather than air-conditioning systems and coolants). In addition, we plan to install an adiabatic cooling system, which uses evaporative cooling, in a mobile communication data centre. With this method, warm outdoor air is drawn over water, which absorbs heat and evaporates. The air temperature drops, so it can be used for cooling – entirely without chemical coolants containing CO₂.

We are also testing a solution based on artificial intelligence (AI). In this trial, a software in the mobile network is engineered to optimise energy consumption while the customer still enjoys the same top quality.

1) In general, Magenta has an integrated management system (IMS) consisting of the ISO 14 001 environmental management, ISO 50 001 energy management and ISO 45001 health and safety certifications. Joint audits are performed for all three standards at regular intervals to guarantee compliance with the processes and, in particular, to ensure optimisation measures and to inform the management of the results on a regular basis. Regular audits are also conducted in the areas of compliance, data privacy and IT security. Magenta also holds a certification for the secure handling of credit cards "PCI DSS".

Detailed project description of the projects to support climate protection

Technology	Region	Country	Standard	More information
Clean cooking stoves	Gyapa	Ghana	GS VER	https://www.climatepartner.com/1017
Clean cooking stoves	Ugastoves	Uganda	GS VER	https://www.climatepartner.com/1041
Forest protection	Isangi REDD+	D.R. Kongo	VCS, CCBS	https://www.climatepartner.com/1046
Solar energy	Bambous	Mauritius	VCS	https://www.climatepartner.com/1080



Using intelligent software in the mobile network to optimise energy consumption

We use solar and wind power to supply our transmitter stations with energy

We operate several base stations with electricity produced from solar energy using a photovoltaic system directly at the facility and conduct research for further use throughout the network. In one base station, we also tested the use of geothermal energy for cooling. A photovoltaic system on the roof of the building supplies energy to the charging station in front of the Magenta shop at Rennweg 97. Customers are welcome to use it free of charge while conducting business in our shop. We are also planning to install a photovoltaic system on the roof of the T-Center, which produces 230 MWh (equivalent to the annual electricity requirements of approx. 65 households).

Measures to reduce energy consumption and greenhouse gas emissions in 2019

In one of our innovate projects we use intelligent software in the mobile network to optimise energy consumption. As a result of applying power-saving features in the control software for mobile communication, consumption decreased by around 550,000 kWh/year, which is equivalent to the electricity consumed by approximately 158 households/year. A further reduction by around 250,000 kWh/year, which is equivalent to the electricity consumption of about 62 households/year, was achieved by optimising air conditioning. Other infrastructure measures in facilities of the fibre-optic cable network and the reduction of office space and buildings used led to savings of roughly 450,000 kWh/year – which is equivalent to the electricity consumption of about 128 households/year.

Moreover, Magenta is working on further optimising business travel by increasing the use of digital media

such as video conferences, thus indirectly reducing additional greenhouse gas emissions.

Expanding electronic billing and cutting down on paper

In addition to all climate protection measures in our networks, we also give our customers the opportunity to make a significant contribution to environmental protection by switching to paperless electronic billing although the outdated Telecommunications Act still provides for mandatory paper invoices. The number of customers who have nonetheless chosen online billing shows how eco-friendly our customers are: 75 percent received their invoice via e-mail in 2019. Unfortunately the Telecommunications Act states that customers must preferably receive a paper invoice and actively object to this environmental pollution. Therefore, online billing has declined slightly despite all efforts. However, Magenta will remain committed to more environmental protection and will continue to advocate a change in the legal situation at the political level.

Nevertheless, online billing saved nearly 88.6 million sheets of paper (plus emissions from the corresponding deliveries). Although the share of paper billing is increasing due to the growing number of customers, we have managed to further reduce the volume of paper overall. We would like to thank our customers for that – and we'll keep working on persuading others so that the share of online billing can be further increased. In 2020, we plan to update the "Mein Magenta" ("My Magenta") app, which will give customers easier access to their invoice and contract data and therefore also contribute to paper reduction.

Outlook

Along with the implementation of the climate targets, Magenta will focus on consistent energy management in the new company in 2020; that means planning, implementing and optimising measures and integrating all energy flows of the former UPC. The usage of digital media to support mobile working will also be expanded to further improve Magenta's carbon footprint. Using 100 percent renewable energy and the related use of CO₂-free energy in Austria is another target.

Visible commitment through IoT solutions

IoT (Internet of Things) is another area where Magenta focuses on eco-friendly innovations and works on sustainable overall solutions for its business customers.

Intelligent waste management with IoT

The wide variety of different waste containers confronts disposal companies and communities with a logistical challenge. Containers for glass, for example, should not overflow to avoid bottles on the ground. Conversely, trucks should not pick up half-empty containers, which costs money and produces CO₂ as they drive unnecessary kilometres. In cooperation with SLOC, Magenta is therefore working on a solution for waste management: Levels are measured and transmitted from each container to a platform so that disposal companies can use their trucks efficiently. Magenta Business provides the suitable network and the SIM-cards, which are installed in each SLOC device. The NarrowBand IoT network (NB-IoT) supports low power wide area applications, i.e. small data volumes are sent and received at certain intervals. This technology requires little energy, so the battery life of these devices is very long.

Better air quality in urban and rural areas through IoT

Particulates have a dramatic impact on air quality – this is also an issue in Austria. According to EU requirements, air pollution should no longer have negative effects in 2020. However, emissions can only be reduced when they can be measured. Magenta Business and one:solutions are working a solution to constantly monitor air pollution and to enable fast action when necessary. The sensors developed by one:solutions can be installed anywhere; the data measured are transmitted to an IoT platform via NB-IoT. With such information available at the touch of a button, it is easy to take effective action.

Smart irrigation with IoT

Climate change is leading to extended dry periods, also in Austria. This and the strained personnel situation

make it increasingly difficult for urban communities to optimally maintain green spaces although plants are growing in importance in cities: not only do they make the cityscape more attractive but they also help reduce urban heat islands during hot summer days. With barely any human contribution, IoT solutions can take optimal care of the vegetation in cities: sensors measure the air temperature, humidity, solar radiation, soil moisture and water flow and transfer these data to a data centre via the mobile network.

IoT for a transparent supply chain

Goods should always arrive in perfect quality when delivered to customers, especially sensitive products such as food or medication. The condition of goods needs to be monitored throughout the entire production and storage process. Sensors installed on a production machine or in a warehouse measure the relevant values such as heat or frost limit temperatures and air humidity. These values are transmitted to a data centre using the NB-IoT (NarrowBand IoT) technology. Magenta's IoT solution sets off an alarm if certain parameters deviate beyond defined thresholds. Adapting the factors influencing air quality can therefore prevent (depending on the application) damage to goods, plants or even living beings.



Magenta

IoT solutions
make sustainable smart
cities possible.

Life is a cycle – our approach to a circular economy

A second life for used smartphones

Millions of old mobile phones end up in drawers and boxes in Austria's households. On average, Austrians buy a new mobile phone every 18 months. This adds up to roughly three million phones per year. With unlocked devices that can be passed on easily and a buyback programme, Magenta ensures that used smartphones can be in service for a long time.

Since 2014, Magenta has bought back used, still functional smartphones at the current market price, regardless of whether they were bought from us or another operator. After thoroughly erasing their data and refurbishing them, these phones can still prove useful for a long time. We recycle these phones in partnership with Teqcycle Solutions. This Munich-based company has been certified for its high environmental standards. The refurbished devices return to the market via phone shops, online exchanges and other channels. If the phones are broken or their technology is completely obsolete, Teqcycle ensures that they are recycled under controlled conditions in Europe. Mobile phones and smartphones can be returned to all Magenta shops in Austria or via a website. As an incentive to return handsets to us, we make a donation to a social organisation for every device we receive. Our donations go to DEBRA to support "butterfly children".

When new flagship models of smartphones are announced, Magenta also reminds customers of the buyback option to help finance a new smartphone. When a used smartphone is returned to a Magenta shop, it can help finance a new device. Depending on condition, age and accessories, used end devices can be good value for money. Magenta buys back mobile devices of all brands, regardless of where they were originally bought. For further information on phones we buy back, please visit <https://www.magenta.at/handyankauf>.

In connection with the recycling of cable internet and TV hardware, used cable internet devices and TV sets are professionally refurbished, meaning that they are

formatted, reset, cleaned and returned to circulation. Devices that cannot be refurbished for various reasons are recycled or, if there is no other option, professionally disposed of by our partner Pikko Bello.

Repairs and loan units

When a phone requires repair we offer a loan unit temporarily as standard. These phones are provided free of charge and without a deposit, are optically refurbished before they are reissued and data will be erased in accordance with data privacy requirements. All loan units feature a Hammerge Glas screen protector and a protective case. This arrangement is offered in Magenta's own shops and may deviate in partner shops. That's why we recommend asking partner shops about such offers.

When it comes to ensuring proper disposal, we are supported by B.U.S GmbH, a company specialising in disposal and recycling concepts.

Fairphone at Magenta

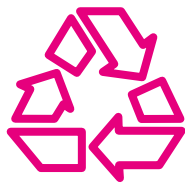
Magenta has offered the Fairphone 3 since the autumn of 2019. Magenta Telekom is a 100 percent CO₂-neutral company. That means that CO₂-neutrality is not limited to the operation of our infrastructure, but extends to all other areas of the company including offices, shops and the fleet. With the fair production dynamics of Fairphone, Magenta customers who place great value on handling resources with care can opt for a sustainable lifestyle also when choosing their smartphone.

AfB and Magenta support eco-social PC recycling

Recycling used IT equipment holds massive potential for CO₂, raw materials and energy consumption savings. The non-profit IT company AfB, based in Germany, France, Austria and Switzerland, is a role model for ecological management and social inclusion. The example

of Magenta Telekom demonstrates how the model works: used office equipment, which AfB receives from companies like Magenta, can be reused for private purposes. In 2019 alone, Magenta donated 670 PCs, 293 notebooks and 270 monitors.

Thanks to a life cycle assessment research study conducted by TU Berlin, the positive effects of the AfB model can now be calculated. AfB thus confirms the positive effects achieved with Magenta's help: savings of more than 119 tonnes of iron equivalents, a reduction of energy consumption by 231,855 kWh, prevention of 70 tonnes of CO₂ equivalents and sponsoring a workplace for people with a disability.



Professional recycling
of routers and mobile phones
is important to us.

Especially pensioners, student, pupils and so-called sustainability groups show tremendous interest in inexpensive used PCs.

Deutsche Telekom also attaches great importance to handling resources with care and focusing on sustainability. The company offers to take back electric and electronic devices no longer in use (for instance routers and telephones) and their professional disposal. Electronic devices can be sent back in household quantities free of charge via a takeback portal for used electronic equipment.

Recycling routers and their packaging

We don't just throw out routers. When we exchange customers' routers, we take them back, preferably with their packaging. Our partner arvato Supply Chain Solutions recycles all used routers and their packaging which it receives in the course of returns as far as possible, and subsequently transfers them to the corresponding material numbers. arvato also utilises incomplete and used routers without original packaging to produce refurbished routers. During the refurbish-

ment process, the routers have to be reset to factory settings. It must also be ensured in this process that, if missing, all safety instructions and booklets are renewed and enclosed in the packaging. Packaging is reused wherever possible. Some producers provide a certain quantity of original packaging in order to ensure its recycling. If this is not possible, it will be recycled in line with ARA requirements. Moreover, the packaging of the HFC internet fibre boxes consists of board and can also be recycled. Packaging and the reduction of unnecessary packaging materials as well as a changeover to recycled packaging materials will be among the work priorities in 2020 and the subsequent years. Specific targets and measures will be defined in Magenta's working group for climate protection in 2020.

Supporting the recycling of metals and reusable materials in telecommunications equipment

As an operator of more than 6,500 base stations and roughly 3,800 interface nodes to the fixed network and data centres, we continuously modernise our network. In cooperation with our partner PHB-Platinen Handel Beinhart, we ensure that telecommunications equipment is disposed of professionally and reusable materials and precious metals are returned to the production cycle.

Outlook

Magenta continuously strives to enhance energy efficiency. In addition to buying back mobile phones, we are also reviewing the sale of used, recycled phones. In 2020, Magenta will step up its activities regarding the recycling of technical equipment used in the mobile network, continue to further optimise the processes to secure disposal in the migrated UPC fixed network, and audit suppliers in this regard in order to achieve the best possible process for the environment together with them.

Telecommunications for the benefit of society

Goals

- Harmonising projects under the strategic CR pillar “Digital inclusion”
- Extending the reach and sustainability of ConnectedKids
- Further development of the “Kinderschutz” and Smart Family Premium products
- Supporting start-ups in the area of sustainability with the Magenta TUN Fund
- Taking a pioneering role with the 5G communication standard

Highlights 2019

- Third place with ConnectedKids at the European’s Vision Award, a Group competition for visionary projects
- Improved collaboration regarding the networks resulting from ConnectedKids at schools with Magenta Business
- Further development of the Kinderschutz and Smart Family Premium products in terms of features, data security and usability
- Cooperation with BildungsHub.Wien as part of the Swift Coding Challenge
- TUN Fund awards 2019 (in January 2020) with four award winners
- Support of the SDG Award of the Austrian Senate of Economy
- 5G expansion: 58 Magenta Telekom 5G antennas were in operation in 31 5G communities at the end of 2019
- Development of smart solutions (e.g. M2M) in the energy, mobility and healthcare sectors

Accepting digital responsibility

Our promise for Austria's digital future

At Magenta, we go beyond our legal obligations to take on responsibility towards society. In our core business, we connect millions of people around the clock. We provide crucial infrastructure without public funding and expand it continuously. Magenta Telekom is currently conducting the most comprehensive investment programme in the company's history. Between 2018 and 2021, we will invest a total of around one billion euros in mobile and fixed networks. Social networking is the guiding principle of our social engagement: we resolutely advocate tolerance, freedom of opinion and social inclusion for all groups and at every level of society – and oppose exclusion, fake news and discrimination.

Best networks – the foundation of the Gigabit Society

Our society is connected and data-intensive, in real time and digitally. Magenta connects Austria with the most advanced integrated network and the latest technologies such as 5G, fibre-optic cable and the Internet of Things. We connect people and machines in Austria and all over the world, whether it is at home, at work or on the road. We enable digital entertainment anywhere and on any device and ensure security in the digital network.

Today, Magenta already supplies more households with a high-speed fibre-optic cable network than any other provider in Austria. We have the highest download and upload speeds and continuously expand this leading edge in performance as well as the regions we supply. Our goal is to guarantee the best connection – anywhere and at all times. Together, we build the foundation for the Gigabit Society.

The number of mobile customers in the Magenta Telekom network amounted to 5.02 million SIM cards¹ at the end of 2019, up roughly 5 percent on the prior-year figure of 4.78 million SIM cards. The number of broadband customers (fibre-optic cable internet and DSL) increased by approximately 3 percent to 612,000 connections in 2019.



In 2019
Magenta invested
a record

242 million
euros in Austria's
networks.

With a record sum of 242 million euros, Magenta Telekom invested nearly a quarter of a billion euros in Austria's networks in 2019, and was the first provider in Austria to launch its 5G network in March 2019. In addition, Magenta has also offered speeds of up to one gigabit in the fibre-optic cable network to about a million households in the greater Vienna area since May 2019. Based on investments in a new transmission standard (DOCSIS 3.1), the Magenta fibre-optic cable network offers its customers gigabit speeds, making Vienna one of the first cities in Europe to be supplied comprehensively with gigabit internet. In 2020, other Austrian cities will also benefit from this upgrade. Likewise, the expansion of 5G will continue to advance throughout Austria in 2020; the first 58 5G locations were in operation in 33 communities at the end of 2019. Along with the expansion of the 5G network, the first Magenta 5G campus will start operating at TU Graz in 2020 in order to enable research for future digital factories. At the end of 2019, 97 percent of all households in Austria had access to the best LTE mobile network in Austria (connect, Chip). Moreover, the Narrowband-IoT network already supplies 99.4 percent of the populated area in Austria.

¹ As of 1 January 2019, the inventory of M2M SIM cards in Austria was adjusted. 2.4 million customers were derecognised. The figure and the growth presented have been adjusted for this effect.



ConnectedKids

by Magenta®

Protection of children and young people

ConnectedKids: for digital media literacy in the classroom

Children and young people grow up in an increasingly digitalised world today. This brings opportunities, but also risks. We want to emphasise the danger that inappropriate and indecent material may pose to children and young people. In particular, we aim to provide parents and teachers with assistance in protecting children and young people from inappropriate content based on their age. At the same time, we aim to promote media literacy so that they can use the opportunities of digital world in a responsible and smart way.

That's why Magenta launched the "ConnectedKids" initiative many years ago. In this Austria-wide project, we familiarise students, teachers and parents alike with digital media in a learning environment and promote responsible use of smartphones and digital content.

Because tablets, the internet and smartphones generate a great deal of uncertainty, while at the same time offering enormous opportunities to provide individual support. Therefore, digital education needs to be supported because it is anything but self-evident at Austria's schools.

Schools often lack the resources to try using digital media. That is why our ConnectedKids project equips classrooms with mobile internet and tablets for the students for six weeks. A series of apps helps them cram maths and vocabulary, produce stop-motion movies on topics discussed during the lessons and supports non-native speakers in learning German. The programme also covers cybersecurity, i.e. the safe use of digital media to judge the quality of online content, and instructions on how to protect oneself from online mobbing.

Under the educational leadership of Paul Kral, Managing Director of the education agency Know.learn.lead and former Director of the Institute for Education of the City of Vienna, 23 schools, 87 classes, 97 teachers and 1,906 students participated in the project during the 2018/19 academic year. Since ConnectedKids was launched, more than 13,000 students in about 600 classes at more than 140 schools and more than 700 teachers had the opportunity to get a taste of digital education with tablets, apps and learning platforms.

Topics related to ConnectedKids that will stay with us in 2020

ConnectedKids reading mentors: New projects will be launched under the umbrella of ConnectedKids in the future. The ConnectedKids reading mentors project is currently in the planning and coordination phase. In Germany, the reading mentors for STEM subjects (science, technology, engineering, mathematics) project is successfully run by the Deutsche Telekom Foundation: After receiving short educational training, employees or volunteers from outside the company read to children at kindergartens, schools and other institutions as volunteer reading mentors to spark children's interest and curiosity for STEM subjects. The aim is to launch the project with Magenta employees in Austria in the 2020/21 academic year.

ConnectedKids consultation hour: A dialogue with experts from the education sector is important to us. That's why we invite education experts and Magenta specialists to group discussions to debate controversial and current digitalisation and education topics. Magenta aims to offer a platform for the exchange of knowledge and opinions regarding digitalisation topics in its role as a relevant player in the digitalisation of the education sector.

Extending the reach and sustainability of ConnectedKids: In the 2019/20 academic year, a set of iPads was purchased for ConnectedKids to expand the offering for schools and to give a greater number of schools the opportunity to participate in the programme. As demand remains high, Magenta plans to purchase another set in the 2020/21 academic year. The workshop concept of ConnectedKids is being revised with a view to sustainability. The goal is to incorporate the students' smartphones into the lessons in an educationally valuable manner in the last few weeks of the programme to ensure a continued effect of the integration of digital learning. In the past, most schools could not afford to buy tablets. However, smartphones are everyday companions for many students and provide the technological basis to ensure that, after the project phase, not just

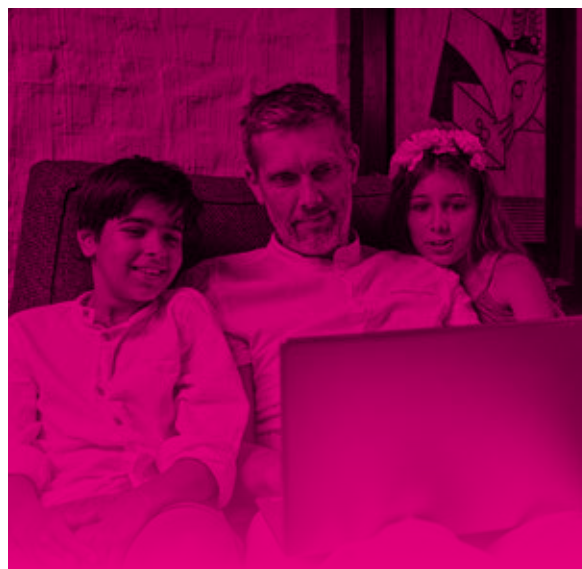
a "first contact" with digital education remains in the classroom, but rather that this approach is integrated in the lessons for the long term.

Founding member and supporter of the Future Learning Lab

As a founding member, Magenta has been committed to the Future Learning Lab (FLL.wien) since 2016, which was initiated by the Ministry for Family and Youth in co-operation with the Ministry for Education. Since October 2017, pupils, students, teachers and others involved in extracurricular education have been able to explore and use the opportunities that an environment with professional technology and media education and a strong didactic focus on learning can offer. Teaching, learning, meeting, connecting, experimenting, training, think tank: a national and international innovation hub. Visitors of all ages, students, teachers and university professors discover, as learners, the opportunities offered by a technologically professional learning environment, where didactics are consistently aligned to the learners. Activities, offers, training and courses will focus on "digitally inclusive" learning in any conceivable form. The FLL.wien is a showcase example of how the Austrian strategy of lifelong learning is implemented.

Kinderschutz: protecting children responsibly in the online world

The digital world presents parents with a new challenge: finding the right approach to digital content with their children. Because web content is often inappropriate for children, sometimes even harmful. With its Kinderschutz (Child Protection) product, Magenta helps parents to ensure responsible internet use. Parents can install an



app on their phone to link their children's smartphone into theirs. The Kinderschutz app allows parents to determine, in an age-appropriate manner (under/over 10 years), when their children are allowed to use the internet as well as the content (e.g. social media) and apps they can or cannot access. Websites featuring indecent or inappropriate content such as pornography, drugs, or violence are automatically identified and blocked. As with our Internetschutz (Internet Protection) product, these sites are analysed online, with thousands



of newly created websites featuring harmful content being identified every day. With Kinderschutz, general search engines can be replaced with a child-friendly web directory. In addition, Kinderschutz automatically blocks all premium rate services so that no costs can be incurred unintentionally. While Kinderschutz is a tool to support parents, it does not seek to replace conversations about children's responsible use of smartphones and similar media. So Magenta has collaborated with other mobile network operators to draw up a "Phone Code for Children": a mobile phone user guide for children and young people that provides information on how to protect young users against unwanted content.

Actively report harmful content

Web content relating to sexual abuse of children or any other offensive content can be reported free of charge and anonymously via the INHOPE smartphone app. In addition, Stopline allows anyone who comes across child pornography or material that endorses national socialist ideology on the Internet to report such content anonymously. Further information is available on the websites of INHOPE and Stopline.

An app for the whole family

Organising the family made easy: The "Smart Family Premium" helps the mobile communication user to keep an overview of all family members' leisure time activities so they don't forget to coordinate and organise the family dinner in time. The app provides support in everyday organisation and planning. The Magenta All-in-One Organizer includes shared calendars, shopping and to-do lists, and allows users real-time location of their children and offers online storage for their favourite photos. They can also plan meals for the whole week together and exchange recipes within the family. In addition, groups can be set up, for example with selected contacts for planning the next birthday party. And the app ensures data security: all data in the Magenta Smart Family App is stored in Europe and is consequently subject to the GDPR.

Safe on the way to school with a smartwatch

With colourful smartwatches for children, Magenta Telekom gives parents a tool to make sure that their children are safe. The watch gives parents certainty that their child has arrived safely at school or at home. Parents can send their children a text or voice message to let them know, for example, that they will be a few minutes late picking them up from school. In an emergency, the child can call pre-set numbers, usually the parents, at the touch of an SOS button, until the call is answered. The Kids Watch MyKi Touch and the Premium Smart Watch XPLORA 4 not only show the time, but allow the child to send and receive calls, text messages or short audio messages to pre-defined numbers. An app installed on the parents' smartphone shows the location of the child's watch and when the battery needs to be charged. The Magenta SIM card ensures that parents can get hold of their child, no matter where and when, and always know the location of their child.

Further development of the Kinderschutz and Smart Family Premium products in terms of features, currency, data security and usability are on Magenta's agenda in the current financial year and in the years ahead.

Enhancing digital media literacy



#DABEI as an offer for digital literacy for everyone

More and more aspects of life are now digital, and digital space has long become part of our life. Magenta stands for diversity, tolerance on the web and enjoys connecting people. That's why we support people in moving around the web with confidence and in living together based on democratic rules. With #DABEI stories, we help to understand the topics of the digital world: from digital democracy, fake news and social bots to data privacy and security. Material and tips are available at <https://dabei-geschichten.telekom.com/en/home/>

Outlook – Swift Coding Challenge finals of BildungsHub.wien at the T-Center in 2020

Apple uses the slogan “Everyone can code” to describe the Swift Playgrounds app. For the second time, BildungsHub.wien organised the Swift Coding project, where ten to fourteen-year-old students from schools in Vienna can gain their first coding experience. The objective is to ensure that schools acquire coding skills in the long term and to reduce insecurity regarding digitalisation among teachers and students. Along with

coding, creativity and problem-solving skills are also required. To critically examine problems and develop creative approaches – those are skills that will generally prove to be useful for young people, offering them a benefit beyond coding.

Looking back at the first Swift Coding Challenge:

<https://www.youtube.com/watch?v=DWlvXXyzCsE&feature=youtu.be>

These tasks primarily cover computational thinking skills. This is part of basic digital education, which has been included in the curriculum of all Austrian schools of secondary level I (NMS, AHS) since the 2018/19 academic year.

<https://www.bmbwf.gv.at/Themen/schule/zrp/dibi/dgb.html>

Magenta supports the finals of the project with resources and in part bears the event costs (rooms, technical equipment, catering, content production and publication). In 2020, the finals of the Swift Coding Challenge will be held at the T-Center, and the project will be supported with mobile internet and routers during the initial phase.

Support of impact start-ups

Magenta TUN Fund: 50,000 euros annually to fund sustainable innovation

A direct trading platform for green electricity, a car-sharing model that combines sustainable mobility and strengthening the regional economy, a platform for people who are at risk of poverty and need help in the household, an innovative oven for cooking places in Africa and a business game that helps young people to develop a sustainable business model: all of these projects are award winners of the Magenta TUN Fund 2019, joining a long list of projects that advocate technologically sustainable solutions and have received a sponsorship award from the Magenta TUN Fund.



Magenta has supported the innovative use of information and communications technology (ICT) in sustainability with the TUN Fund since 2011. In climate protection, for example, ICT can contribute to preventing one fifth of all CO₂ emissions worldwide. In the social field, digital technologies help connect people who would otherwise never meet. That's why every year Magenta awards 50,000 euros to projects that seek to leverage digital communication to resolve environmental and sustainability problems in every area of life. This also includes projects that champion equal opportunities and a fair world. The TUN Fund and its jury, chaired by former Austrian EU Commissioner Franz Fischler, are independent and support charitable organisations and

funds in accordance with statutory requirements, supervised by the Province of Vienna.

In 2019, the "OurPower" project, an online and community platform that enables direct trade with green electricity between the producer and the user, won first place in the Magenta TUN Fund. The projects Josefbus, Next Generation of Changemaker and Semina shared second place. The audience prize, which was awarded for the first time based on a live vote among the audience on site, went to Ummadum. The TUN award ceremony took place on 22 January 2020 at the T-Center in Vienna. The next call for entries of the Magenta Technology and Sustainability Fund for the year 2020 starts in the second half of the current financial year.

OurPower.coop establishes and operates an online marketplace for green electricity. Using this platform, electricity producers can now sell the green electricity they generate directly to neighbours; conversely, people and companies can buy their energy directly from private producers. As electricity is difficult to store in significant quantities, the platform provides a possibility to supply other users with excess sustainable power, offering all required energy-related and payment services. As a result, local, private trade with green energy produced from solar, water and wind energy or biogas facilities becomes possible. The crucial criterion for the TUN jury and its decision was that OurPower provides new, sustainable impetus in the Austrian electricity market. The platform was established against the background of the new citizen energy communities recently created by an EU directive. As a European Cooperative Society (SCE), OurPower is itself a citizen energy community, considers itself a driver of this new market structure and is also responsible for community building as an electricity supplier.

Josefbus, a Caritas project since 2019, operates a digital web app and has a team of more than ten volunteer helpers, who make repairs, replace things or put together furniture where people lack the money or strength to do so. The digital platform uses online matchmaking to bring those who seek help and the helpers together. In addition, the project scores because of its potential to create social impact for both the volunteers and those in need of help.

Next Generation of Changemaker is a card game for young people that combines digital and print. It was developed by Entrepreneurship Stiftung Berlin, CreativGym and KPH Vienna/Krems to be used in school lessons, for youth organisations and in seminars. Young people can playfully learn to develop a sustainable business model for their own idea and are motivated to act sustainably. The game also aims to create a positive attitude towards challenges and to consider them a future full of opportunities.

The Semina Project addresses a problem of many regions and cities across the globe. By using a wood-saving oven, household air pollution and deforestation in Sub-Saharan countries is reduced. Fuel consumption is cut by 60 percent and deforestation is addressed by using biochar briquettes made of agricultural waste. The wood ovens are made in mobile workshops, which additionally creates local income opportunities. Along with local production, the "CarbonCoin" financing model will enable even people living in absolute poverty to afford energy-efficient ovens in the future. In 2018, the project also won the Jury Award of the Social Impact Awards.

The mobility start-up Ummadum emerged as the winner of the audience award. Ummadum provides an app enabling drivers to offer carpooling. In return, they receive points which they can use to pay with at partner companies in the region. This project links a new form of mobility in the sharing economy with strengthening the regional economy. Ummadum has also received international awards, winning, among other things, the start-up challenge "FIA Region One" of the International Automobile Federation.

In addition to promoting start-ups in the social impact sector, Magenta also supported the SDG Award of the Austrian Senate of Economy. This initiative awards pioneers implementing the UN Sustainable Development Goals. The award ceremony was held at the Austrian Parliament on 4 December 2019.

The TUN Fund's new call for entries 2020 will start in autumn. For more information please visit www.tun-fonds.at.



Service quality

Best service is our goal and our passion

Service is, and will always remain, our passion: for many years, we have received awards for best service (as confirmed by the connect Hotline Test for mobile communication providers 05/2019). But we will not rest on our laurels – we will continue to work on improving personal contact in our shops, on the service line and on site. Our goal is to also set the standard for high availability and delivering the best solutions in digital services. With our innovative services on the web, social media and our customer service apps, we have embarked on a successful course and we are committed to further strengthening and expanding our efforts.

In 2019, UPC and T-Mobile merged to form the new brand, Magenta. Part of our vision, our brand promise, is to provide the best customer service as Magenta. We had prepared for this in numerous projects and have continuously worked on keeping our promise ever since the Magenta brand was launched. We engaged and

involved our staff at targeted information events. Team-building measures made a significant contribution to forging one strong management team. Hotline messages and selection menus had to be harmonised, the right internal contacts had to be found and established and our USP of 1:1 support had to be set up to ensure that our business customers felt they got service from a single source. We started to give our customers the best of both worlds: a state-of-the-art mobile network with 5G, stable fixed-network internet with giga speed, convergent communications solutions.

Following our media event in early May, we immediately encountered unexpectedly high customer feedback, which confronted us with major challenges in Consumer Service. During the months of May, June and even July of 2019, we were only able to cope with the enormous number of customer enquiries to a limited extent; only in late summer were we able to provide our customers with the high-level service experience they were used to.

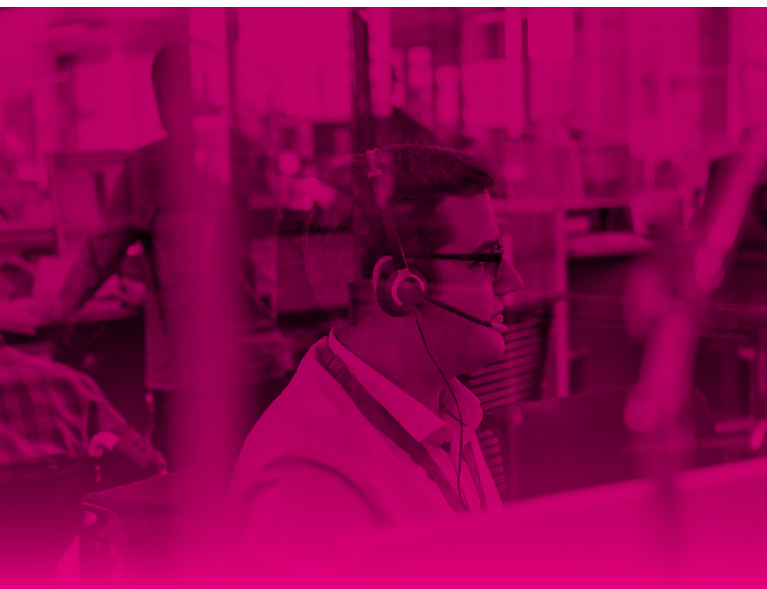
We introduced our new CRM system in parallel with our day-to-day operations: LiSA (Sales force) – and a B2B service group was the first to switch over to LiSA 100 percent and to deactivate previous systems.

Based on focussed B2B service process management, we ensured that we were connected and aligned within Magenta and had the drive that is necessary during such times.

Best service hotline in the Austrian mobile market

In March 2019, before the Magenta brand was launched, the German specialist magazine connect recognised us as the best service hotline in the Austrian mobile communications market for the third time in the last four years. This valuable award is a well-deserved recognition of the outstanding work of our Consumer Service.

We accompanied our customers through the re-branding and gained many new customers. During the entire process, our goal was for our customers to feel in safe hands and to value Magenta as a strong, stable partner. Our customers' feedback provides the basis for our strategy, which is clearly underpinned by awards and customer satisfaction – that's the essence of very good



customer service. We are grateful for our customers and the exchange we have with them. It is what gives us the motivation to continue to improve in the future.

State-of-the-art customer communication

We were the first telecommunications provider in Austria (and one of the first in Europe) to receive permission from Facebook to use WhatsApp as an official channel for customer contact. This channel went live on 4 March 2019. Our customers quite noticeably value this option and have given us excellent customer experience ratings. Around 10 percent of all our contacts are already processed through WhatsApp.

How we ensure service quality

We measure customer satisfaction (ICCA) and the net promoter score (NPS). In a close-the-loop process, unresolved problems and dissatisfaction are followed up on and brought to a positive conclusion in nearly all cases. Managers coach their employees with respect to customer satisfaction, as well as in efficiency and sales consulting. In addition, a customer experience analysis was set up in 2019. It has been in use since 2020 and has the management's attention.

Our process management takes care of improvements for the benefit of efficient operations and, of course, our customers. Business guidelines including the approval process for credits are clearly defined and the developed processes and procedures are communicated in the internal Infoweb. In addition, data privacy and security of our customers is an omnipresent topic for all our employees.

Magenta provides personal and direct customer support for administrators and directors of larger companies. Each of these customers has a personal contact in our B2B Service. We are available to our customers 24/7 at our Contact Centers. Our Solution Helpdesk provides special support for special solutions (e.g. AIC, the telephone system with fixed network and mobile integration). We put a strong focus on digital development – for us and for our customers. The digital self-service offering will be expanded significantly, giving customers a better overview of their products and allowing more autonomous administration. For administrators, myBIZ is undergoing further development and will enable them to administer and adapt company contracts at any time.



Magenta named
best service hotline
for the third time in
the last 4 years.

Dispute mediation as an instrument to resolve conflict

We always try to respond to customer inquiries as fast as possible and are always interested in resolving customer problems. However, sometimes it is not possible to find a solution that satisfies both sides. The Austrian Regulatory Authority for Broadcasting and Telecommunications (RTR) has set up a conciliation body, which consumers as well as telecom operators can turn to in order to resolve a conflict situation. The objective of conciliation proceedings is to find a solution acceptable to both parties. The independent Regulatory Authority also gives an opinion on the legal situation, thus providing guidance. According to the annual report of the conciliation bodies, 569 conciliation procedures were conducted in connection with Magenta in 2019. In the previous years, T-Mobile always used to be the operator with the fewest cases requiring mediation. However, following the merger with UPC, the new company recorded more conciliation procedures than competitor Hutchison, but fewer than A1 Telekom Austria. All details regarding the conciliation procedures can be found in the report of the conciliation bodies (in German): https://www.rtr.at/de/inf/Schlichtungsbericht_2019

A pioneer in new network technologies

Austria as a 5G pioneer

As a 5G pioneer, Magenta Telekom (T-Mobile Austria) commissioned the first 5G base stations predominantly in rural areas all over Austria in March 2019. The first 5G pioneer communities, our “friendly customers”, received special 5G routers which allowed internet surfing in the 5G network in public places of the community for the first time. Starting on 6 May 2019, Magenta Telekom offered 5G-ready tariffs featuring unlimited data volumes, which gave customers the opportunity to secure the terms for subsequent 5G tariffs. At the European Forum Alpbach 2019, Andreas Bierwirth, CEO Magenta Telekom, and Maria Zesch, CCO Business & Digitalization, made Austria's first 5G video call. The first 5G smartphone was



available from Magenta Telekom in September 2019. In mid-November, Magenta was the first provider in Austria to launch a genuine 5G combined offer featuring the latest 5G smartphones and a 5G tariff with unlimited data. That's when 5G-ready became 5G. At the same time, a new 5G router was added to the 5G offering.

First initiatives for multiple 5G applications in industry and business have also been started: Magenta was a technology partner in the 5G Vienna Use Case Challenge, where start-ups as well as technology and industrial companies developed 5G applications for mobility and public transportation, public spaces/safety, healthcare and education for the City of Vienna. As part of the competition, two projects were selected and supplied with Magenta's 5G infrastructure: Unmanned Life assists the fire brigade with drones in the 5G network; and smart traffic lights – developed by the Vienna University of Technology in cooperation with Swarco – which provide for safety at intersections.

Facts and figures on 5G

In 2019, Magenta's goal was to be a pioneer for the 5G communication standard and to take the next step towards Austria's digital future. The conclusion of the 5G frequency auction in early March 2019 and the rights of use acquired in this auction provided Magenta Telekom with the basis to expand the 5G communication standard throughout Austria. The first 5G base stations started operations in less densely populated regions to deliver fast internet in areas where the installation of cables would be time-consuming, slow and expensive. Rather than connecting households to the internet via cables, 5G can provide homes with broadband internet wirelessly. Likewise, the implementation of the first 5G applications has also been initiated. In the future, 5G will be used to reliably operate smart cities with intelligent, autonomous vehicles, robots and drones.

At the end of 2019, Magenta operated 58 5G antennas in 31 5G communities. In addition to several rural communities, Magenta also supplied the first provincial capitals, where many people will benefit from new 5G applications. In the national capital Vienna, Magenta upgraded 11 stations at the end of 2019, and delivered 5G to areas with the postal codes 1030, 1040, 1080, 1100, 1120, 1130 and 1160.

TU Graz 5G Campus opening in 2020

In late 2019, Magenta and TU Graz announced the opening of the first 5G campus network as a research platform for the digital factories of the future for 2020.

Gigabit expansion in the fibre-optic cable network

Today, Magenta already supplies more households with a high-speed fibre-optic cable network than any other provider in Austria. We have the highest download and upload speeds and continuously expand this leading edge in performance as well as the regions we supply. In addition to the latest mobile communication technologies, we also invest in upgrading our fibre-optic cable network with the DOCSIS 3.1 technology, which enables download speeds of up to one Gbit per second. In 2019

we performed a network upgrade in Vienna, making the Austrian capital one of the first gigabit cities in Europe. In 2020, network upgrades will follow in provincial capitals and other regions supplied with Magenta's fibre-optic cable networks.

Machine network all over Austria and competence centre for the Group

Magenta Telekom was the first mobile operator in Austria to commission a nationwide NB-IoT network in 2018, laying a crucial foundation for innovation and the digitalisation of the Austrian economy.

The Internet of Things is transforming our world. Companies and cities all over the world equip objects with devices, software, sensors and connectivity to integrate and connect them in a global network. The Internet of Things (IoT) enables objects to record data, exchange information and optimise processes in the long term. Magenta's IoT & Big Data team accompanies businesses in Austria and on the global market on their journey into the digital future. Magenta Business support also ensures that – thanks to regular maintenance – the energy consumption of the solution implemented can be minimised. The entire Deutsche Telekom Group is expanding the Narrowband-IoT network in Europe in order to further optimise the use of IoT solutions. This network is designed for applications with little data consumption and is available nationwide. Smart rubbish bins, smart parking and track & trace solutions help customers to increase their productivity.

These solutions have the following benefits:

- Low material costs for modems
- Data transmission with low band width
- Bi-directional, infrequent small data packet transmission
- Low energy consumption and long battery life
- High building penetration and better network coverage

Processes become safer and more efficient with NB-IoT as resources are used more sparingly. Smart IoT applications help to significantly improve our quality of life.

Nationwide use of intelligent waste containers with NB-IoT

The waste disposal and recycling company "Saubermacher" has equipped waste containers with high-tech sensors, which use Magenta's NB-IoT technology to transmit data. The transmission of such data to a community app opens up a variety of service options for

users: based on the data collected, the company's entire route planning could be operated more dynamically as early as 2018. In addition, approximately 600 high-tech sensors made by the company SLOC were installed in glass collection containers in the district of Horn. The sensors use ultrasound and complex algorithms to measure the filling level and report it to the Saubermacher platform. The data is transmitted via Magenta's NarrowBand-IoT (NB-IoT) technology. Demands placed on the transmission technology are high as the high service standards must be reliably met. Through this, environmentally efficient emptying of the glass collection containers based on usage becomes possible.

Air quality monitoring from Austria

Magenta's Condition Monitoring Device can measure the temperature, frost, relative humidity and particulate pollution. This helps industry to determine air parameters in production or storage facilities, or as an application in logistics. Here, burdensome transport processes can be monitored continuously. To provide meaningful particulate measurements, the Condition Monitoring Device can even be installed in places that are difficult to access such as road tunnels, intersections, street lights or power poles and therefore deliver current air quality data.

In addition, the device is industrially produced by a hardware specialist in Austria with more than 30 years of experience in mobile communications. Components such as printed circuit boards are also supplied by Austrian businesses to ensure independence of Asian suppliers and support regional manufacturers.

Ethical business practices and compliance

Goals

- Driving consolidation of the two companies, T-Mobile Austria and UPC, also from a compliance perspective,
- identifying existing compliance risks,
- introducing appropriate improvement measures and
- creating a common MAGENTA compliance culture.

Highlights 2019

In 2019, our certification according to ISO standard 37001, which has been in place since 2017, was extended again. It was also the first time the compliance management system of the new, combined company, Magenta Telekom, was certified. On this basis, we are striving for recertification in 2020. In addition, compact training courses on key compliance topics (anti-corruption, cartel law, event planning, etc.) were held for all new employees joining the company in risk-exposed positions (e.g. B2B, B2C, networks). Moreover, measures to accomplish a uniform corporate compliance culture as soon as possible were defined as part of the annual risk assessment.

We always play fair

In our business dealings, we value fairness, integrity and mutual appreciation. This is not just a matter of legal compliance, of abiding by rules and regulations. As part of our corporate compliance culture, we also attach great value to dealing fairly with our business partners, colleagues and the authorities. To meet this aspiration, we have introduced clear guidelines that apply to everyone working at Magenta – from executive management to our employees in our shops.

Group-wide compliance structures ensure that, as part of responsible corporate management, laws and codes of conduct are observed by all. The binding Group-wide Code of Conduct lays down five basic principles that provide a fundamental framework to guide us in our work. Our Anti-Corruption Guideline outlines how to avoid conflicts of interest between private and pro-

fessional interests. Details of how to handle invitations and gifts can be found, for example, in the Guideline on Granting Benefits.

In addition, a “Group Policy on Avoiding Corruption and other Conflicts of Interest” governs dealings with public institutions, officials and the topic of lobbying throughout the Group. This policy naturally also applies to Magenta Telekom (T-Mobile Austria GmbH) as a Group company of Deutsche Telekom AG.





In 2017, the Group-wide Social Charter was revised to place greater emphasis on human rights. This involved explicitly referencing the human rights principles relevant to our business operations, campaigns to raise awareness and continuous assessment of our business processes through due diligence.

To ensure that all staff adopt and internalise these guidelines and principles, we provide ongoing training and implement campaigns on individual areas of the Code of Conduct and our company guidelines. Our core activities in this field include Group-wide anti-corruption campaigns and local training activities, as well as national guidelines on sponsoring and consultancy. We also provide our staff with important rules of conduct with up-to-date guidelines. Audits and other inspections are conducted at regular intervals to ensure that these rules are observed.

Rules alone cannot change how people behave. We ask our staff for their cooperation and, along with other points of contact, give them the opportunity to report potential wrongdoing completely anonymously via our "Tell me!" portal. As a company, we guarantee confi-

dentiality and that employees will not be disadvantaged in any way if they provide information to the best of their knowledge and belief. The information we receive is investigated and examined by specially trained people who are required to maintain confidentiality.

Anonymous tips of misconduct can be submitted via email to compliance@magenta.at, Tell-me@telekom.de or using the electronic "Tell me" whistleblower portal.

Thanks to reports submitted by our employees as well as third parties, some difficult situations have been identified and improvement measures have been introduced. Our concept has thus proven to be successful. In 2019, there was no confirmed case of corruption.

As part of our focus on ethical compliance, we emphasise the topic of digital ethics. Digitalisation does just continuously bring new opportunities; rather, many new questions arise about acting in an ethically correct manner. This applies, for example, in the context of collecting and analysing data, or interacting with artificial intelligence. We consider this topic to be one of our core fields of expertise. We strive to focus on solutions that will not leave anyone behind and define our actions as a company also based on ethical aspects. A digital training course on this topic is intended to provide an important incentive to take a critical look at this topic in a positive sense, always keeping an eye on the ethical component in the development of artificial intelligence (AI).

Outlook

In 2020, we aim for recertification of our compliance management systems in accordance with ISO standard 37001. This standard attaches central importance to anti-corruption measures. Another external certification, an effectiveness audit pursuant to IDW PS 980, is scheduled for 2021. We want to ensure that our compliance management system is actually reflected in our company processes and is effective. This will be determined by subjecting business processes to a review retrospectively.

An extensive training campaign puts the focus on corruption prevention. This campaign consists of target-group-specific training and addresses a broad-based group of participants in an e-learning course.



We focus on fairness, integrity and appreciation in all our business activities.

Transparency in assisting security authorities

Transparent disclosure of surveillance in Deutsche Telekom's Transparency Report

Since 2014, the Deutsche Telekom Group has published annually how many surveillance measures it had to take, along with the type and scope provided to security authorities. Telecommunications companies all over the world are legally obliged to assist security authorities. On the one hand, this involves surveillance measures by which telecommunications connections can be traced or recorded. On the other hand, it involves information concerning, for example, line owners or traffic data.

Magenta Telekom strictly complies with the legal framework when assisting security authorities. The security authorities only receive our assistance if the legal prerequisites have been fulfilled. Magenta focuses on protecting the rights of the individual, in particular the secrecy of telecommunications.

The internal regulations and procedures are subject to constant checks and are optimised continuously. Despite the different statutory provisions, this produces a high level of international security and data privacy when processing inquiries from the authorities:

- The group of employees involved is specifically minimised in accordance with the need-to-know principle. This group of employees is trained regularly to secure maximum legal certainty for our employees and our

company. Moreover, they are contractually obliged to maintain strict confidentiality, irrespective of the statutory provisions.

- Special technical precautions also need to be taken based on internal guidelines. For instance, the IT systems required for processing purposes need to be protected and checked separately by using state-of-the-art security technology.
- Likewise, physical access to the critical infrastructure is substantially restricted and reserved exclusively to internal staff.

Deutsche Telekom was the first company to publish a Transparency Report for Germany in 2014. After extensive analysis of the legal framework conditions applying in the other countries of Deutsche Telekom's footprint, the first international report was published 2016. Currently, the report for 2019 is available, which also covers inquiries by authorities to Magenta Telekom in Austria.

The data presented below is taken from the Transparency Report of Deutsche Telekom Group
<https://www.telekom.com/en/corporate-responsibility/data-protection-data-security/news/austria-363540>

Magenta Telekom data 2018 and 2019

Transparency Report

Category	2018	2019	Comments
Lines intercepted	2,075	1,614	Prolongations included
Data traffic records	12,581	12,792	
Subscriber master data	36,456	38,076	Requests through automated interface included
IP address owner data	113	400	

How to interpret the figures

- The stated amounts represent the total volume of lines intercepted and data records provided.
- Furthermore, in Austria each telecommunication operator must provide an automated interface with name, address and location information for emergency services according to Telecommunications Act § 98. These figures are included.

Legal basis for lawful interception activities and data provisioning

- Telecommunications Act (Telekommunikationsgesetz – TKG) §§ 94, 98
- Code of Criminal Procedure (Strafprozessordnung – StPO) §§ 76a, 134ff
- Security Police Act (Sicherheitspolizeigesetz – SPG) §§ 53 para. 3a, 53 para. 3b
- Police State Protection Act (Polizeiliches Staatsschutzgesetz – PStSG) § 11 para. 1
- Data Security Regulation (Datensicherheitsverordnung – DSGVO)
- Interception Regulation (Überwachungsverordnung – ÜVO).



Sustainable supply chain

Goals

Magenta aims to align the contractual terms with its suppliers, in particular with respect to compliance, to the business principles of Deutsche Telekom and the environmental/worker protection laws in Austria.

Key successes and results

Focusing on the expansion of the fixed network, agreements regarding the applicable policies of the Deutsche Telekom Group were made with more than 80 percent of the suppliers in the fixed network segment in 2019. Magenta aims to also conclude agreements regarding the applicable policies with the remaining 20 percent of the suppliers with a focus on the fixed network.

We ensure sustainability in our supply chain

We are partners to our suppliers when it comes to a more sustainable approach to doing business. In the Group, we have a trusting relationship with more than 30,000 suppliers and service providers in over 80 countries. In order to work with us, these suppliers and service providers need to do business responsibly and transparently. We insist on high social and environmental standards in these relationships worldwide. Our partners can turn to us for assistance in implementing these measures or for advice as needed. We use a number of tools, methods and measures that improve sustainability efforts along our supply chain. It all starts during the bidding phase, where we weight sustainability at ten percent. This creates strong incentives for suppliers to offer more sustainable products and services.

Group Procurement Policy provides for uniform rules

The responsibility for ensuring sustainability in procurement lies with the Board departments for Finance as well as Human Resources and Legal Affairs. Our sustainability criteria are factored into the overall procurement process and given a weighting of 10 percent when choosing suppliers who have responded to tenders. In the event of a significant violation of our requirements, we initiate an escalation process. We train our employees throughout the Group using an e-learning tool. In addition, our Global Procurement Policy provides an overview of which CR criteria must be considered at which point in the procurement process. We ensure business partners and suppliers are up to the mark by offering workshops on specific topics and through our Supplier Development Programme.

Controlled supplier selection

We take a multi-phase approach in our current business relationships in order to guarantee the sustainability of our supply chain:

- Via our supply chain management system we ask potential suppliers with an annual order volume of more than 100,000 euros about sustainability-related aspects. These questions address topics such as human rights and corruption as well as environmental protection and occupational health and safety.
- We ask strategically relevant and high-risk suppliers to enter extensive information about their practices in the EcoVadis information system. Based on this data, our experts can identify potential risks at an early stage.
- We even take things a step further in our relationships with some of our strategic or particularly high-risk suppliers and service providers by conducting regular social audits to review the work practices employed at their production facilities.
- The effectiveness of our audits is also boosted by collaborating with nine other companies in the Joint Audit Cooperation (JAC). Thanks to the increasing number of JAC members, we are able to conduct a higher number of audits on joint suppliers.
- If a supplier fails to cooperate and comply, termination of the business relationship may result.

Cooperative partnership

We work as partners with our suppliers and assist them in meeting our high sustainability requirements. To aid us in these efforts we have created a development programme for strategically significant suppliers. In this

programme, we work together to come up with solutions for topics such as environmental protection, working hour regulations and occupational health and safety. It is a win-win situation for everyone involved because better working conditions have a positive impact on employee motivation and loyalty. And that improves productivity as well as the quality of our products.

In addition, we award contracts in a transparent, documented manner based on the best-bidder principle in compliance with all laws and standards as well as the business principles of Deutsche Telekom. With regard to complaints procedures, appropriate communications and a predefined escalation process are in place.

Escalation process

In the event of a significant violation of our requirements, we initiate an escalation process. The escalation process comes into effect whenever a supplier refuses to meet our sustainability requirements in full and to our satisfaction. The procurement organisation is primarily responsible for the process, with the Corporate Responsibility unit always on hand to offer advice and support. If the focused discussions held with the relevant supplier on various levels during the escalation process do not lead to the desired outcome, the last resort is to involve the Board of Management. The Board will then make the final decision about how to proceed with the supplier. In the worst case, this could lead to the business relationship with the supplier being terminated. If someone in our supply chain identifies irregularities regarding compliance with laws, internal guidelines, and standards of conduct, they can report these anonymously using our "Tell me!" portal, which is publicly accessible to all our stakeholders.

The effectiveness of our measures is described in the report of Deutsche Telekom AG at <https://www.cr-report.telekom.com/site20/management-facts/economy/suppliers#>

The same way we require sustainability from our suppliers, we likewise offer the same to our customers. As part of the Deutsche Telekom Group, Magenta undergoes the evaluation of the online platform Ecovadis, which companies can use to assess their suppliers' sustainability efforts. In 2017, the Deutsche Telekom Group received a gold rating in this evaluation.



Always ready to cooperate in a crisis situation

Goals

Magenta Telekom operates critical infrastructure with a mobile communications network and a fibre-optic cable network throughout Austria, which can supply about 1.4 million households and businesses. The company's key responsibilities include smooth operations and rapid responsiveness in the event of a crisis. In 2019, processes for crises were completely revised.

Key successes and results

Magenta successfully adapted the information and escalation processes after the merger of T-Mobile and UPC. The responsibilities of the crisis unit were expanded to include, for the first time, maintaining two networks in an emergency situation, namely mobile and wired infrastructure. Measures for crisis situations were reviewed and adapted. Crisis training courses were held for managers and employees. Thanks to these measures, Magenta, as a newly formed company, was able to

respond to crisis situations rapidly and decisively in 2019. Very clear structures and processes define the set-up of the emergency and crisis organisation. A variety of different scenarios are taken into consideration, including a nationwide blackout, large-scale cyber-attacks or a pandemic.

The Magenta network is part of Austria's critical infrastructure

The digitalisation of all areas of life places very high demands on our country's infrastructure and requires reliable access to fast broadband internet from any conceivable location. Performance and speed must not be a matter of excessive costs in this context. Access to the digital world, with all the opportunities it brings, must be open to anyone. That is our digital responsibility.

Magenta is well prepared for crisis situations. As part of the listed Deutsche Telekom Group, Magenta Telekom complies with the highest European security standards. This applies in particular to the ISO-certified data processing centre at the “T-Center” headquarters on Rennweg in Vienna’s third district. This is where we provide Austria’s nationwide telecommunications via secured lines. It is one of the largest data processing centres in Europe and meets the highest technical standards for security and disaster preparedness. More than 400 cameras ensure round-the-clock surveillance of the buildings, the outdoor area and the access roads. In case of a power failure, diesel aggregates deliver sufficient energy to maintain operations for several days. Under these circumstances, customer data are securely stored, customer processes reliably conducted and cloud computing applications robustly hosted.

Participation in crisis training

Magenta regularly holds crisis training courses. These courses serve to review and adapt existing processes and measures, to train new employees involved in the crisis process and as practice for all persons involved in the broadest sense. Large-scale cyber-attacks and crisis scenarios are practiced together with the Austrian CERT (Computer Emergency Response Team).

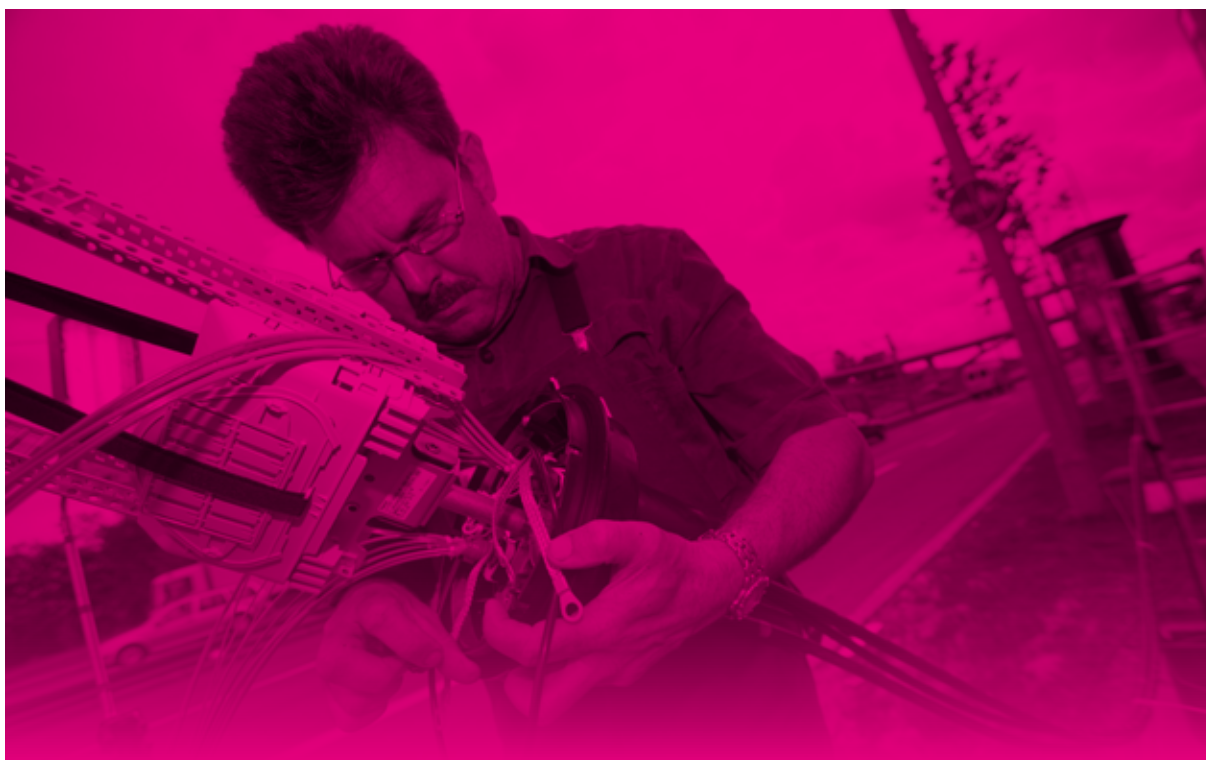
As an operator of critical infrastructure, Magenta cooperates closely with the Austrian Federal Government, government-related and public institutions, other infrastructure operations, emergency services, local security teams and many other stakeholders in the event of a disaster.

Transparent crisis communication

Rapid information about disruptions is crucial to many customers, especially in the B2B segment. Magenta has therefore established a designated information process for technical defects, while at the same time reporting the beginning and end of disruptions transparently and promptly on B2C information channels such as the website, app or via Facebook.

Outlook

Magenta will remain committed to its responsibility to provide critical infrastructure as a top priority. We will continue to offer crisis training in small and large-scale simulations. Information and escalation processes are put to the test in the course of exercises. Where necessary, adjustments will be made and training courses will be held for new managers and employees. Magenta will remain a reliable partner for Austria, and for its customers.



Social support projects

When there is not enough to make ends meet – help out the socially disadvantaged

Many major and minor topics relating to our connected society have accompanied our social responsibility for many years, with several new topics being added year by year. Our permanent efforts to support socially disadvantaged groups include our range of cheap or state-subsidised tariffs, as well as our support for the Austrian Childhood Cancer Organisation and “butterfly children”. As the gap between rich and poor is widening around the world, connections are becoming increasingly important. Magenta has supported Volkshilfe Austria in its work to combat poverty for many years. In 2019, we launched a donation campaign for *neunerhaus*, a social organisation supporting homeless people, instead of sending out printed Christmas cards. Magenta customers had the opportunity to make a “shooting star” shine on the T-Center’s LED façade. Magenta donated one euro to *neunerhaus* for each shooting star, raising a total of 20,000 euros in donations.

It is also part of the very core of our business activities to make the connection to the communication society affordable for people from every walk of life by introducing reasonable tariffs, and not least the state-subsidised “Klax Sozial” social tariff. In doing so, we pay particular attention to our commitment to children and young people. Our support for DEBRA, a self-help organisation for parents of “butterfly children”, arose from the commitment of one father and Magenta employee: since then, the proceeds from phone recycling have gone into researching innovative treatment approaches at DEBRA and the Austrian Childhood Cancer Organisation.

Connecting social inclusion and recycling

As part of another project, Magenta has given used company equipment to AfB, a non-profit IT company based in Germany, France, Austria and Switzerland. The PCs, laptops and monitors are recycled and resold. The work at AfB is based on social and ecological commitment. Nearly half of all employees are people



with a disability. By recycling the used devices, they make an important ecological contribution. These used, recycled devices are predominantly bought by pensioners, pupils and students. In 2019 alone, Magenta donated 670 PCs, 293 notebooks and 270 monitors to AfB.

Thanks to a life cycle assessment research study conducted by TU Berlin, the positive effects of the AfB model can now be calculated. AfB thus confirms the positive effects achieved with Magenta’s help: savings of more than 119 tonnes of iron equivalents, a reduction of energy consumption by 231,855 kWh, prevention of 70 tonnes of CO2 equivalents and sponsoring a workplace for people with a disability.

Using digitalisation for a fair future

What values should form the basis of the future we seek to build with the help of digitalisation? This was the question the Vienna Biennale focused on in its third edition, which took place from 28 May to 6 October 2019. It was originally founded in 2015 under the title “Vienna Biennale for Change”; a critical examination of digitalisation is at the heart of the Vienna Biennale. Magenta Telekom has supported Vienna Biennale as a Digital Content Partner from the outset and contributed in particular to the topic of artificial intelligence in 2019.

Our responsibility as an employer

Goals

- Promote the creation of a new employer
- Bring together the former UPC and T-Mobile locations in Vienna
- Promote dialogue and collaboration
- Introduction of a new employer brand: Du, wir, Magenta
- Introduction of Magenta Learning
- Integration of diversity aspects
- Health of employees as a central topic

From #wirwerdeneins to #duwirmagenta

Our major goal in 2019 was to merge the former locations of UPC and T-Mobile in Vienna, bringing together nearly all Viennese employees at our headquarters, the T-Center. To achieve this, our offices were designed to promote dialogue and collaboration. We use rooms to create cooperation. All measures were initially combined under the communicative umbrella #wirwerdeneins (#webecomeone) to create a sense of unity. With the launch of the new Magenta brand, we continued these measures under the new #duwirmagenta (#youusmagenta) umbrella. Our top priority was positioning the new employer Magenta Telekom on the Austrian market and introducing the new employer brand: Du, wir, Magenta (You, us, Magenta).

In addition, we launched Magenta Learning as a sustainable initiative to integrate independent learning in the company, and consistently advanced this project. To us, diversity is fundamental. Our goal was to integrate, where appropriate, the diversity aspects into all processes. Magenta Telekom attaches great importance to employees' health, with a central focus on this topic again in 2019. So we put together a broad range of measures and offers to optimally support our employees and address their specific needs.



The office – more than a workplace

We have become one company – also physically

One of our main goals in the course of the merger of T-Mobile Austria and UPC Austria was to grow together as fast as possible and develop a sense of unity. Our office locations played a key role in this process because one thing was clear to us: physical distance would not be conducive to getting to know each other and growing together. That's why we launched our location project immediately after the merger to implement our modern working environment of tomorrow. A modern open space concept, new furniture, sufficient storage space and, most importantly, meeting rooms to foster dialogue were the top priorities. In 2019, we succeeded in merging the teams at the Vienna location and some regional offices, thus taking a big step towards integration.

“T-Center new”, the heart of the location strategy

The project “T-Center new” was jointly operated by the Facility Management and Human Resources departments from the very beginning. Because Magenta knew it was not a mere real estate project; rather, we were laying the foundation for our future cooperation. Many employees were able to relocate to their new office space in the first half of 2019 already, while a few large teams, such as the Call Centre and B2B Sales, moved to the new shared offices in the T-Center in the second half of the year. The highlight of the redesign of the T-Center: the artistic light installation on the building, using light to convey the digital spirit of our company and our employees from the inside to the façade. Magenta Telekom thus created a new landmark with the launch of the new Magenta brand. This is something we are particularly proud of because it also makes our presence and strength visible to the outside.

Growing together in the provinces

Once the renovation of the T-Center and the related relocations in Vienna were completed (at the end of the third quarter of 2019), we extended our activities to Austria's provinces because we also wanted to accelerate our integration there.

At the two locations in Innsbruck (the former T-Mobile office and the former UPC location), modernisation and renovation work also started in 2019. By the end of 2019, our employees were able to move into the new, shared location, where modern workplaces were awaiting them.

In Linz, the former UPC office and the former T-Mobile location also had to be merged. Our employees in Linz relocated to the shared offices in the fourth quarter of 2019, after renovations had been completed and the offices had been given a more modern design.

Working in a modern open space office

The renovation and modernisation work led to the following changes: The open space concept and desk sharing were expanded at the T-Center and introduced at other locations. Where structurally possible, the new offices at the T-Center, but also at the other locations, offer an open space concept with new furniture. We provide different types of workplaces in response to the variety of activities, (working together, focused working, etc.). All workstations are equipped with two monitors, a docking station, adjustable desks and ergonomic chairs. A stable, reliable IT infrastructure based on common standards provides for high-performance work. New acoustic elements and dividing elements create a productive atmosphere. Magenta Telekom supports different activities, work processes and needs of employees based on this concept.

Our new communication rooms come in different sizes and provide the perfect space for online meetings or direct dialogue. Our meeting rooms feature modern equipment and promote virtual collaboration beyond departments, provincial and national borders. In addition to the existing café bridge, the central meeting point at the T-Center, we set up the Magenta Lounge to give our employees additional space for informal exchanges and/or breaks. Our rooftop terrace offers the opportunity to get some fresh air, do some smart gardening during a break or to just meet up with colleagues. This is how we encourage an open dialogue between employees throughout the T-Center. The

redesigned Magenta Learning Area and upgraded training rooms support our employees with a pleasant learning atmosphere during training courses and workshops.

The T-Center, an architectural landmark and focal point of the “Neu Marx” urban development quarter

Located in the Neu Marx urban development area, the T-Center is an office building almost without parallel in international architecture. The headquarters of Magenta Telekom and our affiliate T-Systems was designed by architect trio Günther Domenig, Hermann Eisenköck and Herfried Peyker and marks the skyline on Vienna's gateway to the east. Designed by the urban design team at Graz-based architectural firm Architektur Consult ZT GmbH, the building has a gross floor area of 134,000 square metres. The T-Center's striking architecture, created by architect Günther Domenig, has attracted attention in Austria and abroad in recent years. In 2006, the building was distinguished with the Austrian State Prize for Architecture. As well as receiving numerous awards, the T-Center has also set several records: the largest private construction project in Austria, a record construction period of 26 months, and a total of 1,200 people in continuous employment of the record construction site during the building's erection. Guided tours of the T-Center are available for architecture enthusiasts. These guided tours include a presentation about the architecture and a walk through different parts of the building, including further comments on the architectonic background and considerations of the construction and office-building strategy. Guided tours can be arranged for groups of 15 to 25 people. To arrange tours of the T-Center, please contact the Architekturzentrum Wien.

Outlook

The project “T-Center new” was completed in 2019. Modernisation work in Graz is scheduled for 2020. These locations will also be upgraded and consolidated in 2021 to better support a modern way of working and to promote the collaboration between employees of the two previously separate locations.



**Du,
wir,
Magenta** 

You, us, Magenta

We are Magenta.

With Magenta, we create a digital future. A future that is meaningful and brings happiness, that is exciting and thrilling, fascinating and inspiring. Magenta is more than just a colour or a name – it is a vision: the ultimate promise for Austria's digital future.

As an employer, Magenta Telekom has great responsibility. And we take this responsibility very seriously. We strive to create an environment in which our employees can be effective and grow – for themselves, for our customers, for Austria. We work hard to be one of Austria's best employers. And we accept responsibility for our employees and Austrian society. Together, we digitalise Austria and prepare our customers for the future. In doing so, our employees are our greatest asset. Because they make us what we are: strong, vibrant, multi-faceted. We are Magenta.

Together, we have made the ultimate promise for Austria's digital future. To keep this promise, it takes employees who accept responsibility, go to the limit of what is possible and beyond, and are curious. This is the only way to courageously pioneer new approaches and accompany our customers on the journey to digitalisation. From apprentices to the management, everyone in our company makes an important contribution to the company's success. We provide space for ideas,

make the inconceivable become reality and break through traditional ways of thinking. We motivate each other to keep moving another step forward.

Du, wir, Magenta

With our new employer brand “Du, wir, Magenta” (“You, us, Magenta”), we show, internally and externally, that we are Magenta. Along with the introduction of the new Magenta brand in May 2019, we also launched the employer branding campaign, in which our employees take centre stage. Our goal was to develop a new, strong employer brand as soon as possible after the merger – a brand that unites us and boosts identification with and loyalty to the new, common company. “Du, wir, Magenta” is more than just an employer branding campaign. “Du, wir, Magenta” stands for our Magenta team spirit and the way we work together. Accordingly, we undertake a wide variety of culture, engagement and communications activities to strengthen “Du, wir, Magenta”. In order to create a unifying, strong company culture, we developed the Magenta team promise in parallel with our employees. Our Magenta team promise builds on six principles and forms the basis of our cooperation.

Magenta Learning – we support our employees in their development

Focus on autonomous learning and individual development

It takes employees who are performance-oriented, courageous and willing to learn to implement our vision. Magenta Learning is our response to the challenges posed by an increasingly faster business world. As a reliable partner, we support our employees on their path towards digitalisation and help them to get fit for the future on their own accord. We offer tailored solutions, target-group-oriented programmes and digital learning content. Our goal is to create an environment where autonomous learning is possible – and fun. This is how we make our employees fit for the future and secure their individual development and our company's success.

Magenta Learning combines different aspects and possibilities of learning under one roof. To remain fit for work and competitive, it is important that every single one of us accepts personal responsibility for learning opportunities and takes their future into their own hands. The guiding principle is: you decide when, what and how you want to learn. The Human Resources department offers a variety of learning options. Managers provide assistance in choosing the relevant learning content for their employees and their needs.

Our digital learning platforms

Our Magenta Academy covers the learning content relevant for Magenta. We provide our employees with e-learning content, videos, documents and much more about our company, products, processes and systems on this digital platform. In addition, we offer learning content for specific target groups, for example new employees in service, in the shops, or for our apprentices.

In 2019, we decided to introduce another digital learning platform to promote autonomous learning in the company. The learning platform percipio has been offering our employees a great number of e-learning material, videos, books, etc. on business, technology,

digital transformation, collaboration and management since the summer of 2019. All employees can consume this content without limitation, wherever they are and at any time.

A new way of working @Magenta Telekom

We put the focus on "A new way of working @Magenta Telekom" with a series of in-house events for all employees in 2019. Our goal was to promote a flexible, digital way of working without being bound by location across departments and sites. A combination of key notes by external speakers and practice-oriented break-out sessions conducted by internal experts were the key to success in this project. As a first step, topics were presented and discussed at a high level; in the follow-up, these topics were practiced in hands-on exercises in small groups. Comprehensive communications measures and enablement material rounded off the spectrum.

Trailblazers – the programme for our talents

The talent programme already started in 2018 and was continued and concluded in 2019. In the course of this eighteen-month programme, talents from different areas in the company enhance their knowledge and skills in the fields of innovation, digitalisation and agile working. The goal is to incorporate the learnings into everyday work so that the newly gained knowledge can promptly be shared in-house with other employees. In a series of modules, the talents take a deep-dive into the topic, develop ideas and come up with new ways of working and thinking in the process. This is complemented by a dialogue platform for a direct exchange with the top management on current topics.



Leadership Journey – a learning journey for our managers

Our Leadership Journey for managers addresses group leaders. During the 6-month learning journey, the focus is on building a cross-departmental network, developing an individual assessment of position, using the space for personal reflection and learning practical methods as well as quick take-aways. Working in small groups supports the networking among managers, building a common understanding of leadership derived from our Magenta team promise and strengthening the individual development of each manager. In a series of modules, external and internal experts and trainers provide different types of impetus, covering specific development needs of managers.

Apprenticeships that have earned state recognition

Our apprentices are characterised by reliability, commitment, and passion for our customers and their jobs. In 2006, we became the first national mobile communications company to create an apprenticeship initiative and introduced a retail apprenticeship with a focus on telecommunications. In the 13 years since the founding of this special apprenticeship programme, Magenta Telekom (formerly T-Mobile Austria) has taken on around 230 apprentices. 70 percent of them remained with the company after finishing their training. We are proud to have received recognition as a Best Practice Training Organisation by the Federal Ministry for

Economic Affairs, Family and Youth since 2012. This recognition acknowledges Magenta Telekom's role as a key source of inspiration for the Austrian economy. Apprenticeships to train as a retail salesperson with a focus on telecommunications can be completed in one of our Magenta shops; since 2019, the headquarters in Vienna has also offered e-commerce office administrator apprenticeships. We welcome our new employees on our traditional "Welcome Day".

During the 3-year apprenticeship, the young trainees are additionally supported by around 90 employees from the Shop and Customer Relations and Digital Business departments. These employees also receive appropriate training to fulfil their responsibilities as apprentice trainers.

Training positions for young refugees who have come to Austria without their families are a fixed part of our apprenticeship programme. In cooperation with lobby.16, we support their integration in Austria. To ensure optimal preparation for the apprenticeship, the young trainees complete an individual training programme of several months before starting their training (for details refer to section Enabling integration and equal opportunities). Since 2010, 28 young people have started an apprenticeship with Magenta, three of them in 2019, and have therefore been able to build new prospects for their lives in Austria.

Outlook

In 2020, the focus will be on the development of the learning initiative and expansion of the contents of Magenta Learning (upgrade Magenta Academy, introduction of Coursera, roll-out of skilling initiatives for specific target groups, leadership training). In addition, the apprenticeship programme will be restructured.



Work-life balance is important to us

Enabling top performance

As a state-recognised family-friendly company, the balance of work and private life is important to us. Because our employees can only deliver top performance when their working and private lives are balanced. Mobile working and flexible working hours are part of our everyday working life, as are coaching, childcare and parental leave programmes. We look for proven and new opportunities to support the needs of our employees in every phase of life. To learn from other companies and share our experience, we are committed to the “Companies for Families” initiative of the Ministry of Family and Youth and are a founding member of the “Unternehmen Zukunft” (endeavour for the future) association. Our common goal: the reconciliation of private life and work must be a matter of course. It goes without saying that we offer parental part-time work as well as flexible part-time models for employees.

We are particularly proud that our efforts and initiatives to ensure a good work-life balance received state recognition as a “family-friendly company” in both 2017 and 2019 from the Family Ministry.

Company kindergarten and childcare

Since 2004, our nursery groups for children aged 1-3 and several groups for those aged 3-6 at our kindergarten in the T-Center have been an important element of our efforts to support employees' families. Our company kindergarten in the T-Center is expertly managed by the Vienna branch of Kinderfreunde. We also offer childcare for school-age children during school holidays and in summer.

Parental and educational leave

Showing appreciation for employees who have taken leave for family reasons or to attend training comes naturally to Magenta Telekom. Our “Stay in contact” initiative helps employees maintain a connection to the company while on leave. Regular meetings and internet access enable employees on leave to stay well connected to us.

Provisions for the future

"You can rely on me" is one of the principles of our Magenta promise. That is why Magenta offers all employees various options to provide for the future: The pension plan is our provision package for all employees. Magenta Telekom pays an annual basic contribution into the pension fund for all eligible employees. We also offer an endowment and term life insurance, where a monthly premium is paid, to provide for the future.



We put high priority on the reconciliation of work and private life.

Numerous awards make us proud of Magenta

We are proud of the numerous awards and prizes we have won in the past year, and especially in 2019. They reassure us in the course we have chosen and motivate us to keep working on being Austria's best employer.

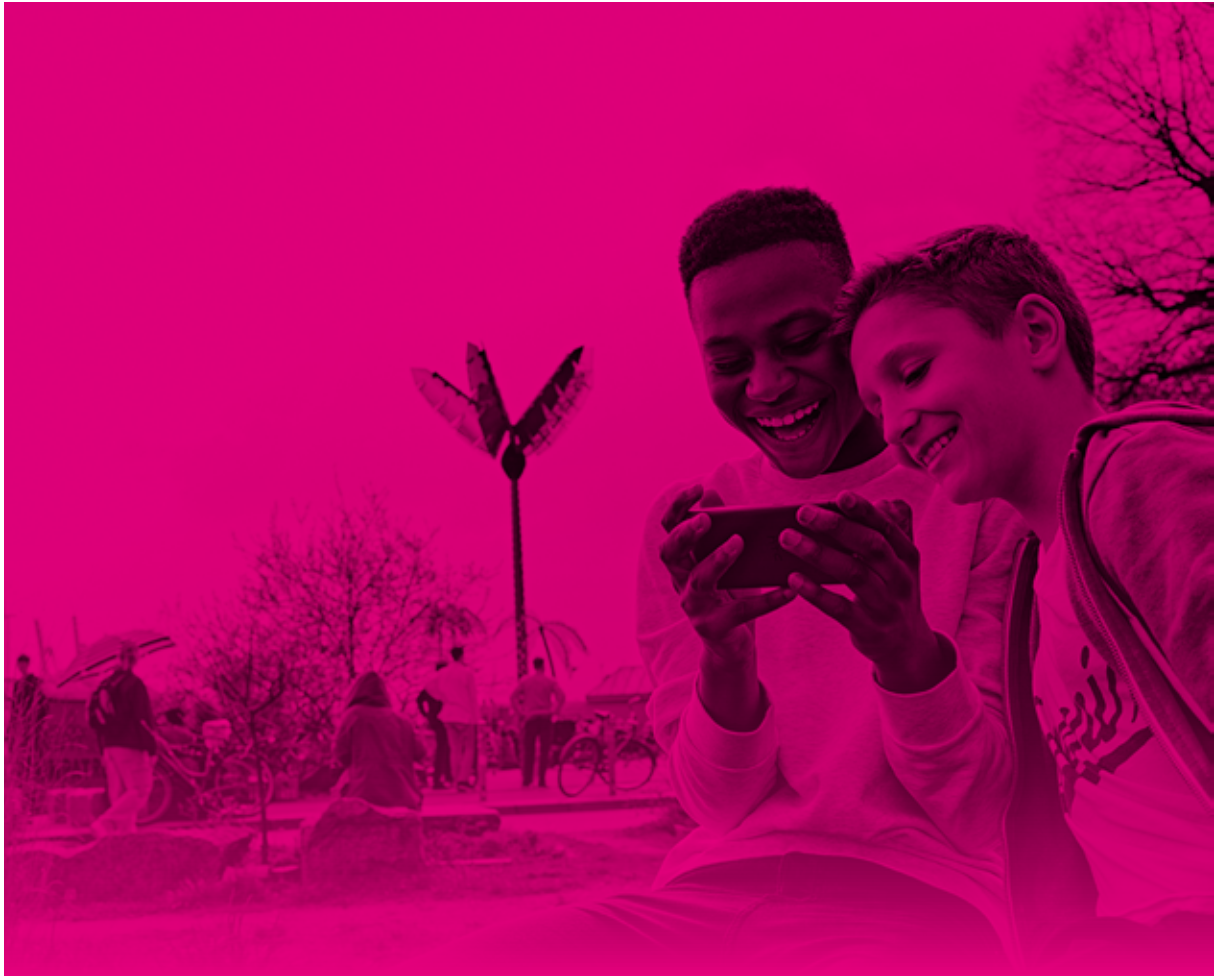
What applies to our customer relations is also our standard for employee relations: our employees' long-standing loyalty and commitment counts more than any prize. This is reflected in the results of our monthly mood barometer (employee survey).

Outlook

At Magenta Telekom, we will continue to work hard to be Austria's best employer. Internal and external employer branding will be a focus again in 2020. We attach high priority to reconciling work and private life and will continue to develop offers in this area.

Some of the awards and prizes we received in 2019:

Du, wir, Magenta®



Enabling integration and equal opportunities

From loss to learning – forging new perspectives

An apprenticeship with Magenta Telekom gives young refugees without any immediate family a new outlook on life and opens up doors to the Austrian labour market. With the support of the private lobby.16 initiative, Magenta Telekom gives young people a place in the working world of their new home and a new perspective on life despite their difficult circumstances. Young refugees who are forced to flee a crisis or war zone such as Syria or Afghanistan without their parents often have no prospects, never mind professional opportunities. At Magenta Telekom, we take on social responsibility and offer this target group opportunities for the future.

The private initiative lobby.16 promotes the education of these young people and Magenta has been actively supporting their work since 2010. In cooperation with lobby.16, we have adapted our selection process to the target group and implement it together. This helps us create a trustful environment for the young trainees where they can show their potential. We contributed our long-standing experience in human resources, and in particular in training young people, to the development of a preparatory programme for professional prospects. As part of this programme, the young people mentored by lobby.16 receive intensive training to catch up in German, English, mathematics and IT, as well as additional courses related to the apprenticeship. These preparatory courses ensure that these young people can start their training at a comparable level and have



At Magenta, we live
respect, tolerance and
mutual appreciation.

the same opportunities as apprentices who grew up in Austria.

Magenta has offered young people apprenticeships in retail with a focus on telecommunications since 2010. Since the beginning of the cooperation, we have taken three apprentices per year, which corresponds to about 10 percent of the apprenticeships offered annually. In 2019, three refugees started their apprenticeships. Since 2010, we have given 28 apprentices an opportunity for professional integration, with only five of them not completing the apprenticeship. 15 employees have already completed their training and 12 of them have become part of the Magenta team. They work in our Magenta shops in Vienna and are ready to assist customers with any enquiry. At present, eight lobby.16 apprentices are undergoing training. As support works best when people help people, Magenta employees volunteer to mentor the young people in their personal development. A buddy system provides additional assistance during the initial phase.

As an international company and part of Deutsche Telekom Group, Magenta Telekom has always been committed to equal opportunities and diversity in its personnel policy for people of all backgrounds. The cooperation with lobby.16 also aims to model respect, tolerance, and mutual appreciation as a part of life within the company.

Magenta Telekom supports people with Asperger syndrome

Approximately 80,000 people in Austria are autistic and about one third of them has Asperger syndrome. These people often have special talents which are valuable for companies but often remain hidden at first sight. 80 percent of them are unemployed as other characteristics stand out in job interviews, including a varying weakness in social interaction and communication skills. As part of our long-standing cooperation with our



partner Specialisterne, we integrate people with Asperger syndrome and foster their skills. Specialisterne is an association that helps people with Asperger syndrome to find work in line with their qualifications. They help both the people with disorders on the autistic spectrum and their future teams when they begin to work together. This has allowed Magenta to use the skills of the colleagues as a competitive advantage on the labour market.

People who have Asperger syndrome pay remarkable attention to detail, identify patterns and irregularities, have above-average logical thinking and analysing abilities, a high tolerance towards repetitive routine work and a high ability to concentrate. Magenta uses this potential, for example in data analysis. We aim to find additional working areas for people with Asperger syndrome, thus winning ideal employees for those tasks that tend to quickly fatigue colleagues. Magenta has worked with Specialisterne since 2016 and won five highly qualified employees since then.

We will continue our long-standing and successful co-operation with both lobby.16 and Specialisterne in 2020.

Magenta is multi-faceted – we promote diversity

Status of measures to date

- 22.5 percent women in leadership positions at Magenta Telekom
- Increasingly integrate gender awareness into HR processes
- Installation of a representative for people with a disability in 2019
- Promote tolerance

Magenta is vibrant, strong and multifaceted. So are our employees.

As a sustainable company we strive to deal responsibly with our employees as well as with our customers and partners. In addition to that, we want to make a contribution to Austria's society. We live an open and tolerant culture, are convinced that differences are an advantage and diverse angles enrich us as a company. We rely on mutual appreciation, working together trustfully and openly and are actively committed to diversity. Discrimination has no place in our world. This is not about gender and/or age. We stand for overall diversity. We embrace cultural diversity, diversity of individual strengths and skills and diversity of life philosophies. In 2019, there was no pending court case related to the Equal Treatment Act or discrimination.

Equal opportunities

Women and men have equal opportunities at Magenta Telekom. It is the performance, commitment and attitude of our employees that count, not their gender or age. With "Equal Pay", we provide for fair salaries, as shown by our Income Report.

Despite our efforts, we are not yet where we want to stand as a modern company. Our aim is to increase the share of women in management positions.

We encourage women to develop in management positions and support them in doing so. At workshops, we call managers' attention to "blind spots" and engage in an open dialogue about diversity with them. In recruiting and internal application processes, we make sure that any preconceptions are eliminated and women

(with or without children) who have the required qualifications are considered fairly in the process.

Making progress in raising the proportion of women in our management positions requires fair pay. In a technical industry where the share of men is traditionally high, this goal confronts us with special challenges. The most important aspect is equal pay for equal work. Our Income Report states that Magenta Telekom is an "equal payer". Our Income Report 2019 shows that there has been a positive development in the convergence of salaries of men and women over the last few years. In the upper pay scales, women in management positions even slightly exceed men, while men still earn more than women in the lower pay scales. However, the difference is only between 2 and 8 percent (depending on the pay scale). Overall, Magenta Telekom rewards equal work with equal pay.

To provide fair development opportunities, we have a wide range of offers for mothers and fathers as well as parents returning from parental leave. We also support paternity leave and the "father's month" because anyone who raises children or cares for family members should not suffer disadvantages professionally. In 2019, 24 employees took paternity leave or the father's month.

We are a technology-based company. A high share of men is not unusual in this type of industry. But that is not a valid excuse. To increase the share of women in general, we try to get young girls inspired by our technical industry. We participate in Vienna's "Daughters' Day" and deliberately address girls when we look for apprentices.

We promote diverse teams, whether they are employee or management teams. In doing so, we consider not only a reasonable women/men ratio in the composition of teams but also other aspects such as age, previous professional and personal experience and internationality.

Accommodating people with a disability is another element of diversity. We take responsibility – that includes people with a disability or limitations. Our goal is to enable these people to participate in working life and in society, and to do so for as long as possible. It is important to us to give our employees good and individual support. In 2019, the function of a representative for



22,5 %
share of women
in leadership positions

disabled people was implemented in the works council team to provide more targeted support for employees who have special needs or questions. The representatives for disabled people provide advice to employees affected by severe health limitations, ensure compliance with legal requirements and have an open ear for individual questions and concerns.

An adaptation of the workplace or equipment, or support in a professional reorientation due to increased limitations over time may, for example, help find a solution. We strive to find a solution together with the colleague, the works council and the Human Resources department.

Magenta is the colour of tolerance

Diversity is not just a goal a company sets, but rather a mindset that we need to stand up for time and again. For many years we have advocated the acceptance of different models of life in society and a tolerant and open society. This is part of our social duty. Our commitment is by far not limited to the Life Ball, which took place for the last time in 2019.

Magenta Telekom was a partner of the Life Ball for nine consecutive years and also supported the final Life Ball in 2019, which took place under the motto "United in Diversity". As a long-standing sponsor of Europe's most spectacular charity event, Magenta supported the testimonial campaigns with Gery Keszler, Sir Elton John, Boy George and Jean Paul Gaultier since 2011. To accompany the event, iOS- and Android apps were developed: the emoji app "Life-Moticons" with different emojis such as the Red Ribbon or Life Ball visitors in costumes, and the "Know Your Status" app as a reminder and in support of HIV tests. Magenta made a donation per app download to support the important work to fight HIV.

In addition, the Red Ribbon, a global symbol of solidarity with those who are HIV-positive or have AIDS, illuminated the LED façade of the T-Center from 7 June to 8 June 2019, the days of the 26th Life Ball.

Another innovative facility is Diversity Care Wien (previously HIVmobil), an association that supports HIV-positive people by providing medical and home nursing care. This reduces burdensome hospital visits. The innovative form of care provided by Diversity Care demonstrates our understanding of social responsibility: we want to reach a point at which services like this are embedded in the general healthcare system as this is to only way to make them accessible to everyone. You can read more about the association's admirable work here: Diversity Care Wien.

Another partnership shows Magenta's commitment to diversity in society: for the fifth time, Magenta was the main sponsor of the Diversity Ball, organised by equalizent. This initiative celebrates individual diversity like no other ball in Vienna. As a social enterprise, equalizent offers expertise in relation to deafness, sign language and diversity management.

Outlook

Together with our managers and employees, we will continue to promote diversity in our company. We integrate diversity as a mindset into our processes, taking into account a variety of different aspects.

Health, safety and wellbeing

Employee health is a key topic

The health of our employees was a central topic for Magenta again in 2019. Our employees ensure not only the continued existence but above all the success of our company. They have what it takes. They make a difference. They make Magenta what it is: a strong company in a dynamic environment which drives Austria's digitalisation. So we aim to always offer a broad range of measures and services to support our employees and their specific needs in the best possible way. Because our employees' health is not just "nice to have" – it is the foundation our company is built upon. That's why we focus on different health aspects: it is not just about our employees' physical health, but also about their mental health. People only feel well when both areas are covered. That's why we ensure that both pillars are addressed.

We have successfully managed to stabilise the health rate at a high level (2018: 95.64%, 2019: 95.33%). Ongoing measures in 2019, supported by regular internal communication and health campaigns, aim to enhance our employees' health awareness.

Our approach to employee health, safety and wellbeing

Health management is part of the HR department. Likewise, the Safety & Security team is also part of HR. These two teams work together closely to ensure that all legal requirements regarding the health and safety of employees are met.

Safety at work

Safety at work is of paramount importance at Magenta. That's why our workplaces are evaluated at regular intervals – at the office as well as in the Magenta shop. Our employees evaluate potential burdens and/or hazards and record them if necessary so that effective action can be taken rapidly. Our goal is to give our employees the best possible working conditions. To that end, our safety officers are available to our employees, informing them, providing advice and ensuring that all precautions are taken and complied with. They work closely with trained

safety experts and occupational physicians as well as the occupational psychologist.

Since 2012, we have been working with the occupational health and safety management system OHSAS 18001 (now ISO 45001) to prevent potential risks for our employees and to ensure they can develop their potential. The Health and Safety Committee pursuant to Section 88 of the Austrian Worker Protection Act (ASchG) meets annually and the results are appropriately recorded. Mandatory instructions according to Section 14 of the ASchG also take place annually via e-learning. There is a sufficient number of prevention staff such as safety officers, first responders and fire protection wardens at our locations. They also receive regular training. A specific position for occupational safety was created in the Technical department in order to ensure compliance with occupational safety in this area.

Health at the workplace

The health of our employees determines the performance of our company. That's why our employees' health is a central topic. On the one hand, it is the key to the performance of our organisation; on the other hand, the wellbeing of our employees has a significant impact on our collaboration. We therefore try to provide our employees with the best possible support. In close coordination with the works council, Magenta's health management team develops comprehensive health-promoting measures beyond the legally required level.

From medical screenings, medical care, smoking cessation to gymnastics classes and fitness training, Magenta offers a variety of health measures for employees.

Employees can address health-related questions to gesundheitsmanagement@magenta.at. The occupational physician and the occupational psychologists can be contacted by phone or on site during office hours and are available for individual counselling. All health topics can be discussed directly with the experts. On overview of the service portfolio of occupational medicine and occupational psychology is available on the intranet.

Specific measures

Numerous measures were taken in 2019 to improve our employees' health and wellbeing:

- **Occupational medicine:**

Eye exams: 110 participants,
vaccine campaign (influenza, ticks): 370 participants,
smoking cessation (also for apprentices)

- **Offers for teams/managers/employees**

Resilience training for employees and managers, team workshops on request, on topics such as dealing with stress or change

- **Participation in the Business Run**

We offer our employees free coaching and advice on personal and professional issues through our partner, consentiv. They provide professional, anonymous one-on-one counselling.

Our employees can enjoy apples at the workplace. About 10 tonnes of Austrian apples are consumed each year by our employees. The weekly distribution of Austrian apples at the headquarters in Vienna and the location in Graz already began many years ago.

We support the Red Cross through our in-house blood drives several times each year, which also provide an opportunity to raise awareness of a healthy lifestyle.

Motivating our employees to cycle

Magenta Telekom has supported the national Cycle to Work (Radelt zur Arbeit) initiative since 2013, which not only improves Magenta's CO₂ footprint, but also helps our employees improve their fitness. We also support other initiatives. To optimally prepare our employees Magenta Telekom offers them a bicycle check free of charge. The mobile repair and bicycle check, which is organised by the works council, aims to ensure that our employees are not only relaxed but also as safe as possible on their way to work.

Many Magenta employees already use their bike to get to work, which saves them from having to deal with daily traffic jams or taking packed public transport. At the same time, they protect the environment and boost their own health by exercising. Of course we provide lockable bicycle parking facilities at our locations.

Our participation in the Cycle to Work initiative, a cooperation of the Ministry for Sustainability and Tourism, the participating provincial governments and the "Radlobby Österreich" (Bicycle Lobby Austria)

association, aims to encourage even more employees to take their bike to work. All company teams who use their bikes for at least half of way to work can win valuable prizes. Last year more than 27,000 people, including Magenta Telekom employees, cycled more than 17.5 million kilometres for this initiative.

Outlook

Magenta Telekom will undoubtedly continue to sustainably pursue the topic of health for the long term. Specific measures are already planned for 2020, for example health initiatives including medical screenings, smoking cessation, fitness classes or participation in running competitions. We aim to expand our offering of team workshops and individual counselling with our occupational psychologist. Given the transformation processes our company is going through, our development measures will focus on dealing with change, which has a significant impact on the wellbeing of our employees.

Appendix

Key figures

Overview of key figures	Unit	GRI Indicator	2017	2018	2019
Economy					
Revenue	€ million	-	899.6	1,054.7	1,276.0
EBITDA	€ million	-	266.5	336.0	467.0
Infrastructure investments	€ million	GRI 203-1	155.1	228.9	242.0
Transferred data volume (download and upload)					
Mobile	terabytes	-	313,503	491,364	659,661
Fixed network	petabytes	-	n.a.	1,478	1,784
SMS per year (outgoing and incoming)	billion SMS	-	2.1	2.2	2.1
Call minutes per year (outgoing and incoming)	billion minutes	-	13.7	13.9	16.7
Locations					
Shops	number	-	48	48	50
T-Center, regional offices, contact centres	number	-	6	11	11
Customers					
Customers (subscriptions)	million	-	5.9	8.7	5 ¹⁾
Share of customers using online billing	percent	-	75%	75%	75%
Resulting annual reduction of paper consumption	million sheets	-	69.5	75.0	88.9
Environment					
Total electricity consumption	MWh	GRI 302-1	123,196	132,470	180,291
Electricity consumption mobile network	MWh	GRI 302-1	118,212	127,484	134,911
Electricity consumption fixed network	MWh	GRI 302-1	n.a.	12,760	39,847
District heating	MWh	GRI 302-1	2,714	2,840	2,955
Fossil fuels	MWh	GRI 302-1	468	758	680
Fuels (fleet)	MWh	GRI 302-1	3,894	6,214	7,802
Energy consumption heating T-Center	MWh	GRI 302-1	2,714	2,706	2,930
Energy intensity ²⁾	kWh/GB	GRI 302-3	0.38	0.26	0.20
Share of renewable energy (total)	percent	-	90%	90%	92%
Total vehicles	number	-	180	345	342
Mobile devices taken back	number	-	3,573	1,884	1,813
Carbon footprint					
Scope 1 (heating, fleet, emergency standby systems)	tonnes of CO ₂ -eq	GRI 305-1	1,418	2,031	2,560 ³⁾
Scope 2 (electricity, district heating)	tonnes of CO ₂ -eq	GRI 305-2	2,253	3,506	4,329 ³⁾
Scope 3 (employee mobility, purchased goods and services, water, etc.)	tonnes of CO ₂ -eq	GRI 305-3	2,483	3,576	4,813 ³⁾
Total CO ₂ emissions	tonnes of CO ₂ -eq	-	6,154	9,114	11,702 ³⁾
Carbon intensity ⁴⁾	kg CO ₂ -eq/Terabyte	GRI 305-4	20	19	18

1) As of 1 January 2019, inventory of M2M SIM cards in Austria was adjusted. 2.4 million customers were derecognised. The figure for 2019 was adjusted for this effect.

2) Figure refers to energy consumption and data volume only in the mobile network

3) Values subject to ongoing certification

4) Includes only data volume from the mobile network

n.a. = not available

Overview of key figures	Unit	GRI Indicator	2017	2018	2019
Miscellaneous data					
Residual waste produced at T-Center	tonnes	-	23	22	21
Waste paper produced at T-Center	tonnes	-	10	19	23
Water consumption at T-Center	m³	-	8,031	8,215	8,420
Paper consumption (T-Mobile total)	tonnes	-	178	177	185
Mobile phone recycling and buy-back	number	-	3,573	1,884	1,284
Employees					
Number of employees	headcount	GRI 102-8	1,503	2,512	2,424
thereof apprentices	number	-	88	110	112
Number of women	number	GRI 102-8	615	972	908
Number of men	number	GRI 102-8	888	1,540	1,516
Proportion of women	percent	GRI 405-1	40.9%	38.7%	37.5%
Proportion of men	percent	GRI 405-1	59.1%	61.3%	62.5%
Proportion of employees <30 years old	percent	GRI 405-1	22.8%	23.4%	22.9%
Proportion of employees 30-50 years old	percent	GRI 405-1	69.4%	66.4%	65.9%
Proportion of employees >50 years old	percent	GRI 405-1	7.9%	10.2%	11.2%
Age distribution/average age	in years	-	37	37	38
Proportion of women in management positions	percent	GRI 405-1	22.3%	26.4%	22.5%
Regular part-time employees	percent	GRI 102-8	26%	20%	20%
Regular part-time employees	number	GRI 102-8	396	514	493
Women working part-time	number	GRI 102-8	284	382	359
Men working part-time	number	GRI 102-8	112	132	134
Employees with a permanent employment contract	number	GRI 102-8	1,317	2,354	2,235
Women permanent	number	GRI 102-8	554	923	849
Men permanent	number	GRI 102-8	763	1,431	1,386
Employees with a temporary employment contract	number	GRI 102-8	186	158 ⁵⁾	189
Women temporary	number	GRI 102-8	61	47 ⁵⁾	59
Men temporary	number	GRI 102-8	125	111 ⁵⁾	130
Employee turnover	percent	GRI 401-1	9.7%	9.3% ⁵⁾	14.1%
Accidents at work (incl. accidents on commute)	number	GRI 403-2	3	8 ⁵⁾	4
Health rate	percent	GRI 403-2	95.9%	95.6% ⁵⁾	95.3%
Employees on parental leave	number	GRI 401-3	51	66	73
Number of men on parental leave	number	GRI 401-3	6	4	7
Number of women on parental leave	number	GRI 401-3	45	62	66
Return to work rate after parental leave	percent	GRI 401-3	58%	76% ⁵⁾	48%
Employee satisfaction, measured by those who responded "very good" to the question: "How do you feel in the company?"	percent	-	87%	77% ⁵⁾	64%

5) Data excl. UPC

GRI content index

GRI-Standard	GRI-Disclosure	Page	Remarks and Omissions
102: General Disclosures 2016			
Organizational profile			
GRI 102: General Disclosures 2016	102-1: Name of the organization	p. 79	
	102-2: Activities, brands, products, and services	-	https://www.magenta.at/unternehmen
	102-3: Location of headquarters	p. 79	
	102-4: Location of operations	p. 3, 72	
	102-5: Ownership and legal form	p. 79	
	102-6: Markets served	-	Austria
	102-7: Scale of the organization	p. 3, 72	
	102-8: Information on employees and other workers	p. 73	
	102-9: Supply chain	p. 52-53	
	102-10: Significant changes to the organization and its supply chain	p. 10	
	102-11: Precautionary Principle or approach	p. 15-16, 49-50	
	102-12: External initiatives	p. 16, 31, 36, 38-43, 56	
	102-13: Membership of associations	p. 39, 63-64	
Strategy			
GRI 102: General Disclosures 2016	102-14: Statement from senior decision-maker	p. 7	
Ethics and integrity			
GRI 102: General Disclosures 2016	102-16: Values, principles, standards, and norms of behavior	p. 15-16, 49-50	
Governance			
GRI 102: General Disclosures 2016	102-18: Governance structure	p. 14, 16	
Stakeholder engagement			
GRI 102: General Disclosures 2016	102-40: List of stakeholder groups	p. 18	
	102-41: Collective bargaining agreements	-	100 % of employees are subject to collective bargaining agreements
	102-42: Identifying and selecting stakeholders	p. 17-18	
	102-43: Approach to stakeholder engagement	p. 14-19	
	102-44: Key topics and concerns raised	p. 14-18	

GRI-Standard	GRI-Disclosure	Page	Remarks and Omissions
Reporting practice			
GRI 102: General Disclosures 2016	102-45: Entities included in the consolidated financial statements	p. 4	
	102-46: Defining report content and topic Boundaries	p. 18	
	102-47: List of material topics	p. 18	
	102-48: Restatements of information	-	No restatements.
	102-49: Changes in reporting	p. 4	
	102-50: Reporting period	p. 4	
	102-51: Date of most recent report	p. 4	
	102-52: Reporting cycle	p. 4	
	102-53: Contact point for questions regarding the report	p. 4	
	102-54: Claim of reporting in accordance with the GRI Standards	p. 4	
	102-55: GRI Content Index	p. 74-78	
	102-56: External assurance	-	No external assurance.
Material Topics			
GRI 200: Economic Topics			
Network expansion			
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its boundaries	p. 21-22	
	103-2: Management approach and its components		
	103-3: Evaluation of the management approach		
GRI 203: Indirect Economic Impacts 2016	203-1: Infrastructure investments and services supported	p. 3, 11, 72	
Ethical business practices and compliance			
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its boundaries	p. 48-50	
	103-2: Management approach and its components		
	103-3: Evaluation of the management approach		
GRI 205: Anti-corruption 2016	205-2: Communication and training about anti-corruption policies and procedures	-	In 2019, 25 hours were spent on training in compliance and anti-corruption.
	205-3: Confirmed incidents of corruption and actions taken	p. 50	

GRI-Standard	GRI-Disclosure	Page	Remarks and Omissions	
GRI 300: Environmental Topics				
Limiting the impact of climate change				
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its boundaries	p. 29-30		
	103-2: Management approach and its components			
	103-3: Evaluation of the management approach			
GRI 302: Energy 2016	302-1: Energy consumption within the organization	p. 3, 72	Only total energy consumption, electricity consumption, district heating consumption and fossil fuel consumption are reported.	
	302-3: Energy intensity	p. 3, 72		
	302-4: Reduction of energy consumption	p. 32		
GRI 305: Emissions 2016	305-1: Direct (Scope 1) GHG emissions	p. 3, 72	GHG emissions were calculated in accordance with the Greenhouse Gas Protocol. All greenhouse gases according to the Kyoto Protocol were included in the calculations. There are no biogenic CO ₂ emissions. The emission factors used come from national and international sources such as the Federal Environment Agency (UBA) and the International Energy Agency (IEA).	
	305-2: Energy indirect (Scope 2) GHG emissions	p. 3, 72		
	305-3: Other indirect (Scope 3) GHG emissions	p. 3, 72		
	305-4: GHG emissions intensity	p. 3, 72		
	305-5: Reduction of GHG emissions	p. 32		
Sustainability (working standards, environmental protection) in the supply chain				
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its boundaries	p. 52-53		
	103-2: Management approach and its components			
	103-3: Evaluation of the management approach			
GRI 308: Supplier Environmental Assessment 2016	308-1: New suppliers that were screened using environmental criteria	-	In 2019, the purchasing volume covered by self-assessment and/or audits accounted for 81 percent of the total purchasing volume of the Deutsche Telekom Group's suppliers. See Group-wide strategy on sustainable procurement: https://www.cr-report.telekom.com/site19/suppliers/sustainable-procurement-strategy	
GRI 414: Supplier Social Assessment 2016	414-1: New suppliers that were screened using social criteria	-		
GRI 400: Social Topics				
Talent acquisition, employee retention & development				
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its boundaries	p. 60-64		
	103-2: Management approach and its components			
	103-3: Evaluation of the management approach			
GRI 401: Employment 2016	401-1: New employee hires and employee turnover	p. 73	Only the fluctuation rate is reported.	
	401-2: Benefits provided to full-time employees that are not provided to temporary or part-time employees	p. 58-59, 63-64		
	401-3: Parental leave	p. 73		
GRI 404: Training and Education 2016	404-2: Programs for upgrading employee skills and transition assistance programs	p. 61-62		

GRI-Standard	GRI-Disclosure	Page	Remarks and Omissions
Diversity and anti-discrimination			
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its boundaries	p. 67-68	
	103-2: Management approach and its components		
	103-3: Evaluation of the management approach		
GRI 405: Diversity and Equal Opportunity 2016	405-1: Diversity of governance bodies and employees	p. 3, 68, 73	
GRI 406: Non-discrimination 2016	406-1: Incidents of discrimination and corrective actions taken	p. 67	
Employee health, safety and well-being			
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its boundaries	p. 69-70	
	103-2: Management approach and its components		
	103-3: Evaluation of the management approach		
GRI 403: Occupational Health and Safety 2016	403-2: Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	p. 73	Only the number of accidents at work and the health rate are reported.
	403-4: Health and safety topics covered in formal agreements with trade unions	p. 69	
Media literacy and ICT and child safety			
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its boundaries	p. 28, 38-41	
	103-2: Management approach and its components		
	103-3: Evaluation of the management approach		
GRI 416: Customer Health and Safety 2016	4416-2: Incidents of non-compliance concerning the health and safety impacts of products and services	p. 28	
Data privacy / data security			
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its boundaries	p. 24-27	
	103-2: Management approach and its components		
	103-3: Evaluation of the management approach		
GRI 418: Customer Privacy 2016	418-1: Substantiated complaints concerning breaches of customer privacy and losses of customer data	p. 26	

GRI-Standard	GRI-Disclosure	Page	Remarks and Omissions
OTHER TOPICS			
Resource conservation and recycling			
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its boundaries	p. 34-35	
	103-2: Management approach and its components		
	103-3: Evaluation of the management approach		
Service quality			
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its boundaries	p. 44-45	
	103-2: Management approach and its components		
	103-3: Evaluation of the management approach		
ICT solutions for a low-carbon economy			
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its boundaries	p. 33, 42-43	
	103-2: Management approach and its components		
	103-3: Evaluation of the management approach		

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