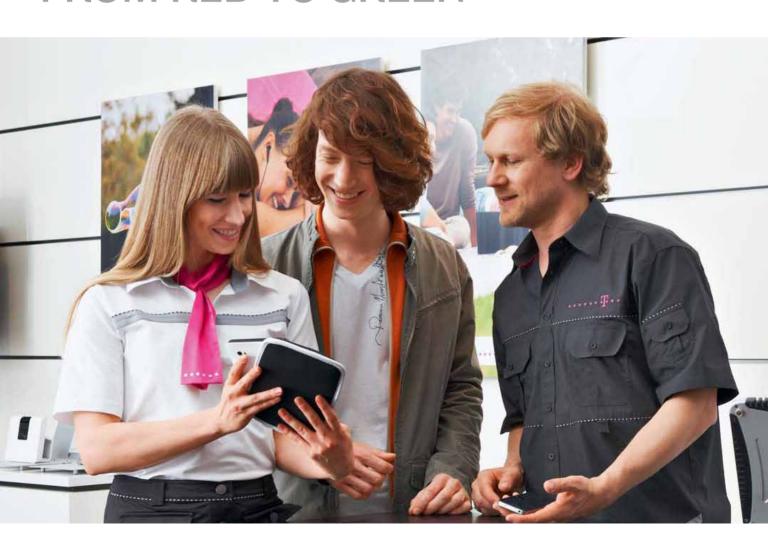
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MAGYAR TELEKOM

FROM RED TO GREEN





FROM RED TO GREEN

Since Hungary emerged from Soviet control, Magyar Telekom has been making rapid progress towards sustainability, recently earning an A+ rating from the Global Reporting Initiative

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fter more than four decades of Soviet control, the late 1980s saw a whole swathe of Eastern Bloc countries again become the masters of their own destiny. In Hungary, the transition occurred in 1989 and within just a few months, the country's infrastructure was being modernised.

The road to where the communications network is today began when Hungarian Post was split into three and the telephone service hived off as the separate state owned company Matáv Hungarian Telecommunications. In 1993, the service went private and a consortium of two telecommunications companies, Deutsche Telekom and Ameritech International acquired a controlling interest and Magyar Telekom was born. Under the guidance of Deutsche Telecom, the German's "T" brand was promoted to a Hungarian populace itching to catch up with the rest of the industrialised world.

With such a backlog of technological catching up to do, you'd hardly be surprised if observing the niceties wasn't so high on the agenda. And yet, barely into the first years of operation, Magyar Telekom had already put special emphasis on environmental protection.

Under the guidance of Katalin Szomolányi, head of the Corporate Sustainability Centre at Magyar Telekom, the business gained the distinction in 2007 of being awarded Hungary's first A+ rating, signifying it operates in full compliance with the third



Sometimes, the most remarkable innovations are the ones we don't see...

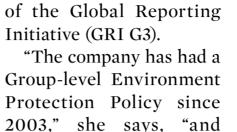
Availability, control and security of electrical energy, installing and commissioning UPS systems: each day we provide innovative solutions to our customers.

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generation guidelines

sustainability has been on the agenda since 2004, meaning that in addition to

environmental considerations, social and economic dimensions also receive special attention. Our sustainability strategy has been in place since 2005 and not only does it have to be approved by each member of the



top management team, they have to commit themselves to implementing it."

Since 2002, Magyar Telekom has been issuing regular environmental describing reports its environmental performance, a practice that then formed the basis

of the subsequent sustainability report. The implication of the higher level of compliance that comes with A+ rating is greater transparency and more opportunity for being judged.

SOCOMEC GROUP

SOCOMEC Group is an independent manufacturer specialising in the distribution, control and quality of power supplies serving low-voltage electrical networks in industry and service sectors such as telecoms. Created in 1922, the group has three business areas: trip and low voltage protection systems, UPS systems and solar power. With 25 subsidiaries throughout the world and nine industrial sites, SOCOMEC combines technological innovation and technical knowledge with high-quality pre and post-sales services.

SOCOMEC UPS division provides UPS systems, inverters, load transfer modules, and rectifier/chargers, and applies innovative ideas to develop a complete range that offers a unique characteristic—3-level topology. When applied to uninterruptible power systems with double conversion online



technology this makes it possible to achieve maximum energy efficiency, equivalent to 96 per cent (verified by Bureau Veritas and TÜV SÜD), while guaranteeing total load protection at all times and in all conditions. This is the background to the GREEN POWER UPS family, currently the only one to cover a power range from IO to 400 kW. SOCOMEC UPS' green commitment continues with a kinetic alternative to batteries for storing energy—the flywheel. It provides outstanding reliability, long service life (> 20 years), high efficiency and is environmentally friendly. SOCOMEC also has a wide range of software solutions for monitoring UPS and shutting down servers, both virtual and physical.

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same level of commitment and performance within its supply chain, Magyar Telekom has initiated an annual award to suppliers who demonstrate leadership in their own sustainability endeavours. "It's known as the Delfin (dolphin) Award," says Szomolányi, "and is an acronym for the Hungarian name of the initiative, which translates as: Prize for a Committed,

into English as: Prize for a Committed, Sustainable, and Innovative Generation."

From its position as leader of the telecommunication industry, Magyar Telekom is setting examples which it wants others to follow in the harmonisation of business, social and environmental interests and in the process, reward suppliers for their help in achieving its sustainability goals. Applications can be made in one or more of four categories: innovations that have already been completed and which promote positive change in social and environmental effects; the promotion of equal opportunities

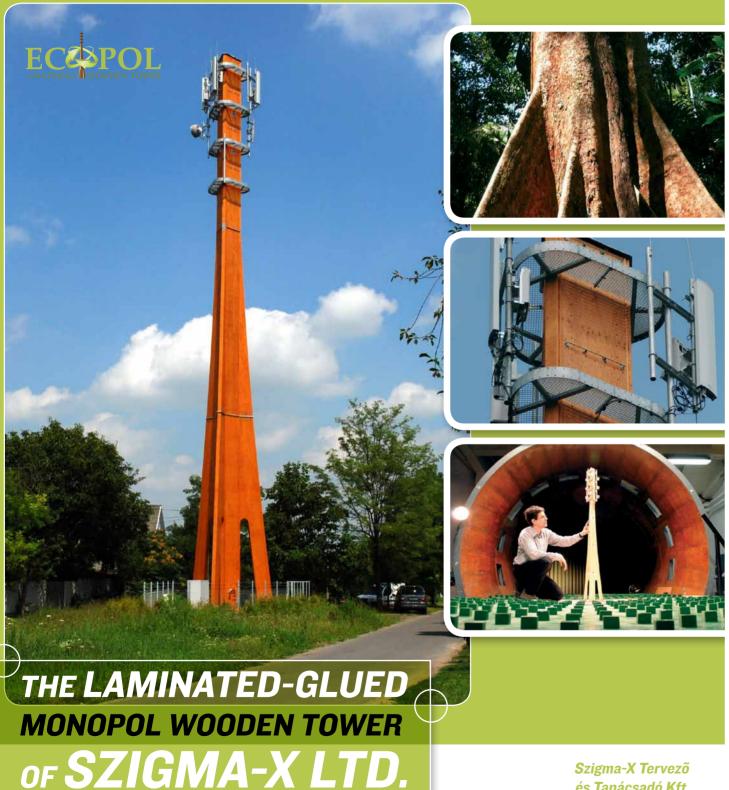


Katalin Szomolányi

2,000,000 KM

Air and road travel distance saved by audio and video-conferencing

Szigma-X is specialised in general construction design, construction management and the resolution of special engineering problems



and anti-discriminatory practices: investments and developments aimed at climate protection; and training and education raising awareness about sustainability.

As an example of sustainability projects, aimed at benefitting

the Digital Bridge initiative. "Certain life. The really rewarding aspect of this sectors of society," she says, "are at risk of being left behind in the technical era. employees participate on a voluntary basis



This is not just a function of age or affluence but also location. Digital Bridge is directed towards isolated settlements of less than 3000 inhabitants, teaching people personally how the internet can be tailored for their own personal needs and interests for

society as a whole, Szomolányi describes them to have a more fulfilling way of programme is that Magyar Telekom's

SZIGMA-X DESIGN AND CONSULTING LTD



Szigma-X Design and Consulting Ltd (founded in 1989) specialises in general construction design, construction management and the resolution of specific engineering problems. Its key focus areas include the design, construction, expansion and safety testing of antenna towers and other telecommunication support structures. More than 1,600 antenna towers have been completed on the basis of our design work. We have designed more than 50 types of tower structures, including lattice, monopole, unique, camouflage, laminatedglued timber, steel mobile, and carbon mobile. Since our inception, we have worked in the Hungarian telecommunication field. Our towers became the type-towers of Hungarian Telekom as well as Vodafone. Based on our unique patented method, we also reinforce existing weak towers using crossbars and fixing ropes.

Our new, outstanding product is Ecopol, a

laminated-glued timber tower family, which can be used for electric poles, advertising, lighting, or windmills. The 30 metre high prototypes are already operating as base stations. Our experienced team is now ready for the challenge of producing a 40 metre high wooden pole which blends into the surrounding landscape.

2010 was a successful year for Ecopol, when the Hungarian patented tower was granted design protection. Moreover, it won the Dolphin Award, nominated and awarded by Hungarian Telekom in the category of 'Innovation Came True'. The project gained recognition for setting an example in the field of sustainable growth by fulfilling all three pillars of sustainability in the environmental, economic and social dimensions.

www.szigmax.hu www.ecopol.hu

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and since 2004 there have been more than 150 events involving thousands of people."

Since 2008 Magyar Telekom has been holding an annual focus event, in conjunction with a number of NGOs. under the banner 'Sustainability Day.' The event has a complex agenda, serving multiple purposes. Interactive panels featuring group discussions on current issues regarding the environment, society and economy are led by prominent and well respected representatives of their related fields. Last year the environmental focus was on water, while poverty and responsible communication were the social and economic issues. The event also discussed how the role of volunteerism could be promoted.

The Sustainability Day, despite the fact that it is organized by a large corporation, differs in format and appearance from traditional branded events with the emphasis very much remaining on the topic and substance. The event is becoming more and more successful as years go by with participation doubling each year along with extensive increases in media coverage. From an initial attendance of 300 in 2008, the number of delegates grew to 3000 last year.



A Digital Bridge event

In a more commercially oriented programme, specifically aimed at doing business in a greener way—and with very measurable results-Magyar Telekom is encouraging the use of technology to remove the need for travel. In 2009 it installed TelePresence video-conferencing facilities at strategic sites within Hungary and at its international affiliates in Macedonia and Montenegro, as well as the majority owner

"WE WANT MAGYAR TELEKOM TO BE RECOGNISED AS THE LEADING ADVOCATE OF SUSTAINABILITY AND TO BE ADMIRED FOR OUR CHAMPIONING ACTIONS"

Deutsche Telekom. In the first year alone, the group saved 476,410 kilometres of flights by using this service. In the subsequent vear it saved 1,368,361 km of international flights and 164 tons of carbon dioxide.

At the same time, audio and video-conferencing facilities with document sharing abilities were installed on all workstations enabling small groups of three or four staff to communicate without the need for travel. All in all, Magyar estimates that it saved almost 2,000,000 km of air or road travel that year alone.

In coming years, Magyar Telekom has

set itself some ambitious targets for spreading the message, understanding application and sustainability, throughout **Number of Digital Bridge** all levels of the organisation and within the wider community. "We

want Magyar Telekom,"

says Szomolányi, "to be recognised by the public as the leading advocate of sustainability and to be admired for our championing actions." **B**E

For more information about Magyar Telekom visit: www.telekom.hu

events since 2004

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