



# Sustainability Report 2023

Innovation and renewal across generations

# Message from the CEO

## DEAR READER,

I am pleased to draw your attention to Magyar Posta's sustainability report for the year 2023. Magyar Posta has been committed for years to the protection of the natural and social environment, as well as to responsible and ethical corporate governance, which is reflected in many of our measures. We aim to contribute to Hungary's sustainable development efforts, to respond effectively to the environmental and social challenges of the 21st century, and to reduce negative environmental impacts. The rapidly changing customer needs require us to introduce new, high-quality services. Customer satisfaction is a top priority for us, as we serve the entire population of Hungary as a universal postal service provider. We carry out our tasks in such a way that we preserve our 'postal heritage', which has a history of over 150 years. We would not be able to achieve all of this without our employees, so their well-being is of utmost importance to us, just like our social responsibility, through which we reciprocate the trust that the public has placed in us.

The year 2023 was a year of challenges for Magyar Posta. We had to simultaneously stabilize the operation of the previously established and constantly expanding postal services and implement new developments in line with the requirements of the 21st century. We expanded our renewed postal partnership programme, which resulted in nearly 500 partner post offices operating in the country in 2023. In line with the goals for 2024, at least one hundred new partners will be involved shortly. The partnership programme creates an opportunity for the residents of small settlements to continue accessing postal services locally, with potentially longer opening hours and extended services than before. During the program, we install the complete infrastructure related to postal services in the building of the local municipality, or in a small shop, pharmacy, or general store – the local partner only needs to provide the property and the workforce.

We are continuously expanding our MPL parcel locker network as well; by the end of 2023, five hundred and fifty parcel lockers were operating across the country, and we plan to install an additional one hundred and fifty lockers by the end of 2024. Within the framework of the MPL+ programme, four new parcel logistics sites

were established in 2023: in Zalaegerszeg, Békéscsaba, Hatvan and Nagykanizsa, and we also put into operation additional eight automated conveyor systems in Kaposvár, Füzesabony, Zalaegerszeg, Szombathely, Hatvan, Nagykanizsa, Békéscsaba and Veszprém. Automation has also come to the forefront of warehouse logistics services. In November 2023, we launched our outstanding fulfillment service, SMART by MPL, which offers small and medium-sized enterprises a solution to focus on their business growth instead of the logistics of their goods.

Magyar Posta has high energy demand due to the operation of its post offices, and its transport and delivery activities, therefore our Company has placed a focus on energy efficiency and long-term sustainability. In 2023, we introduced a new energy control system with the ultimate goal of reducing energy use in our buildings and transport operations and increasing energy awareness. Our procurement of electric vehicles has continued, as nearly half of our Company's energy consumption relates to transport. In 2023, we purchased forty-five electric trucks, one hundred e-tricycles, and more than five hundred e-bikes, bringing our electric fleet to more than three thousand vehicles. With the expansions in 2023 and our future energy efficiency measures, we are getting closer to our goal of reducing our carbon emissions by more than 18 % by 2030 compared to the base year of 2017.

Important social pillars of sustainability are employee well-being, community building, and social responsibility. The moral and financial recognition of postal colleagues, improving their working conditions, and maintaining our community life must not be sidelined. Our goal is to further strengthen the committed employee base and reduce employee turnover. The Postakürt Foundation provides assistance to postal families in need and offers cultural and recreational programs to all employees. Our Company is committed to drive diversity and ensure equal opportunities. In 2023 we appointed an Equal Opportunity Ambassador who represents employees with disabilities or reduced capacity to work and colleagues belonging to other disadvantaged groups. We are proud that by creating a forklift-free zone at the National Logistics Center, we achieved a 6.1% employment rate for employees with disabilities surpassing



the 5 % target set by law. We strive to increase this ratio across the whole Company, as we are able to employ employees with disabilities in more than fifty job positions.

For eight years now, we have been publishing our sustainability report annually as a result of our organizational collaboration and teamwork. Our aim is to provide a comprehensive picture of our sustainability goals and achievements of our operations and related activities.

*Please join us and let us show how sustainable we operate in our key areas.*

**dr. Barnabás Balczó**  
Chairman & CEO

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# 1

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## Magyar Posta Zrt.

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# 1.1. Introduction of our company



Magyar Posta Zrt. is Hungary's designated universal postal service provider, one of the country's largest publicly owned companies. Ownership of the Company (referred to as Shareholder) lay with the Minister of Economic Development in the reporting period.

The main activities are lettermail delivery, parcel delivery, and the delivery of payments to the public, such as pensions, family allowances, and other benefits. We also offer a range of other services to our customers, such as cash deposit (cash transfer order and postal bill payment order) and cash transfer (domestic postal money order). With the dynamic growth of cash transfer orders and postal bill payment orders via electronic channels, the volume of domestic parcels delivered exceeded 28 million in 2023.

**The sustainability report and materiality assessment of Magyar Posta do not cover the whole group (non-consolidated level). The legally defined core business services included in the materiality assessment and sustainability report are bolded:**

**MAGYAR POSTA ZRT. - SCOPE OF SERVICES**

- ✔ **Postal service (lettermail product)**
- ✔ **Postal service (parcel product)**
- ✔ **Logistics activity**
- ✔ **Legally defined payment service (domestic postal money order)**
- ✔ **Legally defined payment services (cash transfer order and postal bill payment order)**
- ✔ **Legally defined payment services (payment and pension vouchers)**
- ✔ **Newspaper subscription - service**
- ✔ **Philately and stamp services**
- ✔ **Customs agent service**
- ✔ Gambling service
- ✔ Sale of financial valuables
- ✔ Sale of commercial goods
- ✔ Intermediation of financial services
- ✔ Intermediation of investment services
- ✔ Insurance intermediation
- ✔ Other business activities

The scope and composition of business relationships in the areas of activity covered by the report are discussed in the relevant chapters: the composition of the supply chain in the sub-chapter Responsible procurement, information on the supported partners in the chapter Social responsibility, and information on the postal network partners in the chapter Responsible service: customer satisfaction and quality services.

**Magyar Posta Zrt.**

Responsible economic operations: economic performance and fair value creation

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### Parcel traffic and distribution of parcel items by place of delivery

	2021	2022	2023	Change (2023/2022)
Domestic parcel traffic (pcs)	27,508,224	25,138,224	28,971,914	+ 15.25 %
Inbound international mail (pcs)	18,043,600	9,844,579	8,386,725	- 14.81 %
<b>Share of domestic B parcels</b>				
Delivered to door	82.81 %	80.62 %	80.37 %	- 0.25 %
Poste restante	12.69 %	13.82 %	10.28 %	- 3.54 %
Delivered to Partner Points	2.22 %	2.19 %	1.74 %	- 0.45 %
Delivered to a parcel point	2.28 %	3.37 %	7.61 %	+ 4.24 %
Total share of domestic B parcels	100.00 %	100.00 %	100.00 %	

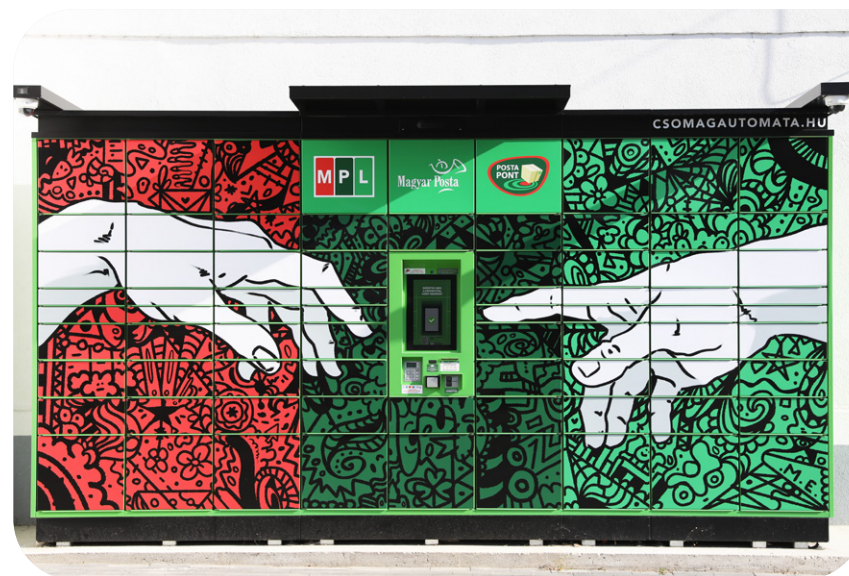
### Electronic payment of cash transfer orders and postal bill payment orders in figures (pcs)

	2021	2022	2023	Change (2023/2022)
Cash transfer orders and postal bill payment orders paid via electronic channel*	10,979,242	12,248,711	14,178,195	+ 15.75 %
of which iCsekk*	5,059,583	5,206,150	6,296,308	+ 20.94 %

\* The electronic channels also include mobile application traffic and H2H (host to host) solutions (e.g. wCsekk).

The activities of Magyar Posta are performed through the governance centre in Budapest (the Company's headquarters), the Parcel Logistics Centre, the National Logistics Centre in Budaörs, the Logistics Centre in Fót, the Smart Logistics Centre, the International Postal Exchange Centre at Liszt Ferenc International Airport, logistics plants, depots, regional directorates in major cities, and postal and branch offices.

In response to changing consumer habits, Magyar Posta's scope of activities is constantly evolving and changing, while at the same time, fulfilling its legal obligation to ensure that everyone has non-discriminatory access to basic postal services that meet the needs of customers. Our aim is to maintain the availability of postal services in line with societal expectations.



### Magyar Posta in figures

	2022	2023	Change (2023/2022)
Fixed-location active post office	2,188 pcs	2,210 pcs	+ 1.0 %
Mobile post office	354 pcs	376 pcs	+ 6.2 %
Accessible postal service points	48,5%	46,3%	- 2.2 %
Net sales revenue	HUF 230.3 billion	HUF 246.5 billion	+ 7.0 %
Lettermail collected in Hungary	485 million pieces	443 million pieces	- 8.7 %
Inbound international mail	10 million pieces	8 million pieces	- 20.0 %
Domestic parcel traffic	25.14 million pieces	28.97 million pieces	+ 15.2
Value of bill payment turnover	HUF 1,845 billion	HUF 1,785 billion	- 3.3 %
Number of employees*	24,163	22,013	- 8.9 %

\* Headcount statistics as of 31 December, with active employees who have been with the organization for more than 30 days.

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## 1.2. Responsible corporate governance

The governing bodies of the Company are the Shareholder, the Board of Directors, and the Supervisory Board.

The sole shareholder of the Company (Shareholder) is the Hungarian State, the Minister of Economic Development exercises all the rights and obligations of the Hungarian State as the owner of the Company. The Shareholder is the supreme body of the Company.

The Board of Directors is the executive body of the Company and is entitled to take all decisions necessary for the governance of the Company which are not within the exclusive competence of the Shareholder by law or under the Articles of Association.

The Board of Directors consists of six members, elected by the Shareholder. The members of the Board of Directors are elected for a fixed term, until the end of the fifth financial year following their election.

The Supervisory Board supervises the management of the Company (Management) to safeguard the interests of the Company. The members of the Supervisory Board are required to participate in person in the work of the Supervisory Board. They are independent of the management of the Company and cannot be instructed in their activities. The Supervisory Board is composed of six members, four of whom are nominated by the Shareholder of the Company and two of whom by the Works Council from among the employees, after consulting with the trade unions of the Company. Employee candidates shall be elected by the Shareholder as members of the Supervisory Board without delay after nomination unless there is a statutory reason for exclusion against the candidates. The members of the Supervisory Board shall be appointed until the end of the third financial year following their election.

Independent members of the governing bodies ensure, among other things, that the interests of stakeholders are effectively enforced in the decision-making process.

### Composition of the governing bodies and the Management (headcount)

	Independent member	Non-independent member	Total
Board of Directors	3	3	6
Supervisory Board	6	0	6
Management	0	4	4
Total	9	7	16



The Chief Executive Officer of the Company is an employee of the Company, the Company's first-line manager, over whom the Board of Directors exercises the employer rights. The rights of the CEO as a member of the Board of Directors fall within the exclusive competence of the Shareholder. The Chief Executive Officer is responsible for the day-to-day management of the Company's operational activities, while his duties as member of the Board of Directors are performed on a contract basis.

To avoid any conflicts of interest, the CEO is required to make a declaration on the subject every two years. Our Conflict of Interest Policy sets strict rules for members of the management board to report personal and operational conflicts of interest. The declarations are reviewed every two years by our legal department, which is responsible for their safekeeping, within the framework of which it is entitled to initiate their revision to the Chairman of the Board of Directors of the Company or the Chairman of the Supervisory Board. The Compliance Department of our company regularly controls the operation of processes related to conflicts of interest and the appearance of potential risks. Magyar Posta does not disclose conflicts of interest externally but takes measures to address all of them.

The Company's *Organisational and Operational Policy (OOP)* effective in 2023 is available on our website; in 2023, two organizational changes were made. The first one concerned Parcel Logistics (01.06.2023), while the second affected the entire organization (15.08.2023).

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**THE MAIN CHANGES ARE STATED BELOW:**

**Terminated organizational units:**

Directorate of Logistics Development,  
 Directorate of Logistics Product Development,  
 Business Intelligence Directorate,  
 Corporate Sales Directorate,  
 Parcel Sales Directorate,  
 Retail Sales Directorate,  
 Directorate for Payments and Intermediary Services,  
 Asset Management Directorate,  
 Network Development Directorate,  
 Directorate for Strategy and Project Management  
 Coordination Directorate.

**New organizational units:**

Digital and Business Development Directorate for Parcel Logistics,  
 Chief Directorate for Marketing Communication,  
 Retail Sales and Postal Financial Directorate,  
 Business Sales Directorate,  
 Portfolio Management Directorate,  
 Directorate for Strategy,  
 KEM (Environmental Protection, Health and Safety Department) and Governance Systems Directorate.

The information contained in the Sustainability Report of Magyar Posta is based on the proposals approved by the Board of Directors, by the rules set out in the CEO's instruction on the procedures for the preparation of proposals and the meetings of Magyar Posta's governing bodies.

The highest governing bodies (Board of Directors, Supervisory Board) and the Management have an adequate gender representation ratio, their professional experience is sufficiently complex, and their age is varied.



**Breakdown of governing bodies and the Management by gender, age (headcount)**

	Gender			Age			
	Female	Male	Total	<30	30-50	>50	Total
<b>Board of Directors</b>	3	3	6	0	5	1	6
<b>Supervisory Board</b>	4	2	6	1	1	4	6
<b>Management</b>	1	3	4	0	4	0	4
<b>Total*</b>	8	8	16	1	10	5	16

\* The members of the governing bodies are named on our website: [Governance of Magyar Posta Zrt.](#)

**Magyar Posta Zrt.**

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### 1.3. Ensuring smooth business continuity

**Remuneration of the governing bodies, honorarium**

	31.12.2022 Headcount	31.12.2023 Headcount	Change (2023/2022)	31.12.2022 Honorarium	31.12.2023 Honorarium	Change (2023/2022)
<b>Board of Directors</b>	6	6	0 %	HUF 34 million	HUF 34.8 million	+ 2.35 %
<b>Supervisory Board</b>	6	6	0 %	HUF 17 million	HUF 18 million	+ 5.83 %

The policy regulating the remuneration of the members of the executive board and the management is based on the relevant legislation (Act CXXII of 2009 on the more economical operation of public companies and Government Resolution 1660/2015 (IX. 15.) on the renewal of the remuneration system for executive officers of majority state-owned companies). The determination of severance pay, the amount of remuneration (bonus) based on performance, the performance targets, and other remuneration and benefits fall within the competence of the Company's supreme body. The remuneration of executive officers must contribute to the effective achievement of the Company's business, economic, and strategic objectives for the given year while its maximums are laid down in Government Resolution 1660/2015 (IX. 15.). It does not contain any specific sustainability objective for the time being. The Remuneration Policy and any amendments thereto are approved by the Shareholder as the supreme body of the Company.

No advances or loans were paid to members of the Board of Directors, the Supervisory Board, and the Management during the reporting period.

Membership and employment of members of governing bodies in other bodies, committees, and legal entities are governed by conflict of interest provisions. They have equal voting rights in the governing bodies and are appointed for a fixed term. The criteria for the selection of the members of the governing bodies (e.g. management competencies relevant to the impact of the organization) are determined by the Shareholder, and the Company has no material influence on the selection criteria.

In the case of Magyar Posta Zrt., as a public service provider and universal postal service provider serving public social needs, it is particularly important to pay special attention to continuous business operations. The role of Magyar Posta in social cohesion is significant, as we operate several vital elements and infrastructures, which are critical for the functioning of our society and economy. As a result of the above, ensuring smooth business continuity is an important community interest for our Company.

The policies and/or commitments of our organization on relevant issues are set out in the Universal Postal Public Service Contract, the Security Policy, the Quality, Environment and Energy Policy, the CEO Instruction 104/2012 on Business Continuity Planning and Tasks of Implementation, the Integrated Emergency Management Policy, the Compliance Policy and the Risk Management Policy. As a responsible service provider and employer, we have the action plan and procedures (e.g. business continuity, emergency management plan or pandemic protocol) required by the relevant legislation, and supervisory or authority recommendation. The process of elaboration, familiarisation and regular review of these are regulated in line with the current risk situation. The relevant internal policies are subject to a mandatory annual documented review, the related plans are tested, and the lessons learned are incorporated into the relevant training processes.

During 2023, the Central Emergency Management Committee continuously assessed the current situation caused by the energy crisis. We have issued several measures related to the energy emergency. Keeping these measures up to date was a regular recurring task. Furthermore, we also have a defense action plan applicable during the special legal order. In 2023, the maximum temperature limit of 18 degrees Celsius was respected at the beginning of the year, during the heating season from January to the end of March, in line with the government decree. We provided blankets and thermal vests for our workers. Centralized emergency management has proved effective, as there have been no disruptions that significantly affected business operations or public opinion, and significant savings have also been achieved in energy efficiency.



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# 1.4. Stakeholder relations

Our company develops relationships with all stakeholders following business ethics rules. We adhere to legal requirements for communication, information provision, complaint handling, and advocacy. We work with NGOs with a high level of expertise in a given field in various ways, such as donations and grants (see chapter 8.1). We also build on their knowledge of social and environmental issues, supporting their work through our services and involving them in defining the themes of stamp issues. Our objectives of dialogue and cooperation with stakeholders: identify and prevent risks and address them; identify concerns and ideas; identify opportunities for improvement; and develop cooperation around common goals.

*The tables below summarise the stakeholder groups to which Magyar Posta is actively engaged through bilateral dialogue.*

STAKEHOLDERS	PRIMARY MEANS OF CONTACT	FREQUENCY OF CONTACT	TOPICS
 <b>The exerciser of owner's rights</b>	regular reporting	monthly and, on request and as necessary, individual data reporting	service features, economic performance, strategic projects
 <b>Subsidiaries</b>	regular reporting and cooperation	varies, according to need and demand	ownership control and professional management, economic performance, strategic projects, service provision to Magyar Posta
 <b>Employees</b>	information through internal communication channels - management visits, brainstorming	daily, but with varying frequency depending on given forum	staff turnover, pay increase, labour and OSH issues, development opportunities
 <b>Employee representation</b>	through electronic channels concerning employer measures affecting a large group of employees or changes to employer directives, or by way of face-to-face meetings and negotiations	daily and/or several times a year	information, representation and enforcement of employees' interests, negotiation of collective agreements and salary/wage increases
 <b>Customers, clients (retail and corporate)</b>	information provision, mystery shopping, quality testing, satisfaction assessment, comments, and complaints	daily and/or several times a year	waiting times, information provision, meeting quality and legal requirements, product information, awareness raising on protection of personal data
 <b>Suppliers</b>	by means necessary for the performance of the contract, supported by an electronic procurement system	depending on the business relationship	compliance with contractual requirements and company regulations
 <b>Public administration (municipalities, government, authorities)</b>	audits by public authorities, reporting, cooperation	varies, according to need and demand	legal compliance, public service conditions, participation in information campaigns
 <b>Natural environment (NGOs)</b>	consultation, support	regular	climate change, environmental cleanliness, efficient use of materials and circular economy
 <b>Supported organizations</b>	consultations, reports	as needed	expectations regarding support, cooperation opportunities
 <b>Associations*</b>	industry events, publications, consultations	several times a year	sustainability, industry benchmarking, stamp issuing
 <b>Media</b>	press releases, interviews, press briefing, press conference	regular information and response/ reaction to all inquiries	business performance, employment, environment, social engagement, digitalisation, lawful operation

\* We communicate directly with competitors only through associations.

We keep our stakeholders informed about our actions relating to material topics and effectiveness through the above channels, as well as through our website, news, internal newsletter, social profile pages, and the annual Sustainability Report, which is public and available to everyone through the website.

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## MEMBERSHIPS

Magyar Posta is also a member of several professional organizations. Through sustainability-related cooperation, we can develop more sustainable operating options together with other professional organizations or international postal organisations and draw inspiration from the operational practices of other companies.

### Key memberships of Magyar Posta



**UPU**  
Universal Postal Union



**POSTEUROP**  
European Association of Postal Operators



**IPC**  
International Post Corporation



**STRATOSZ**  
National Association of Strategic and Public Service Companies



**MEF**  
Employers' Equal Opportunities Forum (founding member)

**PÁPB**  
Postal Sector Dialogue Committee



Direct and Interactive Marketing Association



**KGTP**  
Circular Economy Technology Platform



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# 1.5. Sustainability at Magyar Posta

Magyar Posta's core values are sustainability and responsibility towards its employees, society, and the environment in the broader sense and serving the community. In the short and medium term, we aim to lay the foundations of a business model that will ensure the Company's long-term profitability as well as operate in harmony with the natural environment, while being able to respond to the needs and expectations of a constantly changing business environment and society.




### OUR MISSION

Building on our traditions, we offer modern solutions to ensure a high level of service for our customers' needs, the owner's expectations, and the well-being of our staff.



### FUTURE VISION

We earn respect from our customers, partners, and competitors through our fair market conduct, reliable operations, and commitment to service excellence.



### OUR VALUES

We are recognized and appreciated by our customers, partners, and competitors for our fair market conduct, reliable operations, and service excellence.

- COURAGE:** We are market innovators, daring to try new solutions, not only externally but also internally.
- INTEGRITY:** It is good business to maintain value for money and to demand it of ourselves too.
- CONSISTENCY:** We prepare our offers carefully and require our suppliers to ensure that their offers implemented.
- RESPECT FOR TRADITION:** Building on more than 150 years of experience and knowledge, we offer the market a range of products and services that meet the needs of the 21st century. One of the foundations of reliability is to maintain the necessary degree of tradition in operations.
- LOYALTY:** Attempts to build predictable and long-term cooperation working with our customers, stakeholders and staff.
- DYNAMISM:** Agility in a competitive market means, in part, speed and flexibility, which must be applied to the execution of the business.
- DEMANDINGNESS:** We provide high-quality service to meet our clients' needs and the owner's expectations, based on our traditions and modern solutions, ensuring the success of our employees.

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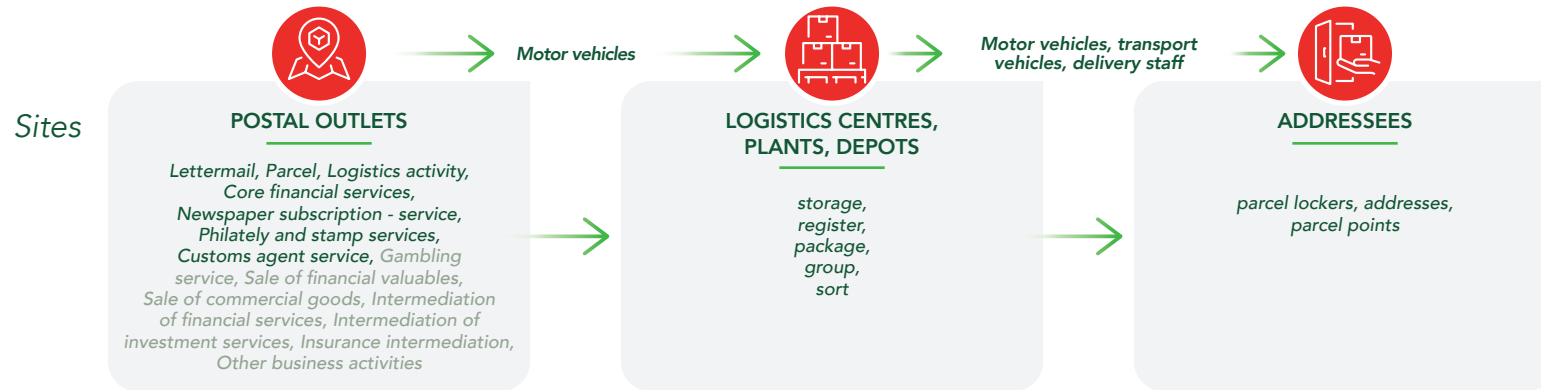
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Our social responsibility and impact can be traced back to the provision of public services, and its national network, our state ownership background, being the largest employer in the country, as well as our extensive corporate infrastructure and fleet. Our responsibility for the environment covers as much transport and logistics as the operation of our sites and assets. In the Sustainability Report, we present our activities and results according to the material topics, while also demonstrating how ESG (environmental, social, governance) aspects are considered and implemented in through our operations.



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Responsible employment: employee well-being

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## 1.6. Material topics

The scope of relevant topics was reviewed based on guidelines laid down in the GRI 3: Material Topics 2021 standard valid in 2023.

During our operation, we continuously monitor our activities and business relationships, their sustainability context, and identify those stakeholders (individuals/groups) that may be affected by our Company's activities. As no sector-specific GRI standard is available for our industry at the reporting date, we conducted a benchmark analysis to assess the material topics of major international postal service providers.

In 2023, we identified and evaluated our impacts in cooperation with our stakeholders, as an integral part of our daily activities. (For more information on how and how often we contact stakeholders, read the chapter entitled Stakeholder relations.) We measure customer and public satisfaction every two months with a tracking survey. Furthermore, using feedbacks received through our complaints handling process, we track the topics where our Company's activities have the greatest impact.

### As in 2022:

- together with external and internal experts, we identified potentially significant environmental, social, and economic issues of Magyar Posta that may have an impact on our Company in the course of its operations and business activities and may significantly influence stakeholder expectations and decision-making.
- we relied on our impact analysis to determine, based on a benchmark study of companies in the industry, a questionnaire survey of previous stakeholders, external expert analysis, and senior management assessment, the material (actual or potential; positive or negative; short, medium, or long-term) impacts the Company in different areas, and
- the scale, scope, and irreversibility of these impacts were then evaluated by scoring.

### In the course of the review, we found that the range of material topics has not changed significantly from the previous year, only the following non-significant changes were implemented:

- **New material topics:**
  - Data protection and cybersecurity: in the 2023 report, data protection and cybersecurity became a relevant material topic, due to the increased phishing and online fraud attempts to which both customers and the organisation are exposed, and in which the organization plays a significant role in terms of prevention.
  - Social responsibility: as a consequence of the strengthening and strategic upgrading of pre-existing activities and impacts, it has become a separate material topic.
- **Renaming, redefinition:**
  - The previously labelled responsible employment and retention has been updated to employee well-being and responsible employment to align with the organization's 2023 operations and priorities. This includes the addition of goals and objectives related to employee well-being to complement the focus on retention.
- **Re-groupings, aggregations, priority changes, new sub-topics:**
  - Under the heading of customer satisfaction and quality of service, we have summarised the topics covered and classified them as high impact, material topics.
  - We have aggregated the relevant topics under the heading climate change and environmental protection. The report focuses on the topics of energy use, greenhouse gas emissions and the circular economy.
  - Digitalisation, tradition, taxation are becoming relevant topics, enriching the reporting of material topics.

### for 2023, we only conducted a review to determine whether there is a need to amend or supplement the material topics included in the report for 2023 Sustainability Report. The review was conducted along the following lines:

- Significant changes in Magyar Posta's organization, products/services, and operating environment.
- Changes in stakeholders' expectations and priorities based on received comments and questions.
- Changes in strategic directions, and sub-areas of focus.
- Change in the organization's impact on the environment, society, people, and the business world.
- Changes in the geopolitical, economic and social context.
- Good industry practices.
- Changes in the international and domestic legal environment, sustainability reporting standards and guidelines, and changes expected in the short term.

As the last step, the relevant GRI topic-specific standards and performance indicators have been assigned to the 2023 material topics, around which the Sustainability Report is built. In addition, we have supplemented the disclosures of each topic with information that gives an even more comprehensive picture of the operation and performance of our Company.

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Responsible employment:  
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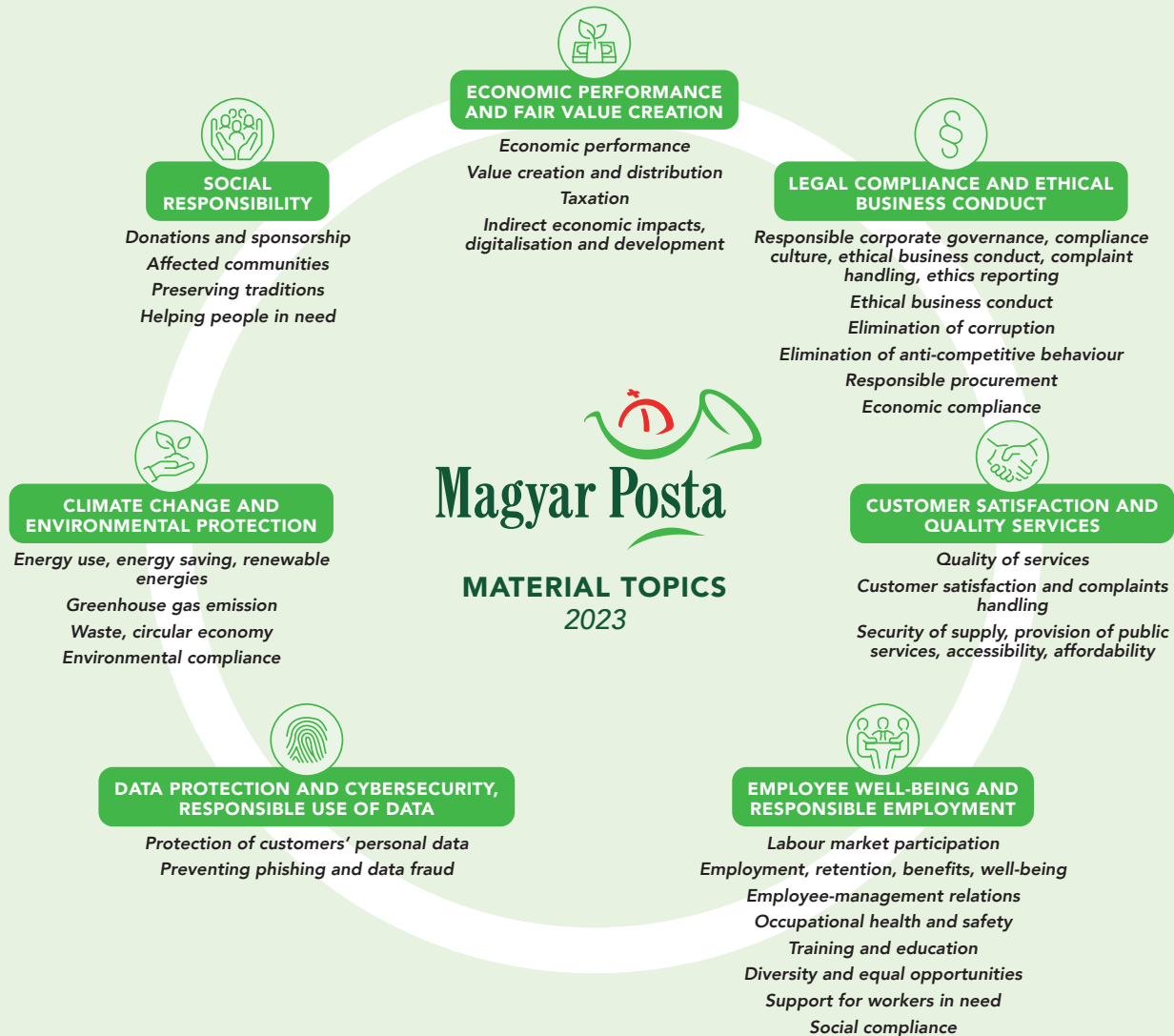
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# 1.7. Progress and 2024 goals

Status: Fulfilled In progress Not fulfilled New goal

GOALS 2023	STATUS	PROGRESS IN 2023	GOALS 2024
<b>RESPONSIBLE OPERATIONS: REGULATORY COMPLIANCE AND ETHICAL BUSINESS CONDUCT</b>			
Publication of a revised Code of Conduct.		Published.	Reviewing the provisions of the Code of Conduct as necessary, including in relation to sustainability, and monitoring the Ethics Committee's procedures.
Developing and introducing training and information materials related to the Code of Conduct and anti-corruption behaviour and conducting internal training.		Training was provided and awareness was raised at company level on the occasion of World Anti-Corruption Day.	Further employee education, anti-corruption awareness-raising.
Compliance with voluntary commitments, carrying out risk-based audits.		New goal for 2024.	Risk-based audits in accordance with the work plan.
Green procurement code update in 2023.		It has been added to the Procurement Policy as an annex.	Further update the procurement code in line with ESG considerations.
Improvements in procurement to comply with ESG data reporting regulations. Identification of impacts, risks, opportunities.		New goal for 2024.	Review and improvement of procurement processes, tools and the supply chain in line with international and national ESG reporting and due diligence regulations, and with legal compliance.
<b>RESPONSIBLE SERVICES: CUSTOMER SATISFACTION AND QUALITY SERVICES</b>			
Implement the MPL+ project with the transformation of the entire logistics infrastructure, including the central parcel processing and sorting facility, as well as the establishment of 23 depots and the expansion of the parcel locker network.		Magyar Posta Zrt. continued its parcel logistics developments. During 2023, 4 brand new logistics depots were opened in major rural cities. In addition, the Company installed conveyors in 8 depots to automate processing activities. In addition to the establishment of the depots, their mechanization and IT support have also been carried out, and developments are ongoing continuously.  The construction of the parcel locker network and the increase of its volume were also priority tasks of 2023. By the end-of-year peak period, the Company had already 550 vending machines in operation across the country.	Further targets will be developed over a 3-5 year timeframe.
Continuously meet quality and waiting time targets pertaining to service.		The expected targets for service have been met; we are continuously working to improve service levels.	The percentage of customers served within 7 minutes in post offices equipped with a customer queue management system => 76 %. Robotisation of customer service processes.

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GOALS 2023	STATUS	PROGRESS IN 2023	GOALS 2024
<b>RESPONSIBLE SERVICES: CUSTOMER SATISFACTION AND QUALITY SERVICES</b>			
<b>Digitalisation.</b>	✔	The iCsekk app allows the payment of several cheques simultaneously as well as the virtual display of the MyPost loyalty card and checking the points balance. The customer portal for logistics partners has been completed, offering Magyar Posta's customers new and renewed logistics services with a new layout. The KIOSK machines at post offices support electronic administration. The generation of hybrid mail service of the Postal Public Authorities Correspondence Centre (PPACC) service has been expanded.	To further enhance customer satisfaction, prepare further improvements for the digital channels of Magyar Posta by implementing the options available in the Instant Payment System 2.0 and the Digital Citizenship Programme. Rationalise the operation of the existing cheque terminal network in line with changing customer habits. Preparations to ensure compliance with accessibility.
<b>Electronic payment through POS terminals.</b>	✔	Continued supply of mobile POS terminals to parcel deliverers, replacing POS terminals that are no longer available.	Preparations for the replacement and modernisation of POS terminals at post offices, start of the related procurement and development (taking into account the options of the Instant Payment System 2.0). Prepare for the use of the soft POS application for electronic payment on Android-based PDAs used by parcel deliverers.
<b>Magyar Posta's website, completion of accessibility of the posta.hu.</b>	+	The accessibility of the editorial content has been completed, the accessibility of the IT background systems of the website requires further procurement.	Accessibility of the IT background system.
<b>Expansion of the parcel terminal network.</b>	✔	550 parcel terminals were installed by the end of the year.	Expansion to 700 by the end of the year.
<b>Expanding the Posta partner network.</b>	✔	By the end of the year, 471 partners were involved.	600 postal partners by the end of the year.
<b>24-hour zones.</b>	☀	New goal for 2024.	In total 13 zones established by the end of the year.
<b>RESPONSIBLE EMPLOYMENT: EMPLOYEE WELL-BEING</b>			
<b>Development of a new VBKJ (optional fringe benefit) declaration interface in the framework of the Digital HR programme.</b>	✔	For choosing under the cafeteria a renewed, user-friendly interface is available for paperless, electronic submission.	
<b>Digital HR – robotisation.</b>	✔	The robotisation of recruitment recording has been introduced in several phases, first as a pilot and then, from 1 January 2023, all recruitments, except at the Corporate Management level, are recorded robotically in SAP.	For many departments, exits are also recorded robotically in SAP.
<b>Implementing a staff efficiency measure.</b>	✔	In the course of implementing HR-related staff efficiency measures to meet corporate objectives and ownership expectations, there was a caring redundancy exercise.	The transformation and modernisation of the network will continue in 2024. The target for 2024 is to achieve an average annual headcount of 21,600 people.
<b>Company-wide extension of the corporate onboarding programme in 2023.</b>	✔	After the pilot experience, a fully online employee onboarding programme was launched with unchanged elements and structure, but with refined content and more tools.	
<b>Meeting staff needs resulting from the year-end traffic surge.</b>	✔	Through recruitment and the use of workforce lending services, the tasks in one of the priority periods of Magyar Posta Zrt. were completed smoothly.	Effective management of seasonal traffic demands.
<b>Retaining staff members with a long employment relationship.</b>	✔	Introduction of a loyalty award and loyalty plaque.	Continuing to recognise employee loyalty.
<b>Diversity: maintaining the number of staff with disabilities or reduced capacity to work.</b>	✔	Even with the staff efficiency measures, the headcount level of staff with disabilities or reduced capacity to work was maintained.	Retention of staff with disabilities or reduced capacity to work according to specific criteria.

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GOALS 2023	STATUS	PROGRESS IN 2023	GOALS 2024
<b>RESPONSIBLE EMPLOYMENT: EMPLOYEE WELL-BEING</b>			
Further development of performance management.	+	Development and introduction of performance-based incentives.	Increasing the performance-related part of remuneration.
Implementation of the Equal Opportunities Plan.	+	Magyar Posta is committed to complying with the Equal Opportunities Plan. In 2023, the main focus was on supporting the employment of people with disabilities or reduced capacity to work.	Focus on supporting workers with disabilities or reduced capacity to work and extending benefits for workers with families.
Workwear renewal.	✓	The new T-shirts, designed as a first step in the renewal of workwear, were completed in 2023.	The new T-shirts will be distributed to delivery staff and drivers starting in 2024.
Further development of the management information system.	✓	Expanding the information content of the Power BI interface according to management needs.	
Training.	✓	Meeting legal requirements, gaining qualifications, and supporting business objectives from a training perspective.	Designed for two target groups (delivery staff and operational managers), the focus is on soft skill development, which concentrates on individual development and awareness of corporate values, with a 95% participation rate. The training activities also include targeted development of delivery staff and workplace managers, operational managers, who play a key role in the high quality of the core postal activity, with an intended 85% participation rate.
Employee benefits.	✓	18 new partners have been added to the range of employee benefits.	Expanding the range of employee benefits: cooperation with at least 40 partners.
<b>RESPONSIBLE USE OF DATA: DATA PROTECTION AND CYBERSECURITY</b>			
Ensuring legal compliance, adapting to changes and continuously improving the effectiveness of data protection activities.	✓	Zero fine. Low number of legitimate complaints.	Zero fine. Incorporating new legislation and expectations into processes.
Conducting data protection training and IT security training, special training, appropriate training and preparation of employees.	✓	100% participation, 100% pass rate in the general data protection training. Delivering specialised training. Keeping staff informed through internal communication channels.	Annual internal training on data protection and IT security: maintaining 100% attendance, 100% pass rate. Incorporating new topics into the training. Training on how to detect and prevent online fraud. Online information: in Our Post magazine and PostalInfo (internal newsletter).
Providing information and awareness-raising on cybersecurity and online fraud for prevention, broad and effective reach and awareness-raising.	✓	Continuing the prevention campaign against online fraud. The number of suspected fraudulent customer reports and/or related inquiries to the authorities has increased thanks to public awareness.	Creating a dedicated security subpage on your website. Update multichannel security alerts to the public when new crime patterns emerge or during high-risk service periods (e.g. Black Friday). Joining the CyberShield programme. Joint cybersecurity awareness campaign with ORFK. Involvement of all post offices in information and awareness-raising.
<b>RESPONSIBILITY FOR THE ENVIRONMENT: CLIMATE CHANGE AND ENVIRONMENTAL PROTECTION</b>			
Set the medium-term climate policy objective and indicators: to reduce our gross carbon emissions by 18.1% by 2030 compared to the 2017 base year.	+	in 2023, emissions decreased by 10.4% compared to 2022. Compared to the base year 2017, the reduction is 13.7%.	Following the 18.1% reduction by 2030, the next target is set for 2050. The UPU (Universal Postal Union) is also planning a concerted action: the long-term goal is to make the postal sector climate neutral.
Publishing a Sustainability Report for the year 2023 that meets the GRI Standards Core level.	✓	The annual sustainability report for 2023 has been completed.	Preparing for reporting under ESRS (European Sustainability Reporting Standard).

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GOALS 2023	STATUS	PROGRESS IN 2023	GOALS 2024
<b>RESPONSIBILITY FOR THE ENVIRONMENT: CLIMATE CHANGE AND ENVIRONMENTAL PROTECTION</b>			
Reducing electricity consumption by 1 % and natural gas and district heating consumption by 0.5 % in 2023 compared to 2022.	✓	Met for all three parameters.	Reducing natural gas by 1 % and electricity and district heating by 0.5 % compared to 2023.
The indicator related to the volume of unit parcels per litre of fuel consumption should reach or exceed 4 parcel unit/ per litre in 2023.	✓	We achieved a result of 4.42 unit parcels per litre in 2023.	The indicator should reach or exceed 4.5 unit parcels per litre.
A 5% reduction in paper-based wrapping materials compared to 2022.	✓	Met -the amount of wrapping paper used decreased from 1,970 kg in 2022 to 1,870 kg, a reduction of 5.1 %.	We do not have such a target for 2024.
Preparing for the transition to circular waste management.	✓	In 2023, Magyar Posta participated in the Circular Economy Technology Platform as a founding member. The Company collects its generated waste selectively as described in its Environmental Policy and has handed over nearly 99 % of its waste (paper, metal, plastic, electronic waste, etc.) for recycling to the contracted partners in 2023 as well. Our Company is registered on MOHU's Partner Portal as required by law and transfers the waste covered by the concession to MOHU's subcontractors.	Review and analysis of the current material flows, wrapping materials and waste volumes and types to identify opportunities for improvement. Identifying and implementing reuse (donation) opportunities for assets and equipment to be scrapped.
<b>SOCIAL RESPONSIBILITY</b>			
Support for education.	✓	Support for the Sándor Wekerle Business College. With its activities, the College contributes to the development of a skilled postal workforce.	Support for the Ecumenical Aid Organisation's Innovative Technical and Educational Institute in Biatorbágy, providing children studying there an opportunity to visit the National Logistics Centre and a lecturer for their education.
Sponsorship.	✓	Sponsorship of the Minipolis mini post office stand continued. Sponsorship of e-commerce conferences (e.g. Ecommerce) has been implemented.	Site presence at, and providing logistical partnership for, e-sports events. Renewal of the Minipolis stand with digitalisation, elimination of paper printing (green education for children). Educational support for the Chess Federation.
Maintaining traditions.	✓	The Open-Air Ethnographic Museum in Szentendre added a Transylvanian landscape unit, with a post office from Székelyudvarhely. To promote stamp collecting, Magyar Posta has entered into a strategic cooperation with the National Association of Hungarian Stamp Collectors.	Opening of a post office museum in Hollókő in cooperation with a postal partner.

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# Responsible economic operations: economic performance and fair value creation

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### WHY IS IT IMPORTANT?

As the market leader in postal services, our economic performance is influenced by several important factors. Socially, we contribute to the revenues of many stakeholders, increase employment, create secure jobs, and promote fair employment. We carry out significant charitable activities, operate a foundation, and process donations and sponsorships. With our services, we contribute to infrastructure improvements, significantly boost state revenues through tax obligations, and responsibly manage our supply chain to strengthen the domestic economy. In this manner, our company contributes to charitable causes, while also inspiring our partners and customers to pursue societal objectives. In doing so, we strengthen the domestic economy and indirectly create opportunities to contribute to the achievement of the UN Sustainable Development Goals.



### GOVERNANCE

Our business results are presented in the *Annual Report*. Economic performance is evaluated along the expectations set out in our business plan, which are reflected at the level of each unit of responsibility. Expectations are approved by the owner. Our financial and management activities and related reporting system are regulated. The annual business plan, coordinated by controlling, is approved by the Board of Directors, the Supervisory Board and the Owner. Controlling also prepares a monthly report for the management and the Owner, presenting the progress and achievement of the planned financial and economic objectives, and the Board of Directors prepares a quarterly report to the Supervisory Board on the Company's financials and business policy.



### OBJECTIVES AND PRINCIPLES

We aim to maintain and develop positive direct and indirect economic impacts. For that purpose, we have stable and predictable operations, we increase and strengthen efficiency, and we renew continuously (technological improvements, expansion of the partner network, introduction of new activities, etc.). Our aim is to ensure that all our stakeholders receive a fair shared value from the economic value generated. Our postal partner programme creates opportunities for businesses operating in small villages and benefits the local population (e.g. by offering longer opening hours, and local employment).



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## 2.1. Economic performance and creating fair shared value

Magyar Posta Zrt. operated profitably in 2023, increasing its sales revenue by 7 % compared to the previous year. In 2023, our generated economic value increased by 11 % compared to 2022. Parcel logistics services play an increasingly important role in the service portfolio, including the expansion of fixed-point delivery solutions through the expansion of the parcel terminal network. While customers' demand for traditional postal services continues to decline, the popularity of the Company's digital cash payment solution (iCsekk) is growing.

Operating expenses increased by 9 % due to higher energy prices and inflation, and payments to equity investors increased significantly, by 71 %, due to higher loans and interest rates. Our export revenue - which accounts for 6 % of our total revenue - fell by 28 %. Our retained earnings increased slightly by 6 % compared to 2022.

The generated economic value cannot be directly attributed to territorial units (counties).



### The economic performance of Magyar Posta

Economic value generated and distributed (HUF million)	2021	2022	2023	Change (2023 vs 2022)
<b>Generated economic value</b>	223,384	233,932	259,385	+ 11 %
<b>Revenue</b>	223,384	233,932	259,385	+ 11 %
<b>Divided economic value</b>	212,121	228,504	253,637	+ 11 %
<b>Operating cost</b>	67,866	81,819	89,558	+ 9 %
<b>Wages and allowances applied</b>	137,557	139,050	152,104	+ 9 %
<b>Payments to equity investors</b>	239	1,134	3,948	+ 248 %
<b>Payments to the state treasury</b>	6,217	6,316	6,656	+ 5 %
<b>Community investment</b>	242	185	1,371	+ 641 %
<b>Retained earnings</b>	11,263	5,428	5,748	+ 6 %

The 11 % increase in the generated economic value and revenue is driven by an increase in parcel volumes and higher prices.

The 9 % rise in operating costs is due to higher energy costs resulting from higher electricity and gas prices, higher rental costs driven by the expansion of the depot network, higher commissions for intermediaries reflecting the growth of the postal partner network, and higher contractor delivery costs due to increased parcel volumes.

The 9 % increase in staff salaries and benefits was due to the combined effect of the salary increase and the reduction in staff numbers.

The financing demand for investments increased, with higher borrowing and higher interest rates leading to higher payments (interest payments) to investors.

In 2023, the Company made a significant contribution to Postakürt Foundation, which increased the amount of Community investment.

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## SUBSIDIES RECEIVED

Magyar Posta Zrt., as a publicly owned company, receives state subsidy from the Hungarian State as a universal postal service provider in the manner and to the extent established by law, to compensate for the additional costs (unfair burden, up to a maximum of EUR 15 million) not paid by the market due to the universal service obligation. A subsidy of HUF 16 million was received in 2023 under other titles (other sectoral tasks and excise tax subsidy), which is part of the capped amount.

### Subsidies received by Magyar Posta, million HUF

	2021	2022	2023
Unfair additional burden support	4,934	5,348	5,606
Tracking Project for Identified Mail Items	62	2	0
Subsidies paid under other titles	0	0	16

## RETIREMENT PROGRAMME

Magyar Posta covers its retirement program from general sources. In 2023, the total estimated value of liabilities was HUF 221,946 thousand, 27.8 % less than in 2022, due to the reduction in the headcount figure and the number of voluntary pension fund members receiving employer contributions. Our company has contracts with almost all voluntary pension funds. The Magyar Posta Takarékos Voluntary Pension Fund was established on the initiative of Magyar Posta. We provide a uniform amount of HUF 3,500/person/month employer contribution to fund members, available in the cafeteria budget to employees entitled to fringe benefits.



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## 2.2. Taxation

Due to our size and responsible operations, we are significant taxpayers. By meeting our tax obligations, we contribute to the state treasury's revenue. Paying taxes on time, as required by law, is of paramount importance to us. Our tax strategy is to operate flawlessly and free of public debt in compliance with the tax legislation. Our risk is non-compliance with the law due to possible human error. We also require tax compliance in our contracts with third parties, as evidenced by our procurement and contracting policies.

Taxation is the responsibility of the Deputy CEO, Chief Financial Officer, while the operational responsibility is assumed by the Head of the Department of Finance and Taxation. Employment taxes are also monitored by the HR department.

In terms of local taxes (e.g. local business tax, building tax, land tax), we also make a significant contribution to predictable revenues for local governments. In 2023, we paid nearly HUF 5 billion in local taxes.

## 2.3. Our indirect economic impacts

Magyar Posta is engaged in a specialised and complex portfolio of economic activities, that are essential to the Hungarian economy (such as payments), performs the activities covered by the universal postal service contract (such as the delivery of official documents) and also provides purely business services. For the purposes of our report, the indirect impacts relating to the delivery of lettermail and parcels, payment services and logistics services are relevant.

As Hungary's universal postal service provider, our company has numerous impacts on the functioning of the national economy. We are creating many jobs directly, and thanks to our MPL+ and SMART by MPL programmes, we have the potential to recruit significant local workforce to our new depots, helping to increase the supply of services in rural cities. The postal partner programme, which is based on the Hungarian Village Programme, has a general economic stimulating effect and, for small entrepreneurs, it also provides an income supplement. With the modernisation of our vehicle fleet, we reduce negative impacts on the environment, and increase positive impacts on peoples' quality of life. Our services are universal and specialised, so it is not relevant for us to compare them with other companies.

### Tax payments by tax type

Tax types (HUF million)	2021	2022	2023
Pension insurance contribution	154	164	170
Health insurance contribution	1	1	1
Social contribution tax	15,628	13,709	15,225
Social insurance contribution	19,111	20,228	21,960
Personal income tax	16,097	16,756	16,825
Value added tax	9,963	10,056	11,678
Corporation tax	2,269	740	0
Transaction tax	1,094	1,161	1,215
Green tax	0	0	0
Other taxes	3,739	2,366	2,344
<b>Total budget taxes</b>	<b>68,056</b>	<b>65,181</b>	<b>69,418</b>
<b>Total local taxes</b>	<b>4,400</b>	<b>4,400</b>	<b>4,700</b>
<b>Total tax payments</b>	<b>72,456</b>	<b>69,581</b>	<b>74,118</b>

The activities of Magyar Posta are governed by the VAT Act.

### Investments (HUF million)

	2021	2022	2023
Investments (technical implementation)*	8,570	17,992	15,277

\* The detailed data can be found in section V.4 Asset management and investment of Magyar Posta's 2023 annual report.

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## Responsible operations: regulatory compliance and ethical business conduct

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### WHY IS IT IMPORTANT?

We are a publicly-owned company that has been providing services of public interest to the people of Hungary for more than 150 years. We have a great responsibility to operate fairly, transparently, lawfully, and financially efficiently. Our goals include ensuring waste-free operations, accountability, effective anti-corruption prevention, and action, as well as accessibility and availability. In addition to high-quality services, our customers also have a legitimate expectation that consumer interests and personal data are protected. It is our duty and responsibility to ensure that our employees represent the Company and its reputation, communicate our traditions and values to customers, as the behaviour and commitment of an employee determines the image of the company at a micro level. Responsible corporate governance, a culture of compliance, voluntary compliance with legislation and certain sustainability principles, and the maintenance of an ethical business culture are essential to achieving these goals.



### OBJECTIVES AND PRINCIPLES

We are committed to complying with all applicable legal and internal regulations, ethical expectations, and values respected and expected by the Company. We communicate our high-level values and expectations to our managers, employees, partners, and suppliers through our *Code of Conduct*. The Code of Conduct sets out a basic system of ethical principles and rules of conduct expected throughout the value chain. The trust placed in us is reciprocated by Magyar Posta Zrt. in the form of social engagement, the framework of which is defined in the Support, Donations and Sponsorship Policy. With our donations and sponsorship activities, we strive to contribute to good causes and encourage our partners and customers to support social goals.



### GOVERNANCE

The rules and instruments of normative governance, the decision levels and responsibilities, and the competences of the various working bodies are set out in the Organisational and Operational Rules. The Company's regulatory system is complex. It is adapted to the size of the company and the complexity of its activities, covering the entire range of its activities and at all levels of the organisation. Furthermore, it supports the implementation of interrelated processes, facilitating the flow of information necessary for effective work, and creates the conditions for accountability. In addition to the Code of Conduct, another pillar of compliance is the Compliance Policy, which is annexed to the Compliance Regulations and defines the role of the compliance assurance and compliance support functions and the management of compliance risks. The possibility of whistleblowing and the investigation of whistleblowing reports is described in the Company's Security Code. The Company operates an integrated risk management system, the operation of which is also governed by internal regulations. The compliance unit also contributes to the work of the Ethics Committee. Compliance is coordinated by the Compliance Department, as an umbrella organisation. The Compliance Officer reports at least once a year to the CEO, Board of Directors and the Supervisory Board. The fundamental function of the Legal Directorate is to ensure the framework conditions for the lawful operation of the company. To accomplish this task, the individual organisational units of the Legal Directorate – based on their competences – partially prepare and comment on the contracts, internal regulations, and proposals of the management body of Magyar Posta Zrt.

Magyar Posta Zrt.

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### 3.1. Responsible and ethical corporate governance, legal compliance culture

Magyar Posta's primary objective is to adhere to regulations. Compliance will enhance trust and strengthen our social relations. We can also reduce the likelihood and severity of negative impacts from potential environmental, social and ethical risks. The standards of conduct communicated to and followed by employees can enhance the company's image, recruitment, and long-term staff retention. The communication and behavior of our employees towards our customers can also enhance the Company's image. The Company is aware that non-compliance could lead to the potential negative impact of reduced profitability and loss of confidence in the Company, loss of reputation, and environmental and social damage.

The compliance assurance and support function are independent of the Company's business activities and functions, as well as of the organisational units acting in further risk management and performing control functions. The framework for the operation of compliance is set out in the Compliance Regulations, which were not amended in 2023. In addition to the coordination of the Compliance Department, due to the diverse activities of the Company, several areas participate in the performance of the compliance function.

The goal and expectation set out in our Compliance Policy is to comply with relevant, effective legislation and official

expectations. The purpose of the relevant policy is to show, how our Company defines the role of compliance assurance and compliance support functions, as well as the related compliance risks. When creating all internal regulations and rules, we consider legal expectations, thus ensuring the enforcement of the expectations, competencies and principles contained in the Policy. Our contractual relationships and processes have been established in accordance with the expectations of responsible business conduct. We ensure the level of compliance through awareness-raising campaigns, briefings and internal training. Such actions included raising awareness of anti-corruption at company level, making ethics and compliance training mandatory for all employees, and regulating employer action in the event of failure to complete the training. The training includes ethics, consumer protection and general compliance, in line with the risk-based operation with the aim of raising awareness at the organisational level.

Within the scope of its defined competences, the organisational unit responsible for compliance at the Company helps in implementing business policies and making management decisions based on, and in accordance with the law, supervisory and official expectations.



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With regular inspections, Compliance makes sure that the managers and executors of the processes have sufficient knowledge on expected practices, the scope of the responsible business policies and the manner of their application. Legal compliance is measured through targeted internal investigations and audits, as well as through reviews of internal regulations and contracts to be concluded. This involves additional departments providing internal control functions as necessary. The Company's legal compliance works properly with no critical compliance deficiencies identified. We also increase the level of compliance through targeted training and knowledge assessment. An employee who engages in activities that threaten the Company's legitimate business interests, safety, or reputation may have their incentives reduced, or, in compliance with the principle of proportionality and graduality, such behavior may also trigger labor law and/or criminal law consequences. Our Compliance Manager and the Compliance Officer prepare a multi-level report to the senior management on the operation of the internal control system and compliance functions established at the Company, which is based on legal obligations and regulations. In 2023, no risks were identified in the Compliance Manager's report for the compliance function. The risks in the previous year's report were addressed by the actions proposed by the Compliance Manager, and the relevant company processes were restructured and completed accordingly, as set out in the action plan. Accordingly, the Compliance area has been added to the scope of the mandatory review of the above-mentioned proposals, and a workshop between the Deputy Chief Executive Officer for Corporate Governance and the Compliance Officer became a regular event. We also provided access to the Legislation Database application, simplifying the task of monitoring legislation.

Due to the size of the Company, compliance risk analysis is performed with the involvement of a number of departments, and measures are included in the regulations to mitigate risks. The results of the above risk management are reviewed annually, and the risks are reported in the Executive Statement.

The specific risks and the proposed measures that can be associated with them are also defined.

**Identified risks**

	Measures
<b>Consumer protection risk</b>	Preventive measures: training, process control, marketing activities and product development, Compliance review, monitoring
<b>ML/TF (money laundering, terrorist financing) risk</b>	Preventive measures: training, awareness raising and monitoring
<b>Risk of corruption</b>	Preventive measures: repeated training, awareness-raising campaigns
<b>Competition law risk</b>	Preventive measures: repeated training, awareness-raising campaigns, target testing, inspections
<b>Data protection risk</b>	Maintaining the role of Data Protection Officer
<b>Regulatory risk</b>	Maintaining compliance controls, preventive measures, developing an effective legislation monitoring system
<b>Sanction risk</b>	Preventive measures, involvement of Compliance in the preparation of contractual relations and monitoring
<b>Conflicts of interest, breach of ethical standards</b>	Preventive measures, review and supplementation of the existing regulations, training, sensitisation, awareness raising campaigns, introduction of a central register

**ETHICAL OPERATION**

We believe that our Company can only be successful in the long term if it is guided by the values of responsible conduct towards all stakeholders. Magyar Posta's core values and the ethical standards expected to be followed are set out in the *Code of Conduct*. The Code also sets out the principles of ethical conduct, the generally expected standards of behaviour, the standards of management conduct, the cases of particular breaches of the laid down standards, the rules on business confidentiality, and the role of the Ethics Committee.

As a general requirement, all those acting on behalf of, for the benefit of, and under the responsibility of Magyar Posta (employees, contributors) accept and apply the Code as binding. Employees familiarise themselves with the contents of the Code upon entry and sign to confirm the acceptance of its mandatory nature. Compliance and ethics training is mandatory for all employees, and the expected level of completion for training measured with a test is determined by Compliance. Back-checks on the completion of the training are performed by the training area and, in the case of post office inspections, by the organization carrying out the technical checks. In 2023, all employees participated in the training.

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### General set of values of Magyar Posta and principles of ethical conduct:

- ✔ Compliance with legislation and internal regulations.
- ✔ Integrity, fair business conduct, honesty, reliability, good faith.
- ✔ Expertise, quality work, innovation.
- ✔ Commitment to the preservation and enhancement of the Company's material and intellectual assets.
- ✔ Tolerance and equal treatment.
- ✔ Cooperation, strengthening community spirit.

### The main characteristics of conduct expected from employees:

- ✔ identification with the objectives of the Company,
- ✔ professionalism,
- ✔ possession and development of the competences, knowledge and skills required for the job,
- ✔ need for continuous improvement, openness,
- ✔ awareness, information sharing, initiative skills,
- ✔ dedication, commitment,
- ✔ taking responsibility,
- ✔ focus on performance, quality and success,
- ✔ inner motivation,
- ✔ ability to change and adapt continuously,
- ✔ good faith, fairness and cooperation, trust in each other, community spirit, cohesive actions,
- ✔ respect for the fundamental human rights of others.

The Company has an organizational system in place to ensure compliance with ethical standards: the Ethics Committee is responsible for investigating ethics-related reports/cases. This committee, whose detailed rules of operation are set out in a separate Rules of Procedure, provides guidance on ethical conduct through its opinions and interpretative decisions.

In addition, the Company's Chief Directorate for Security also operates a whistleblowing system. The system allows anonymous reporting by employees and third parties with 7/24 access, and the Company protects the person making a legitimate report in good faith and any person associated with them against discrimination and unfair treatment.

The availability of the whistleblowing system and a description of its operation is shared on [our website](#), on the intranet and in an internal circular, and is part of the General Security Information brochure distributed to all new employees and also part of the annual Special Security and Fraud Prevention training. The rules related to the operation of the system are included in the Security Regulation. For our external business partners, we have also shared the availability and description of the system on our website and it is published in our Code of Conduct as part of all contracts agreed to by business partners. We do not currently monitor business partners' compliance with the Code of Conduct.

#### Ethical and abuse notifications (pcs)

	2021	2022	2023
Corruption	0	0	0
Other ethical notifications	6	2	10

Magyar Posta provides customer service as set out in the Consumer Protection Act. Within that framework, anyone can make comments or objections about our activities (at post office, by telephone or email) using the public contact details. These complaints and signals are received by the central customer service and are assigned to administrators, to be investigated and handled in accordance with the customer service process, involving the relevant departments as necessary (for more information, see the section on responsible services).

## 3.2. Prevention of corruption

Our principles include the elimination of corruption, which contributes to reducing corruption at both corporate and social levels, contributing to the prevention of abuses, the enhanced protection of assets, and the strengthening of transparent operation. Compliance with the law creates a community of values within our Company and helps its clean, ethical operation. Our anti-corruption education increases the responsibilities of our employees as well. The internal audit function is fully established, and its operation is continuous in line with the expectations of the Shareholder.

We apply a zero-tolerance approach for abuse. We have established and operate an internal control system that ensures the effective enforcement of ethical values and integrity in all our activities, and effectively prevents and detects corruption and abuse. The internal control functions and lines of defence operate separately from each other, but in a mutually supportive and resource-efficient manner (avoiding redundancies). Integrity control is primarily the responsibility of the Company's management but within this framework, all employees and departments of Magyar Posta are responsible for identifying and assessing corruption risks affecting their own activities or processes and for implementing the necessary risk mitigation measures. At our company, potential corruption risks can be identified mostly in procurement.

The Company identifies risks as part of an integrated risk management process, which also includes the identification of compliance risks. For each risk, it is mandatory to define risk mitigation measures along the internal regulations- and to track their status. The Company maintains internal records for that, which are compiled by the area responsible for risk management and, for compliance risks, by Compliance. Our control environment is assessed and reported on an annual basis, and those involved in procurement procedures are required to declare their assets.

The Procurement Regulation, and the Compliance, Risk Management and Security Policy define the principles that underpin legal, risk-conscious, tolerant and fair corporate operations. They create a community of values, considering all relevant legislation, recommendations, ownership, and social expectations, as well as best market practices. The limits on the acceptance of gifts and other benefits and the prohibition of corruption are also set out in the Code of Conduct. Familiarisation with anti-corruption standards is part of the ethics training mandatory for all employees. For the partners, the contracts will include an obligation to read and accept the Code of Conduct as binding.

Based on an annual survey coordinated and compiled by Compliance Department, the CEO makes an annual

executive statement evaluating the internal control system, which is approved by the Supervisory Board. The Executive Statement will be sent to the Shareholder.

Our Company has established the 'four-eyes' audit and self-monitoring mechanisms required for integrity control, as well as sanctions for non-compliance. Risks are identified, analysed, and assessed through self-revision and the development of key risk indicators. Our Company participates in the completion of the integrity questionnaire set out by the State Audit Office in Hungary and the related data reporting.

As in previous years, in 2023, we did not detect any incidents of corruption or suspected abuse - no such incidents were reported on the whistleblowing line.



## 3.3. Elimination of anti-competitive behaviour

We pay special attention to comply with any legal regulations, and to ensure fair competition. Thanks to this the operation of domestic companies is supported through the services of our Company, while increasing trust in the business community.

There have been no competition law, antitrust and anti-monopoly infringement proceedings against the Company.

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## 3.4. Official and other legal proceedings

Due to the complexity and scope of our activities, our Company is subject to regular supervisory audits and investigations. No significant fines (above 0.5-1 % of sales revenue) were imposed or paid in 2023. The investigation of the Company's anti-money laundering activities was concluded without imposing any fines, and despite the specific product portfolio and legal status of the organisation, no material deficiencies were found.

In 2023, nine cases related to infringements of consumer protection rules were opened, but due to lack of feedback, these were closed. There was no complaint procedure from the government office. A total of 51 supervisory proceedings were initiated by the National Media and Communications Authority, from which one complaint case turned into a court proceeding. In 2023, there were three tax-related compliance inspections and two on-site inspections, none of which resulted in an administrative procedure with financial penalties. 32 customs procedures were opened, all of which resulted in the imposition of fines, totalling HUF 2,248,000.

### Official and other legal proceedings

	2022			2023		
	Infringements, procedures (pcs)	Financial penalties (pcs)	Fine amount (HUF)	Infringements, procedures (pcs)	Financial penalties (pcs)	Fine amount (HUF)
Consumer protection	10	0	0	9	0	0
Policy implementation (Government Office)	0	0	0	0	0	0
Information, communication (NMHH)	73	0*	0	51	1	700,000
Data protection	0	0	0	2	0	0
Taxation	3	1	25,000	5	0	0
Customs	37	37	5,129,000	32	32	2,248,000
Labour, employment, discrimination	1	0	0	2	1	100,000
Corruption	0	0	0	0	0	0
Environmental protection	0	0	0	0	0	0
Anti-competitive behaviour	0	0	0	0	0	0
Marketing communication	0	0	0	0	0	0

\*Error identified in the 2022 report: the data were corrected in the repeated data supply.

## 3.5. Responsible procurement

As a responsible purchaser, we have a positive impact on sustainability, in particular in energy efficiency, and we increase market-based competition among suppliers. We monitor and sometimes give preference to environmentally or socially beneficial purchases.

In 2023, our procurement department was affected by several positive and negative impacts. Compared to previous years, price volatility has decreased and suppliers' willingness to enter into longer-term contracts has started to return. We have continued to integrate the risk of energy and fuel prices and exchange rate movements into our prices. Our biggest challenge was to create a stable organisational base and to reduce the fluctuation in our Company.

### PROCUREMENT POLICY

Our procurement is governed by the public procurement regulations and our Procurement Policy. Our procurement principles remained unchanged in 2023. Our published Procurement Policy continues to state that sustainability criteria (e.g., environmental protection, energy efficiency) must be evaluated in addition to the price. When rating our suppliers, we also aim to minimise the risk factors on the supplier side and to assess and rate the contractual performance of suppliers. In our procurement, we pay particular attention to effectively preventing and detecting corruption and abuse (see the Compliance chapter for more information). Whenever possible, life-cycle costs are taken into account when applying the green procurement criteria. We regularly monitor our Procurement Plan and use SAP ARIBA to communicate with stakeholders.

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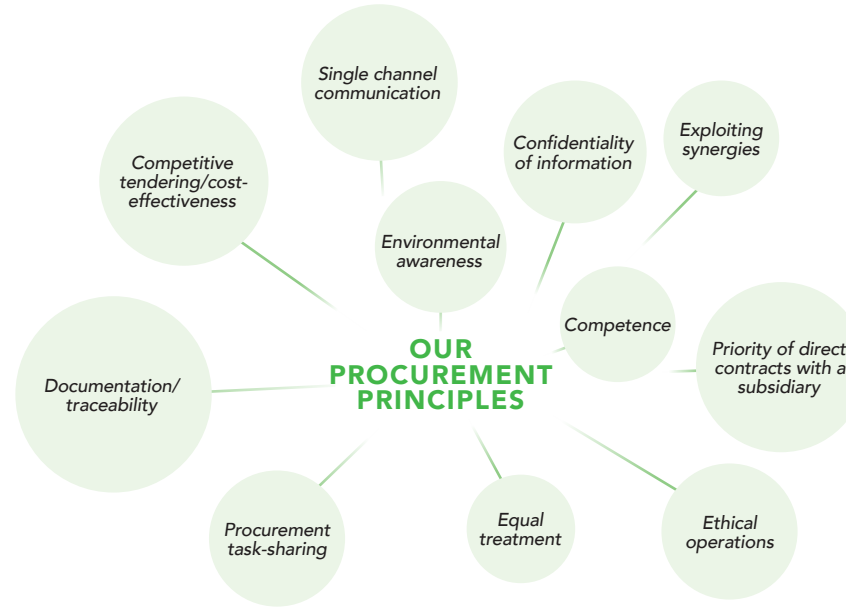
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We always apply transparency, efficiency and economic efficiency in our procurement and public procurement procedures (e.g. transparent procurement systems, auctions). In many of our procurement activities, we identify possible green alternatives, as green procurement is an important market tool for promoting sustainable production, consumption and circular economy, which, in addition to its direct environmental benefits, stimulates innovation and the development of eco- and environmental industries, thus contributing to economic recovery and the achievement of employment targets.

*in 2023, we had the following priority procurement projects:*

- Purchase of environmentally friendly furniture for MPL depots.
- Supply of workwear products.
- Purchase of 100 parcel terminals.
- Purchase of electric starting points for Kyburz and E-Bike charging.
- Procurement of an audited filing system - Unified Central Electronic File and Document Management System (EKEIDR).



The Procurement Policy is closely complemented by the Contracting Code, which also contains requirements on other elements of lawful operation, responsible taxation and fair conduct.

**SUPPLY CHAIN AND PROCUREMENT IN FIGURES**

In 2023, we spent a total of HUF 99 billion on procurement, of which 92 %, i.e., HUF 91 billion, was spent on local suppliers. Local suppliers are companies based in Hungary with whom we have a supplier relationship.

**Purchasing in figures**

	2022	2023	Change %
Purchasing expenditure	HUF 125 billion	HUF 99 billion	- 21 %
<i>of which HUF payment</i>	<i>HUF 103 billion</i>	<i>HUF 91 billion</i>	<i>- 12 %</i>
<i>of which public procurement</i>	<i>HUF 21 billion</i>	<i>HUF 15 billion</i>	<i>- 29 %</i>
Number of suppliers (active partners) (pcs)	2 581	2 520	- 2 %
Number of suppliers in Hungary (pcs)	2 559	2 489	- 3 %

**BASED ON ANNUAL PURCHASE VALUE, OUR MAIN SUPPLIERS WERE:**

- Subsidiaries of Magyar Posta: Magyar Posta Ingatlankezelő Kft., PostafloTTa Kft., Posta InIT Zrt.
- IT development, service and sales companies: Telekom Rendszerintegráció Zrt.
- Logistics service providers: Leonardo S.P.A., Mailroom Solution OY, BHS Trans Kft.
- Communication service providers: New Land Media Kft., Mediaworks Hungary Zrt.
- Energy suppliers, fuel suppliers: MVM Next Energiakereskedelmi Zrt., MOL Hungarian Oil and Gas Plc.

Compared to 2022, the largest suppliers remained unchanged. We always follow the procedures set out in our published Procurement Regulations when selecting, evaluating, and qualifying suppliers. In 2023, our Company had 2,520 active partners, and contracts were concluded with 233 new suppliers. No social and environmental due diligence and assessment was carried out on our suppliers, but category-specific environmental assessment criteria were taken into account whenever it was possible.

We have made a positive social impact by having our workwear and uniforms made by a company that has been employing people with disabilities. From 2021 to 2023, ERFO Rehabilitációs Foglalkoztató Közhasznú Nonprofit Kft. - Kézmű Fővárosi Kézműipari Foglalkoztató Közhasznú Nonprofit Kft. joint tenderers had a contract for the supply of workwear.

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## GREEN PUBLIC PROCUREMENT

Our internal Green Procurement Code, published in 2022 based on the 2021 Green Procurement Code was updated in 2023.

### The '10 commandments' of green procurement

1. Rationalised ordering by rethinking material and resource needs and consumption
2. Preference for repairable, rechargeable products over disposable products
3. Preference for reusable products
4. Preference for local suppliers to minimise the environmental impact of transportation
5. Choosing a mode of transport, less harmful to the environment, in the absence of a local supplier
6. Purchase of products made from recycled material or renewable resource (material)
7. Preference for products with minimal packaging material
8. Use of water and energy efficient production processes and technologies to reduce consumption
9. Reduce or avoid the use of hazardous substances and single-use plastics
10. Choosing suppliers with ISO 14001 or EMAS environmental certification and, if the offer/contract includes a subcontractor, requiring compliance with green procurement commitments along the entire supply chain

### Identified green product and service groups most suitable for greening:

- Office IT equipment (energy-efficient computers, monitors, laptops, multifunction devices, printers, fax machines, photocopiers).
- Lighting.
- Electricity from renewable energy sources.
- Office furniture made from sustainably harvested timber.
- Electric, hybrid or low-emission vehicles (trucks, cars, bicycles).
- Transportation, and shipping services.
- Household appliances (coffee maker, fridge, kettle).
- Recycled paper and printing products, packaging, and office supplies.
- Cleaning tools, and services using environmentally friendly products.
- Construction and renovation works.
- Low-energy buildings.
- Catering and restaurant services.

In 2023, we contributed to the Public Procurement Authority's publication 'A Practical Guide to Green Public Procurement'. The publication presents the electric vehicle purchases of Magyar Posta Zrt. as a good example in Hungary.

In November 2023, the Council of the Public Procurement Authority published a guide on green public procurement of furnitures. The guide describes the procurement procedure of Magyar Posta's procurement of environmentally friendly furniture for MPL Depots, under the title of *Good Practice in Hungary*. The Authority invited Magyar Posta Zrt. to submit the procedure for the Public Procurement Excellence Award, which recognises professional excellence in public procurement that meets sustainability criteria.

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# 4

## Responsible services: customer satisfaction and quality management

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### WHY IS IT IMPORTANT?

Our services included in the scope of the Sustainability Report (see chapter Introduction of our Company) ensure that basic social and economic needs are met. In small communities, some services and products are available only through Magyar Posta. Among others, our delivery service plays a role in the operation of the social safety network.



### OBJECTIVES AND PRINCIPLES

The Company's goal is to develop and operate a customer-oriented, competitive, digital and service-oriented, modern public company, while taking into account sustainability, environmental and energy aspects.

Our goal is to continuously improve the quality of our services and develop new accessible and competitive ones that meet customer needs and enhance customer satisfaction. We pay special attention to legal compliance and fair customer management – including all forms of communication and information. Our goal is to make our services available to everyone, directly or through our partner network, digital solutions and to keep our public services running smoothly.



### GOVERNANCE

Many departments contribute to the governance of service delivery and development. Typically, the Strategic Directorate, the Digital and Business Development Directorate for Parcel Logistics, the Network Directorate, and the Directorate for Logistics and Operations for the MPL+ and SMART by MPL projects, were responsible for the implementation of the improvements in 2023 under the direction of the Deputy CEO for Corporate Governance. The coordination and development of quality measurements and the operation of standardised management systems are the responsibility of the Quality Management Department.

Developing Magyar Posta strengthens customer trust and loyalty from a social perspective. Magyar Posta has a role in maintaining the social safety network and attracts wider segments of society to use its services. As a result of increasing customer satisfaction, trust in Magyar Posta is strengthened, which is one of the most important principles of sustainable business operations.



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# 4.1. Developments in services

The responsibility of Magyar Posta is significant in terms of maintaining its position in the dynamically changing competitive logistics market environment, and at the same time continuing to provide the traditional services expected by society. There is a significant difference between the two markets, which places extra responsibility and challenges on Magyar Posta's operations.

To serve customer needs at the highest level and to enhance Magyar Posta's competitiveness, we continued to focus on improving logistics infrastructure and developing electronic processes and services. The workforce also plays an important role in maintaining and developing existing services. In 2023, Magyar Posta continued to pay special attention to the retention and development of skilled staff, and also accelerated the recruitment of new staff.

In our report and in this chapter, we focus on the delivery of lettermail and parcels, logistics services and payment services, while other activities and subsidiaries will be included and consolidated in next year's reporting.



## NEW DEPOTS, MPL+, SMART BY MPL

Under the MPL+ programme, four new parcel logistics sites were established in 2023: in Zalaegerszeg, Békéscsaba, Hatvan and Nagykanizsa, and eight more automated conveyor lanes were put into service in Kaposvár, Füzesabony, Zalaegerszeg, Szombathely, Hatvan, Nagykanizsa, Békéscsaba and Veszprém. The conveyors can process on average 2,000 postal items in an hour, and the conveyor belt allows bulk transport, direct loading and unloading from the truck, and helps to process postal items continuously.

Automation is also in the focus for warehouse logistics services. In November 2023, we launched our fulfilment service, SMART by MPL, which is outstanding even globally, and which offers small and medium-sized businesses a way to focus on their own business growth rather than the logistics of their goods. It is a robotic and automated parcel logistics service where all tasks, from stocking the goods to packaging the ordered product and delivering it to the customer, are performed by Posta. This means that delivery can be made on the same day as the order. For all this, our Fót Logistics Centre has been expanded with 800 robotised warehouse and a 1,200 external storage unit, where we are able to store and handle 240 tonnes of goods. This complex warehouse logistics system offers a complete logistics solution for webstores in particular, and also for banks, insurance companies and telecommunication companies. From the storage of pre-supplied goods of business partners, available on order online, to the assembly and delivery of ordered parcels, all processes are handled by Magyar Posta.

## EXPANSION OF PARCEL LOCKER NETWORK

In connection with the development of parcel services, the further expansion of the parcel terminal network and the increase of its traffic was also a priority for Magyar Posta in 2023. During the peak period, the Company operated 550 parcel terminals in Hungary. Customer experience and customer satisfaction measurement is a key priority there. Young people's dynamic lifestyles are better suited to parcel collection points that are available 24 hours a day, 7 days a week, so they can use the service when it suits them best.

Over 1,600,000 responses have been received so far, and participants have rated the service at 9.5 out of 10, which is considered a good score based on general measurement standards. This evaluation provides an overview of customer satisfaction, and the anonymous data opens up further analysis opportunities.

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## HUNGARIAN VILLAGE PROGRAMME AND POSTA PARTNER PROGRAMME

Magyar Posta is doing its utmost to ensure the long-term availability of postal services in small settlements despite the low postal traffic. Within the framework of the Hungarian Village Programme launched by the government, our Company started successful cooperation with applicants in 2022.

The partnerships ensure a long-term operation of at least 5-years for the partner companies. Within the partnership programme companies provide a product portfolio that satisfies local needs. Postal partner companies collect mail at their own premises, where their main business, such as food retailing, is located.

As a continuation of the programme, the new partnership scheme was announced in February 2023. The scheme involves Magyar Posta providing partners with essential tools and training for their professional work, in exchange for a fee based on the activity undertaken. The partners are responsible for providing the property and necessary workforce.

Magyar Posta has reached out to the municipalities of small villages with less than 1,500 inhabitants, offering partnership opportunities. They have garnered interest from the concerned municipalities, national retail chains operating locally, and local businesses. Favourable connection conditions and predictable monthly income opportunities are a major help for local governments and entrepreneurs in small communities. Improving customer experience is identified as an opportunity by our Company.

At the end of 2023, the programme included 471 partners.



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Responsible operations: regulatory compliance and ethical business conduct

**Responsible services: customer satisfaction and quality management**

Responsible employment: employee well-being

Responsible use of data: data protection and cybersecurity

Responsibility for the environment: climate change and environmental protection

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## DIGITAL DEVELOPMENTS

Magyar Posta considers the extensive application, development, and promotion of digital solutions as a priority to increase customer experience and enhance a high level of automation.

In 2023, the development of the iCsekk application continued, with which more than one cash transfer orders and postal bill payment orders can be submitted in one transaction. Although the volume of cash transfer orders and postal bill payment orders is decreasing, the number of payments initiated using the iCsekk app has continued to rise. Within the app, the MyPost virtual loyalty card is available with various loyalty program features such as points accumulation, discounts, and the current balance, points history and list of available discounts are available for viewing.

The automation of the still manual post offices progressed according to plan, and by the end of the year all three hundred manual post offices had been converted. The new system replaced IT systems that previously operated in isolation, supporting only sub-activities. The single (IPH: Integrated Postal Network) technology has a number of advantages: simplified technical processes, after the development it is no longer necessary to manually apply the time stamp (day, hour, minute) on the items picked up, and the data of the items do not need to be recorded afterwards, they are recorded immediately in IPH. In addition to speeding up and making easier the work within a given post office, IPH enables rapid communication between postal organisations, tracking, managing finances (main cash journal, invoicing, general ledger postings), scheduling and budgeting for essential processes and projects, as well as reporting, forecasting and data protection.

There are 166 post offices throughout the country, where a modern, touchscreen version of the customer queue management system is available to support with selected services.



## COMMUNICATION DEVELOPMENTS

It is extremely important for Magyar Posta to maintain active contact with its customers to provide credible and professional information. For this, we continuously strive to improve our written, paper-based and electronic communication on all interfaces accessible to our customers.

The Company is also actively present on social media (on Facebook and LinkedIn) and communicates regularly on Magyar Posta's website. The company has nearly 10,000 followers on LinkedIn, more than 46,000 on Facebook and around 3,000 on Instagram. The more than 4,000 active pages of www.posta.hu are updated several times a day. The most frequently asked questions by customers are highlighted on our website such as: tracking, postal code search, and tariff calculator. Additionally, all postal services can be found on our website, as well as the actual customer promotions and news and announcements related to the Company and its services.

### MAGYAR POSTA'S VERBAL AND WRITTEN COMMUNICATION GUIDELINES INCLUDE:



polite tone of voice



focusing on the essentials



factuality



professionalism



completeness



fluency



meaningful order of communication



uniqueness

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## 4.2. Quality management, customer satisfaction and complaint management

Magyar Posta's goal is to ensure that customers are satisfied with the services and administration provided in all aspects. To continuously improve our level of service and increase our customers' satisfaction, all feedback about our products, services, procedures, employees, and Magyar Posta as a whole are equally important.

### QUALITY MANAGEMENT

The management expressed its commitment to the supply of quality services in its Quality, Environment and Energy Policy, which is available on the [posta.hu](https://posta.hu) website - [Quality-Environment-Energy Policy](#) - and is posted in all post offices in a way that is visible to clients. Posta operates regulated management systems (quality management (MIR), environmental management (EMS), energy management (EgIR), and information security management (IBIR), which are closely integrated into the governance, service and implementation processes, to create a quality culture based on the principles of Total Quality Management (TQM), supporting information protection, environmental and energy awareness.



### CUSTOMER SATISFACTION

Thanks to quality improvement measures, indicators for customer service provided through telephone and written channels have been outstanding over the past few years. The call handling indicator for our call centre is an important indicator of the percentage of incoming calls served. This indicator improved by 4.4 % from 2022 to the half year 2023, the highest level of service in the last 5 years. Call handling is monitored daily, and it shows that approx. 50 % of our enquiries - are requests for information on parcels. Our call handling rate in the whole year of 2023 finally reached 86.58 %, which exceeded our internal target of 85 %. At the end of 2023, we managed an extremely, significantly increasing number of customer enquiries in parallel with the mail traffic, especially in the period following Black Friday, and our service indicators were also met during that period. We also achieved the expected results in complaints handling: in 2023, our average lead time was 22.1 days.

Magyar Posta pays special attention to ensuring that our customers are satisfied with our services. For this reason, we regularly assess our customers' satisfaction. Every other month, our market research department conducts tracking surveys on the public's perception of Magyar Posta, with a special focus on satisfaction, including the question of the reliability of the company. The respondents can mark their answers on a scale of 1 to 100. The results of the survey confirm that customers trust Magyar Posta (on a scale of 100, the average score for reliability over the last three years is between 60 and 65), and average satisfaction is stable, ranging from 60 to 70 over three years. In addition, the survey also showed that Magyar Posta remains easily accessible to the public.

A development in 2022 was the introduction of a questionnaire measuring customer satisfaction with domestic parcel delivery, with over one million responses received in 2023. Customers would recommend Magyar Posta/MPL's courier service in similar proportions as the services of other players competing in the market.

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**Customer satisfaction indicators**

CUSTOMER SATISFACTION INDICATORS	2021	2022	2023
Central call centre call handling indicator (target 85%)	86.94 %	90.77 %	86.58 %
Overall satisfaction with Magyar Posta (1-100)	65-70	60-70	65-69
Reliability of Magyar Posta (1-100)	60-65	60-66	61-64
Domestic package - overall customer satisfaction with home delivery (1-10)	N/A	9.45	9.45
Domestic parcel delivery NPS value* (Net Promoter Score; - 100 - + 100)	N/A	+ 81	+ 81

\*Net Promoter Score measures satisfaction with the willingness to recommend.

**MEASUREMENT OF WAITING TIME**

To increase customer satisfaction and optimize the use of postal resources, and make employees traffic-sensitive, we carried out continuous waiting time measurement at 166 post offices by the end of 2023, based on data provided by the queue management system server, and we also measured 45 additional post offices using mobile IT devices. The average waiting time at post offices with a queue management system was 4 minutes 13 seconds. The small increase in waiting times in 2023 is due to post office closures, often involving a shift of customers from smaller post offices to post offices with higher traffic volumes and waiting time measurement systems.

The inspection focused on determining the proportion of customer service started within 7 minutes and the proportion of service started after 15 minutes, covering all customers using postal services during the measurement period.

**THE RESULTS AT THE NATIONAL LEVEL WERE IN LINE WITH THE EXPECTATIONS:**

- ✔ The servicing of 81.3 % of customers using services with short transaction times started within seven minutes at post offices with a queue management system, and this ratio was 91.8 % at post offices measured with mobile IT tools.
- ✔ The servicing of 3.8 % of customers started within more than 15 minutes at post offices with customer queue management, compared to 1 % at post offices measured with mobile IT tools.

**MEASUREMENT OF THE DELIVERY TIME FOR DOMESTIC REGISTERED ITEMS CONTAINING TACTILE SIGNS AND BRAILLE**

To comply with the requirements set out in the Universal Postal Conventions and Regulations and the Postal Service Act, we continuously monitor the transit time of postal items. Lead times for domestic standard and registered postal items, as well as items containing writing for the blind, were met in 2023 as required by law. The measurements were carried out with the assistance of an independent measurement organization according to the methodology approved by the NMHH.

**Waiting time measurement and transit time for postal items**

INDICATOR	Target value (%)	2021	2022	2023
Waiting time - measurement: start of service within 7 minutes at a post office measured with a queue management system	min. 76 %	86.8 %	84.7 %	81.3 %
Waiting time - measurement: start of service within 7 minutes at a post office measured with a mobile device	min. 76 %	94.5 %	93.8 %	91.8 %
Waiting time - measurement: service started after 15 minutes at a post office measured with a queue management system	max. 5 %	2.1 %	2.8 %	3.8 %
Waiting time - measurement: service started after 15 minutes at a post office measured with a mobile device	max. 5 %	0.6 %	0.7 %	1.0 %
Priority mail lead time the day after dispatch	min. 85 %	91.0 %	90.1 %	98.6 %*
Lead time for non-priority correspondence within 5 working days of dispatch	min. 97 %	97.3 %	97.8 %	97.3 %
Lead time for postal parcel items sent within the framework of universal service within 2 working days of dispatch	min. 85 %	98.8 %	99.1 %	98.3 %
Lead time for a blind item within 5 working days of dispatch**	min. 97 %	100.0 %	100.0 %	97.5 %
Lead time for official document items within 5 working days of dispatch	min. 97 %	99.4 %	99.8 %	99.7 %

\* Due to the change in the Universal Postal Service Contract, the result relates to the 2nd working day after dispatch.

\*\* The transit time for mail items containing writing for the blind is based on a sample measurement. Based on approx. 100 postal items per half year.

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As of 1 November 2023, the Universal Postal Public Service Contract has been amended, requiring at least 85 % of priority mail to be delivered by the end of the second working day after posting (D+2) and at least 97 % by the end of the third working day after posting (D+3). Prior to November 2023, at least 85 % of priority mail had to be delivered within (D+1) working days of posting. The legal requirement for the proportion of lost or destroyed registered items has been changed from  $\leq 0.07\%$  to  $0.13\%$ .

## HANDLING CUSTOMER COMPLAINTS

Our primary goal in serving customers' information needs and handling complaints is to respond quickly and professionally to increase the satisfaction of both our retail and business partners, to maintain our commitment to our service, even during the complaint handling process, as it is of paramount importance to maintain trust in Magyar Posta and to strengthen the uniqueness of our service.

Through our customer service activities, employees are committed to maintain and, if possible, continuously increase the satisfaction of our customers. To achieve that, the swift and efficient investigation of cases is the first tool and the first option.

The Customer Service Directorate (ÜI) ensures that the results of investigations aimed at identifying the causes of errors are forwarded to quality management, or relevant business departments and functions. The ÜI prepares statements and provides data and analysis for the Company's management and departments on a regular or ad hoc basis to continuously improve the quality of our services. The reports are based on the aggregated data set of information services and complaints. Within the Customer Service department primarily the Contact Center deals mainly with issues received by e-mail and telephone. Customers most often ask for information about the lifecycle of the postal items or make requests about the logistics of their shipments (e.g. location,

date, change of recipient). Our staff assesses the incoming requests and determines the handling process accordingly: cases that cannot be answered or cannot be remedied immediately are classified as complaints. The staff of the Complaints Handling and Data Supply Department handles enquiries related to data supply, the obligation of the authorities to provide information and complaints.

The Complaints Handling and Data Supply Department investigates complaints together with the organizations concerned (e.g. supplier complaints). In the case of network and logistics organizations, the head of the organizational unit involved in the complaint is informed of the malpractice established during the investigation by a staff member of the investigating organisation. The head of the department shall take the necessary measures for termination. In case of self-examined complaints deemed to be well-founded (legitimate), the cause of the error underlying the legitimacy must be established. To avoid recurrence, the responsible manager of the department concerned must take the necessary corrective actions.

In addition to serving its customers and ensuring the continuous and smooth operation of its customer service functions, the ÜI made significant progress in several areas (process, efficiency and operational improvements) in 2023. In order to provide more effective feedback on customer service information, the business areas initiated a new type of complaints forum, resulting in a semi-annual face-to-face meeting with the stakeholders. We have also expanded our reporting capabilities: our PowerBI interfaces have been enhanced to both broaden the customer service image and increase the effectiveness of our co-departmental cluster identification. We also provide data to post office on a regular basis.

In several areas, in cooperation with the National Media and Communications Authority, the supervisory body, we have optimised complaints handling processes in several phases for different types of customers. Our aim is to help our customers get help and answers faster, without unnecessary investigations.

In the area of data supply, the development and stability of the EKI (Electronic Delivery Confirmation) is also reflected in the transaction figures, and the process optimisation within the ÜI has also led to more efficient operations. We respond to complaints within 30 days, as required by the Consumer Protection Act.

The extension of the management of the official information (official documents) case type to the whole organisation continued. The aim is to build this competence into the knowledge base, i.e. to integrate all customer service staff into the process in order to meet the 3-5-8 working day deadlines set by clients (notaries, courts). The extension of quality measurement - and the use of the information extracted from it - to the international data supply case type creates an opportunity for efficiency improvement measures and standardisation. Within the international data supply case type, we have reviewed the bulk handling process and optimised the handling. To improve efficiency, we have rethought the depth of investigation in the complaints handling process. To enhance the customer experience, we have introduced the possibility of equitable handling without management approval at the level of the administrator, up to a strict limit. To serve business customers more efficiently and meet their specific needs, we have developed closer cooperation with the sales team. We have introduced rapid (15 days) handling for a specific groups of priority cases and dedicated business partners to speed up their complaints handling and thus improve the customer experience.

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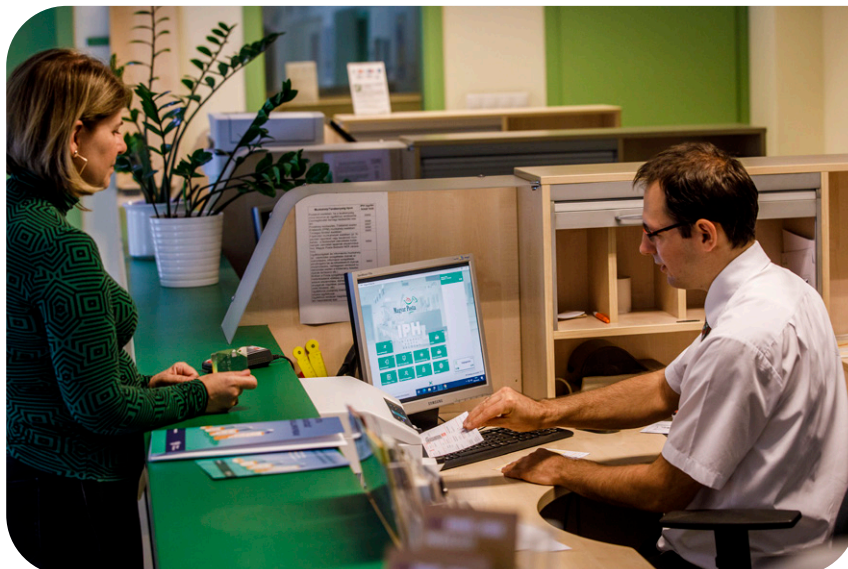
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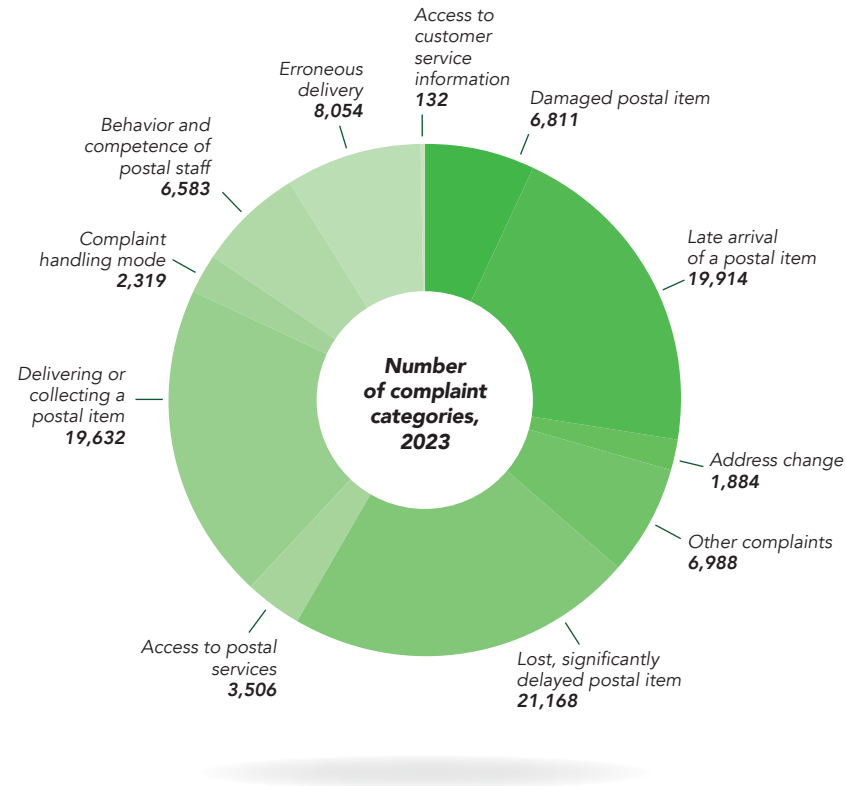
**Number of customer complaints and indicators**

	2021	2022	2023	Change (2023/2022)
Number of cases registered in the complaint handling system (pcs)	62,916	52,042	51,613	- 0.82 %
Number of categories based on complaints received (pcs)*	107,260	79,151	96,991	+ 22.54 %
Number of substantiated complaint categories (pcs)*	43,380	37,846	42,808	+ 13.11 %
Average response time for complaint handling (days)	24.67	21.62	22.1	+ 2.22 %

\* Within the complaints, customers submit reports on several postal items and categories, which are included in the number of complaints.



**Number of complaint categories**



The response time for data provided to customers interested in the lifecycle of postal items decreased in 2023 as a result of the corrective measures, with a 0.58 % improvement in the lead time indicators for domestic data supply and a 20.09 % improvement for international data, despite the increased number of cases. To keep the processing time for official communications short, we have made operational changes in the field, and to create a rapid response competence, we have developed the capacity to handle this type of case in all teams in our field, so that we can respond to mass inquiries by immediately rearranging staff and tasks.

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## 4.3. Security of supply, provision of public services, accessibility, affordability

### SECURITY OF SUPPLY, PROVISION OF PUBLIC SERVICES

Magyar Posta Zrt. is the official universal postal service provider in Hungary. The provider is responsible for determining the number, location, and timing of collection and delivery points to meet the needs of users. They must ensure that postal items are collected and delivered in all settlements. The [Universal Postal Public Service Contract](#) sets out the essential rules for postal services.

### ACCESSIBILITY

Magyar Posta must provide at least one fixed post office per settlement with a population of over 1,500. It must also be ensured that 95 % of residents with a registered place of residence in the urban are no more from the permanent postal service point than 5 km away as the crow flies and at least 99.5 % are no more than 10 km away as the crow flies. In populated settlements with less than 1,500 inhabitants, the provision of a mobile postal service is mandatory.

The daily opening hours of the permanent postal service points must be set following the volume of traffic. The minimum two-hour daily opening time may be continuous or may be divided into at most two periods between 7 am and 8 pm. The opening hours are determined by the population and described in the Universal Postal Public Service Contract.

We aim to maintain and expand our accessibility by continuously developing our points of sales cooperating with our partner network, optimising our economic objectives and public service missions.

### BARRIER-FREE SERVICE

In 2023, 46.3 % of all service points were barrier-free accessible. Typically, post offices with high customer traffic and a wide range of services have wheelchair access available. In post offices that are not yet barrier-free but handle high customer traffic, accessibility is primarily constrained by the infrastructure limitations imposed by monument protection.

#### Services and their accessibility

Specific service types	2021	2022	2023	Change (2023/2022)
Lettermail collected in Hungary	500 million pieces	485 million pieces	450 million pieces	- 7.2 %
Domestic parcel traffic	27.5 million pieces	25.1 million pieces	29.1 million pieces	+ 15.9 %
Cash transfer orders and postal bill payment orders via electronic channel	11 million pieces	12.2 million pieces	14.8 million pieces	+ 21.3 %

Post office types (pcs)	2021	2022	2023	Change (2023/2022)
Fixed active post office	2597	2188	2211	+ 1.1 %
Partner Programme	187	299	471	+ 57.5 %
Mobile post office	354	354	376	+ 6.2 %
KIOSK machines*	0	35	38	+ 8.6 %

\* Artificial intelligence-assisted point of administration. The machines are capable of handling 10 types of administrative cases (e.g. applying for a certificate of no criminal record, replacement of an identity card, driving licence).

Parcel sending service (pcs)	2021	2022	2023	Change (2023/2022)
PostaPoint*	~3,000	~3,000	~3,000	0 %
Parcel terminal	254	300	550	+ 83.3 %

\* Only the parcel collection service is available at PostaPoints.

### AFFORDABILITY

In order to maintain service levels and ensure affordable services, Magyar Posta receives subsidy from the Hungarian State under the title of unfair burden to compensate for the additional costs not paid by the market, thus ensuring that prices are kept at an affordable level.

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# 5

## Responsible employment: employee well-being

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### WHY IS IT IMPORTANT?

The well-being of our staff, equal opportunities, fair employment of our colleagues, safe and healthy working conditions, and continuous education are particularly important to us. These are not just principles but also crucial for ensuring that our employees are adequately prepared, which is key to the smooth functioning of the country. Additionally, wage levels have a significant impact on the livelihoods of many families. Because of our nationwide reach and extensive size, our impact on employment is significant, giving us exceptional responsibilities and opportunities.



### OBJECTIVES AND PRINCIPLES

The main objective of our human resource management is to have a well-prepared, committed, and motivated workforce with a broad range of competencies performing at a high professional level, in line with the company values. Therefore, the main focus of the HR strategy is on attracting, integrating, developing and retaining staff by increasing employee satisfaction and engagement, and overall employee well-being. To manage the risks arising from the high average age of employees, strengthening youth and loyalty is also aimed, giving priority to equal opportunities, including increasing the number of employees with disabilities. Our Company operates a transparent job classification and evaluation system. We place great emphasis on knowledge sharing, the development of skills and competencies, and building the employer brand. In connection with occupational safety, our goal is to assess and protect against any risks involved with work, thereby creating a safe working environment that minimises the risk of accidents and occupational diseases.



### GOVERNANCE

The Chief Directorate for Human Resources is responsible for setting guidelines for the employment policy and corporate culture development, as well as for managing training, staff retention incentive, and career management programs, liaising with interest representation organizations and developing the equal opportunities plan. The Code of Conduct provides a framework and guidelines for ethical business conduct.

Our goals



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# 5.1. Employment, retention, benefits and labour market presence

## EMPLOYMENT

Magyar Posta plays a decisive role in the domestic labour market and contributes significantly to local employment. It also provides flexible forms of employment for disadvantaged employees and employees raising children, as well as re-employment opportunities for pensioners, creating a significant number of jobs for the Hungarian population. The digitalization of logistics has not only brought changes in approach and organization, but also the development of new competencies, which has generated a major HR challenge. The medium- and long-term goal is to rejuvenate the company's age structure and plan staffing levels in line with the volume of work traffic.

## EMPLOYEES

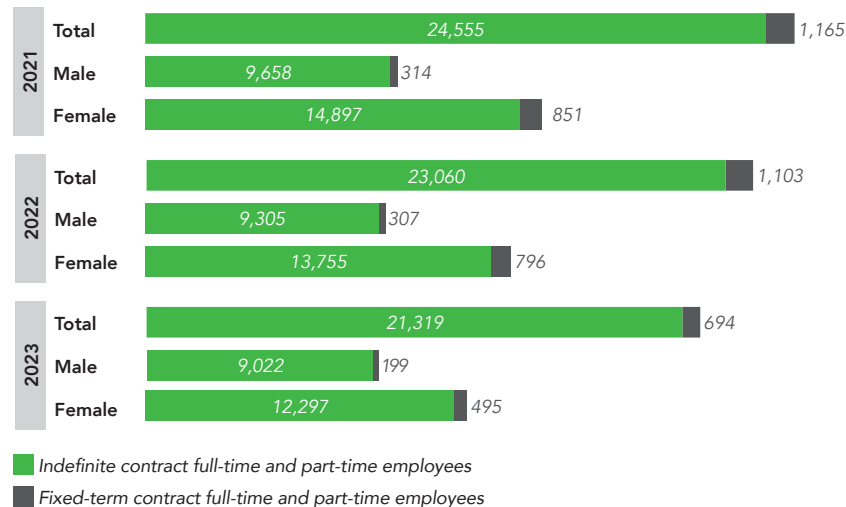
At the end of 2023, Magyar Posta had a total of 22,013 employees nationwide, which is 8.9% fewer than the previous year. The proportion of female employees is 59 %, the share of employees with indefinite-term contracts is 97 %, and the share of part-time employees was 12 % in 2023. Our employees work to ensure that our customers are served better and faster. As a responsible employer, we are present in all regions and contribute to local employment.

### Number of employees by gender

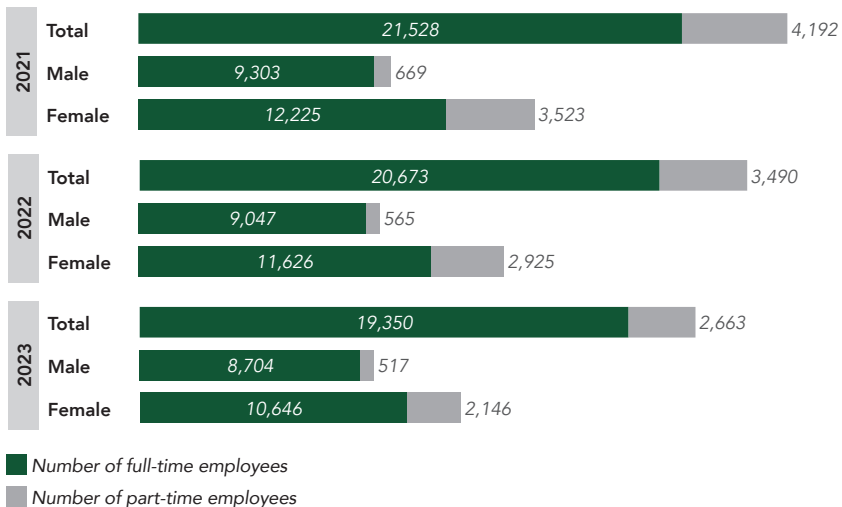
	2021	2022	2023	Change (2023/2022)
Female	15,748	14,551	12,792	- 1,759
Male	9,972	9,612	9,221	- 391
Total*	25,720	24,163	22,013	- 2,150

\* Permanent staff headcount, including employees active for more than 30 days. The data on employees is extracted from our internal records as of the end of the reporting period (31.12), and is not based on estimates.

### Number of employees by gender and contract type



### Number of employees by gender and employment type



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**Number of employees by county**

Counties	2021	2022	2023
Bács-Kiskun	1,125	1,032	960
Baranya	1 159	1,105	1,013
Békés	780	712	633
Borsod-Abaúj-Zemplén	1,795	1,718	1,556
Budapest	5,474	5,159	4,641
Csongrád-Csanád	981	930	846
Fejér	977	933	882
Győr-Moson-Sopron	1,255	1,192	1,058
Hajdú-Bihar	1,291	1,184	1,117
Heves	778	735	666
Jász-Nagykun-Szolnok	846	816	732
Komárom-Esztergom	666	646	576
Nógrád	459	444	391
Pest	3,266	3,017	2,838
Somogy	894	833	686
Szabolcs-Szatmár-Bereg	1,218	1,125	1,004
Tolna	557	524	464
Vas	627	597	549
Veszprém	939	873	767
Zala	633	588	634
<b>Total</b>	<b>25,720</b>	<b>24,163</b>	<b>22,013</b>

**Number of employees by type of contract, by county**

Counties	2021		2022		2023	
	Indefinite	Fixed-term	Indefinite	Fixed-term	Indefinite	Fixed-term
Bács-Kiskun	1,099	26	999	33	932	28
Baranya	1,107	52	1,039	66	962	51
Békés	741	39	696	16	613	20
Borsod-Abaúj-Zemplén	1,722	73	1,655	63	1,513	43
Budapest	5,367	107	5,080	79	4,590	51
Csongrád-Csanád	924	57	896	34	828	18
Fejér	903	74	860	73	847	35
Győr-Moson-Sopron	1,217	38	1,151	41	1,043	15
Hajdú-Bihar	1,238	53	1,137	47	1,068	49
Heves vármegye	756	22	689	46	638	28
Jász-Nagykun-Szolnok	756	90	725	91	678	54
Komárom-Esztergom	598	68	581	65	537	39
Nógrád	434	25	425	19	376	15
Pest	3,198	68	2,967	50	2,801	37
Somogy	845	49	790	43	652	34
Szabolcs-Szatmár-Bereg	1,164	54	1,066	59	969	35
Tolna	506	51	477	47	455	9
Vas	563	64	535	62	525	24
Veszprém	867	72	791	82	705	62
Zala	550	83	500	88	587	47
<b>Total</b>	<b>24,555</b>	<b>1,165</b>	<b>23,059</b>	<b>1,104</b>	<b>21,319</b>	<b>694</b>

**Number of employees by employment type and county**

Counties	2021		2022		2023	
	Full time	Part-time	Full time	Part-time	Full time	Part-time
Bács-Kiskun	939	186	886	146	828	132
Baranya	963	196	926	179	872	141
Békés	582	198	573	139	518	115
Borsod-Abaúj-Zemplén	1,331	464	1,318	400	1,260	296
Budapest	5,229	245	4,918	241	4,430	211
Csongrád-Csanád	858	123	833	97	755	91
Fejér	803	174	801	132	802	80
Győr-Moson-Sopron	974	281	955	237	891	167
Hajdú-Bihar	1,063	228	1,003	181	939	178
Heves vármegye	597	181	565	170	537	129
Jász-Nagykun-Szolnok	699	147	712	104	654	78
Komárom-Esztergom	526	140	535	111	513	63
Nógrád	322	137	324	120	312	79
Pest	2,939	327	2,734	283	2,582	256
Somogy	723	171	702	131	621	65
Szabolcs-Szatmár-Bereg	863	355	840	285	769	235
Tolna	415	142	416	108	412	52
Vas	451	176	440	157	444	105
Veszprém	731	208	688	185	630	137
Zala	520	113	504	84	581	53
<b>Total</b>	<b>21,528</b>	<b>4,192</b>	<b>20,673</b>	<b>3,490</b>	<b>19,350</b>	<b>2,663</b>

**NUMBER OF INDIRECT EMPLOYEES**

In 2023, Magyar Posta employed 311 people with indirect status, including temporary agency workers (214), student workers and workers employed through pension cooperatives (97), mainly in mail processing and material handling (300), with a smaller share in customer service. Cleaning, security services, and some parcel deliveries are outsourced.

**Number of indirect employees at national level**

**NUMBER OF INDIRECT EMPLOYEES\***



\* The number of workers with indirect employee status was determined from our internal records at the end of the reporting period.

The number of temporary agency workers increased by 1 % compared to 2022 in order to balance capacity needs and adjust to the volume of turnover.

**FLEXIBLE FORMS OF EMPLOYMENT**

Magyar Posta places great emphasis on retaining its workforce and attracting new employees. To this end, the company strives to offer non-traditional and flexible employment options to disadvantaged workers and those with young children.

**Number of employees per employment types**

Atypical employment types*	2021	2022	2023
Working time frame	22,514	21,318	19,632
Remote work contract holders	276	451	369
Flexible working hours	130	83	20
Free work schedule working hours	1,001	926	767

\* For atypical workers, the number of teleworkers is taken from our internal records, while for the other categories it is taken from the job description. The headcount was determined at the end of the reporting period.

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## RETAINING AND REMUNERATING EMPLOYEES

As the largest employer in the country, Magyar Posta Zrt. has a prominent role in the domestic labour market. Attracting new workforce and retaining employees with several years of experience has become a priority task in order to alleviate the shortage of staff resulting from turnover. We strive to achieve this with appropriate benefits (introduction of a loyalty award, employee discounts) and good working conditions that fit generations, career options and individual development opportunities. Alongside many years of experience, there has also been an appreciation of efficient and quality work, which the Company is seeking to recognise through the changing incentive scheme. There may be a reduction in the number of staff due to average earnings falling below the industry benchmark, resulting in a higher turnover rate. This may not only lead to an ageing workforce, but also affect the issue of national recruitment. Due to labour market trends, as well as increasing wage demands and wage costs, new financial constructions, planning and calculations will have to be used in the future, which may increase the possibility of attracting more workers. In addition to improving our operations, this may also positively affect the employment rate of the population, especially in villages and small cities. However, due to increased inflation, the lack of wage convergence and job losses in villages and small cities may have negative effects in the future.



## OUR REMUNERATION POLICY

As a 100 % state-owned company - operating transparently and in accordance with the law- Magyar Posta applies the relevant legal requirements for the remuneration of the members of the management and control bodies and senior management. In the event of termination of employment for an indefinite period by the employer, the provisions of the Labour Code apply to managers and all employees with regard to the notice period and severance pay.

The other provisions applicable to the managers, executive officers and members of the Supervisory Board of Magyar Posta Zrt. (method and level of remuneration, benefits payable upon termination of employment, reimbursement of expenses, fringe benefits and other benefits, non-competition agreements) are set out in the Remuneration Policy, which contains information on the determination of the basic salary and bonus of managers covered by Section 208 of the Labour Code.

In the case of our employees, the annual basic salary growth is influenced by the statutory minimum wages determined for the given year, the wage cost defined in the given year's business plan, changes in the economic environment, and inflation. Based on the agreement, the directions, principles, and extent of central wage development, as well as the incentive system and other fringe benefits, are developed during discussions with the representatives of the participating organisations. The detailed rules are laid down in an internal instruction. As a result of the amendments, the Collective Agreement will also be negotiated.

As of 1 January 2023, there was a salary increase significantly above the 2 % rate projected for 2023 in the 3-year salary agreement, for which the Company provided additional financial resources covering 8 %. Due to the statutory minimum wages for 2024 coming into effect on December 1, 2023, the 3% increase in the basic wage for 2024 outlined in the wage agreement was also implemented on December 1, 2023. This was a unique feature among public companies.

The level of salaries paid by Magyar Posta has an impact on the domestic labour market and thus on the livelihood of many households. By increasing salaries, our Company recognises the performance and commitment of our employees and improves its own competitiveness in the labour market. We operate an incentive scheme consisting of several components (sales incentives, individual and group performance appraisals and volume-based incentives, attendance and efficiency bonuses) to recognise our employees with outstanding performance. Through the digitally available incentive system, we strive to encourage our employees to improve their performance, while also meeting corporate and organisational expectations through objective evaluation.

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The incentive system extends to employees with an employment relationship with the Company, it does not cover members of the management or employees employed within the framework of Simplified Employment.

**The structure of the incentive system and the processes that ensure uniform application of it are defined in the Incentive Regulation, which aims the following:**

- ✔ Regulation of incentive activities based on a systematic, process-based, long-term and uniform approach.
- ✔ The process-level delimitation of tasks and responsibilities related to the incentive scheme under the organisational and operational rules.
- ✔ Ensuring uniform, company-wide implementation of other tasks related to the incentive scheme based on process regulation.

The objectives and elements of the incentive scheme are reviewed each year and modified when necessary. Key aspects of the review include the results of labour market research, company experience, and business vision. In 2023, the management of Magyar Posta started to revise the incentive scheme. The aim is to increase the possibility of access to performance-related income in line with the expectations of the shareholder and also with the business interests of Magyar Posta and the demands of its employees. Management intends that performance measurement for all jobs, where possible, should be based on objective data and the incentive or bonus element should be determined accordingly. Building on this new incentive structure, the performance-related pay within the total earnings is planned to increase during the wage increase for 2024.

The manager or person in charge must always inform the employees about the performance appraisal and incentive elements that apply to them, the associated tasks, and the amount and conditions of payment for the incentive.



### ANNUAL TOTAL COMPENSATION RATE

Annual total compensation rate	2021	2022	2023
Annual total compensation of the highest paid person (HUF)*	72,000,001	71,455,769	60,285,739
Median of annual total compensation of all employees (excluding the highest paid person) (HUF)	3,384,351	3,824,892	4,454,810
Total annual compensation rate**	2,127 %	1,868 %	1,353 %

Changes in the annual total compensation rate	2021	2022	2023
Percentage change from year to year in annual total compensation of the highest-paid person	99.73 %	99.24 %	84.37 %
Percentage change from year to year in total annual compensation median for all employees (excluding the highest-paid person)	102.18 %	113.02 %	116.47 %
Change in total annual compensation rate	- 2.43 %	-12.18 %	-27.57 %

\* The information published is based on the Magyar Posta Zrt. query from SAP BW data.

\*\* Annual total compensation rate - the annual compensation of the highest-paid person compared to the median of the annual total compensation of all employees. The calculation method has been changed compared to 2022 (the median expected according to the GRI standard has been used instead of the average, so the data have been backdated).

The decrease in the compensation rate in 2023 is largely since no bonus was paid to the highest-paid individual given the change in leadership at the end of 2022, and the median total compensation increased.

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## FRINGE BENEFITS, DISCOUNTS

### List of fringe benefits and scope of eligibility:

 <p><b>Incentive</b> All employees, except for representatives of interest groups and works councils, and officials covered by Section 208 of the Labour Code.</p>	 <p><b>Optional fringe benefits (VBKJ)</b> All employees with 3 months of continuous postal employment.</p>	 <p><b>Interest-free housing loan</b> All employees with at least 2 years of continuous postal employment.</p>	 <p><b>Group life and accident insurance</b> All employees, for the entire duration of employment.</p>	 <p><b>Health insurance</b> Workers in jobs at Hay grade 16 and above.</p>	 <p><b>Voluntary pension insurance fund employer subsidy</b> All fund member employees - with 6 months of continuous postal employment.</p>
 <p><b>Employer support for voluntary pension insurance fund</b> All fund member employees - with 6 months of continuous postal employment.</p>	 <p><b>(Home) Rental support</b> All employees - not on probation.</p>	 <p><b>Reimbursement of commuting expenses</b> All employees, for the entire duration of employment.</p>	 <p><b>Reimbursement of a fixed amount for spectacles for clear vision</b> Employees entitled to glasses for clear vision for working in front of a screen.</p>	 <p><b>Assistance according to needs</b> All employees with 6 months of continuous postal employment.</p>	 <p><b>Gift for retiring employees</b> All employees with at least 15 years of continuous postal employment.</p>
 <p><b>Allowances, cleaning fee</b> All employees who meet the conditions of the collective agreement.</p>	 <p><b>Mentoring fee</b> All post offices that deliver to door, Logistics Centres, Logistics Depots.</p>	 <p><b>Awards for professional recognition</b> All employees who have received professional recognition.</p>	 <p><b>Discounted purchase opportunities</b> Discounted purchase opportunities for specific products and services based on cooperation with new and old partners (culture/entertainment, accommodation, sports, health, household/electronic goods, clothing, etc.), whose offers include continuous and periodic allowances. All employees.</p>	 <p><b>Salary/wage advance</b> All employees.</p>	<p><i>The full conditions of eligibility for each benefit are set out in detail in the company regulations in force.</i></p>

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## SHARE OF WOMEN'S AND MEN'S ENTRY-LEVEL SALARIES IN RELATION TO THE MINIMUM WAGE, BY COUNTY

### Entry-level salaries as a percentage of the minimum wage\*

County	2022		2023	
	Female	Male	Female	Male
Bács-Kiskun	128.94 %	132.23 %	134.39 %	132.12 %
Baranya	126.53 %	132.45 %	132.98 %	132.03 %
Békés	128.51 %	134.05 %	134.94 %	134.96 %
Borsod-Abaúj-Zemplén	126.23 %	126.73 %	131.50 %	128.48 %
Budapest	168.42 %	208.12 %	183.38 %	187.20 %
Csongrád-Csanád	135.39 %	128.11 %	140.34 %	133.80 %
Fejér	118.88 %	118.31 %	132.62 %	130.28 %
Győr-Moson-Sopron	115.25 %	132.73 %	132.60 %	134.24 %
Hajdú-Bihar	129.33 %	133.10 %	136.25 %	135.62 %
Heves	131.28 %	132.29 %	136.82 %	129.97 %
Jász-Nagykun-Szolnok	126.30 %	132.79 %	131.69 %	129.28 %
Komárom-Esztergom	120.84 %	127.21 %	130.78 %	129.93 %
Nógrád	122.80 %	112.60 %	131.86 %	126.94 %
Pest	130.70 %	135.04 %	133.17 %	135.42 %
Somogy	113.94 %	132.01 %	126.20 %	130.09 %
Szabolcs-Szatmár-Bereg	118.61 %	123.42 %	130.62 %	128.81 %
Tolna	109.84 %	121.31 %	131.37 %	130.22 %
Vas	119.23 %	124.42 %	133.69 %	130.31 %
Veszprém	118.87 %	131.76 %	131.55 %	131.14 %
Zala	125.42 %	129.28 %	133.27 %	131.27 %

The starting salaries for Magyar Posta employees compared to the minimum wage were 135.4% for women and 139.2% for men at the country level. This shows a gender gap of 3.8%, which is significantly lower than the 12% gender gap observed in 2021/2022.

At the end of 2023, 39.4% of company employees were working in positions where their salaries were tied to the minimum wage, but they were not actually employed at the minimum wage. The basic salary does not exceed the guaranteed minimum wage only in the case of 3 % of the Company's employees.

\* Calculation methodology: full-time average wage / minimum wage for new joiners (excluding casual workers). Concerning determining starting salaries, we do not differentiate between locations of operation.

## PROLONGED ABSENCE DUE TO PARENTAL LEAVE

Family-friendly employment solutions play a key role in balancing work and private life. Magyar Posta strives to enable atypical and flexible forms of employment for people with small children and provides individual assessment when ordering extraordinary work. During holidays, our Company considers school, kindergarten and nursery breaks and we strive to organise children’s activities. Through the Postakürt Foundation, we also provide special benefits for certain life situations.

### Prolonged absence and return due to childcare

	2021		2022		2023	
	Male	Female	Male	Female	Male	Female
Total number of employees entitled to parental leave (no. of people)*	658	1,741	591	1,719	579	1,658
Total number of employees taking parental leave (no. of people)	9	1,456	10	1,406	13	1,334
Total number of employees returning to work during the reporting period after the end of parental leave (no. of people)	2	213	2	228	1	232
Total number of employees who did not return to work (left) during the reporting period after the end of parental leave (no. of people)	2	116	5	153	4	169
Total number of staff returning to work after the end of parental leave who have continued to be employed 12 months after returning to work (no. of people)	4	213	2	186	2	188
Return to work rate (%)	50	65	29	60	20	58
Labour retention rate (%)	100	87	100	87	100	82

\* The duration of the absence due to childcare is determined based on domestic legislation, no other internal regulations or contractual agreements provide for it at our Company.



## PENSIONERS

Our Company values pensioners with professional experience. We strive for and create opportunities for their re-employment in addition to retirement, typically in the field of postal and delivery services. As of 31 December 2023, 772 people were employed by Magyar Posta Zrt. while receiving a pension.

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## TURNOVER AND NEW COLLEAGUES

Magyar Posta's goal is to attract the appropriate workforce and retain the existing committed employees, for which purpose it strives to implement several measures.

In the year 2023, Posta's advertisements were launched on several new recruitment platforms (TikTok, CVonline, Joooble, Indeed), and the image of our campaigns was also renewed with a more modern look. The increased number of applicants as a result of the improvements is spectacularly higher than in previous years. As part of our recruitment strategy, our campaigns were constantly monitored and backtested.

The success of our campaigns was demonstrated by the fact that in 2023 we increased the number of job applicants by one-third compared to 2022 (23,564 applicants / 5,550 job ads in 2022; 32,336 applicants / 3,722 job ads in 2023) and doubled the number of applicants per job ad.

To strengthen our presence in the labour market, we were present at several job fairs: job fairs organised by the regional employment departments of government offices, Jobverse, BME job fair, job fair organised by Lear Kft. in connection with redundancy, job fairs for workers with reduced working capacity.

To ensure employment activity and flexibility, several atypical employment opportunities have been introduced. These include remote work, temporary work, student work, parttime, shared service, working time frame, flexible working hours, and working hours with a free work schedule.

Our employment programmes also support work-life balance, thereby increasing employee engagement and creating a diverse and inclusive work culture.

Providing the opportunity to work alongside retirement, and to use atypical forms of employment that promote work-life balance, ensures the employment of those who will return-to-work as well as the reintegration of parents with young children.

Several HR measures contribute to increasing employment and reducing turnover.

Rising energy prices, inflation, average earnings below the market benchmark, and intensifying labour market competition have led to challenges in the labour market in 2022. In 2023, the turnover rate increased to a greater extent, while the number of new colleagues increased to a lesser extent compared to 2020-2022. Since 2022, the number of employees decreased by just over 2,000 by December 2023. The turnover rate was 30.3 %, 6.3 percentage points higher than the previous year. In 2023, significant layoffs in our company, mainly focused in Budapest.

### Number and distribution of new employees

	2021		2022		2023	
	No. of persons	Ratio (%)*	No. of persons	Ratio (%)*	No. of persons	Ratio (%)*
<b>BY GENDER</b>						
Male	1,863	42 %	2,336	47 %	2,929	54 %
Female	2,605	58 %	2,670	53 %	2,519	46 %
<b>BY AGE</b>						
<30	1,490	33 %	1,662	33 %	1,950	36 %
30-50	2,094	47 %	2,337	47 %	2,435	45 %
>50	884	20 %	1,007	20 %	1,063	19 %
<b>BY COUNTY</b>						
Bács-Kiskun	185	4 %	255	5 %	291	5 %
Baranya	110	2 %	174	3 %	193	4 %
Békés	84	2 %	97	2 %	76	1 %
Borsod-Abaúj-Zemplén	346	8 %	484	10 %	335	6 %
Budapest	883	20 %	936	19 %	822	15 %
Csongrád	152	3 %	115	2 %	178	3 %
Fejér	230	5 %	232	5 %	333	6 %
Győr-Moson-Sopron	172	4 %	256	5 %	290	5 %
Hajdú-Bihar	200	4 %	152	3 %	205	4 %
Heves	147	3 %	197	4 %	214	4 %
Jász-Nagykun-Szolnok	194	4 %	259	5 %	207	4 %
Komárom-Esztergom	150	3 %	214	4 %	147	3 %
Nógrád	68	2 %	90	2 %	122	2 %
Pest	713	16 %	687	14 %	869	16 %
Somogy	159	4 %	168	3 %	173	3 %
Szabolcs-Szatmár-Bereg	219	5 %	233	5 %	259	5 %
Tolna	94	2 %	87	2 %	115	2 %
Vas	105	2 %	103	2 %	191	4 %
Veszprém	169	4 %	176	4 %	183	3 %
Zala	88	2 %	91	2 %	245	4 %
<b>Total new employees (per capita)</b>	<b>4,468</b>		<b>5,006</b>		<b>5,448</b>	

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Turnover

	2021		2022		2023	
	No. of persons	Ratio (%)*	No. of persons	Ratio (%)*	No. of persons	Ratio (%)*
<b>BY GENDER</b>						
Male	2,321	47 %	2,454	42 %	3,032	45 %
Female	2,592	53 %	3,349	58 %	3,641	55 %
<b>BY AGE</b>						
<30	1,220	25 %	1,253	22 %	1,513	23 %
30-50	2,410	49 %	2,966	51 %	3,115	47 %
>50	1,283	26 %	1,584	27 %	2,045	31 %
<b>BY COUNTY</b>						
Bács-Kiskun	199	4 %	312	5 %	309	5 %
Baranya	145	3 %	188	3 %	222	3 %
Békés	94	2 %	137	2 %	127	2 %
Borsod-Abaúj-Zemplén	316	6 %	489	8 %	441	7 %
Budapest	1,146	23 %	1,117	19 %	1,262	19 %
Csongrád	147	3 %	144	2 %	219	3 %
Fejér	237	5 %	252	4 %	340	5 %
Győr-Moson-Sopron	183	4 %	298	5 %	370	6 %
Hajdú-Bihar	183	4 %	207	4 %	238	4 %
Heves	189	4 %	230	4 %	252	4 %
Jász-Nagykun-Szolnok	176	4 %	240	4 %	245	4 %
Komárom-Esztergom	159	3 %	209	4 %	200	3 %
Nógrád	72	1 %	105	2 %	141	2 %
Pest	862	18 %	841	14 %	989	15 %
Somogy	155	3 %	205	4 %	250	4 %
Szabolcs-Szatmár-Bereg	210	4 %	287	5 %	307	5 %
Tolna	86	2 %	120	2 %	130	2 %
Vas	87	2 %	97	2 %	203	3 %
Veszprém	177	4 %	205	4 %	243	4 %
Zala	90	2 %	120	2 %	185	3 %
<b>Total leaving employees*</b>	<b>4,913</b>		<b>5,803</b>		<b>6,673</b>	

\* The figures have been adjusted retrospectively to show the distribution of departing staff by category according to the new uniform methodology. Established by statistical headcount at the end of the reporting period.



The proportion of employees leaving increased in 2023 compared to previous years. Last year, the employee turnover rate for individuals aged between 30 and 50 was the highest, exceeding previous years' rates. The highest turnover rates were in Budapest and Pest County.

**ROBOTISATION IN HR ADMINISTRATION - HERMINA**

Significant progress was made in HR administration in 2023. A robotic process automation solution was introduced, whereby many manual, repetitive administrative tasks performed on a computer are performed automatically by robotic software. The robotisation of recruitment recording has been introduced in several phases, from 1 January 2023 all recruitments, except at the corporate management level, are recorded by a robot in SAP. HeRmina not only records labour measures, but also helps with payroll/Social Security administration. The HR robot also handles termination-related administration in SAP for employees with less than 30 days of employment. From Q2 2024, we plan to extend the use of the HeRmina robot to other management areas for handling the termination of employment.

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## 5.2. Employee and management relations and advocacy

The overall commitment of the management and the Company also contributes to the loyalty of employees. In addition, the representation of Magyar Posta’s employees is ensured in numerous forums, which not only facilitates the operation of orderly labour relations but also strengthens employees’ trust in the transparency of the Company’s operation.

**THE SYSTEM FOR SOCIAL DIALOGUE FORUMS WAS LARGELY IDENTICAL TO PREVIOUS YEARS.**

**Postal Sectoral Dialogue Committee (PÁPB):**

as a consultation and negotiation forum, it facilitates ongoing cooperation between employees and employers, collective bargaining, and the conclusion of agreements in the postal services sector. The body conducts a bilateral social dialogue to discuss employment and social policy proposals within the sector, and performs advocacy, interest protection, mediation, and reconciliation functions. The committee offers a chance for employer and employee advocacy organizations, in addition to the applicant organizations, to take part in the sectoral dialogue committee if they meet the participation criteria set by law and express their intention to participate.

**Postal Interest Reconciliation Council (PÉT):**

a bipartite forum for the reconciliation of interests, a permanent forum for employers and member unions. Its primary objective is for the employer and the trade union(s) to organise and develop labour relations, to ensure cooperation in the interests of the employer and the employees, and to clarify basic economic, income, social and labour issues. Its aim is to prevent conflicts and ensure the continuous exchange of information. The members of the PÉT always strive for consensus.

**Participatory Meeting:**

a forum for contact between the employer and the Works Council (WC). The Participation Meeting is convened by the WC.

The employer’s obligation to consult is a cornerstone of cooperation between employer and employee and of the exercise of the employer’s participation rights. The employer shall consult the advocacy organisations at least 15 days before taking a decision on draft employer measures and regulations affecting a large group of employees and on any change in the employer’s identity. The company’s process for investigating complaints reported by advocacy organisations is carried out in accordance with the uniform complaints handling procedure set out in the Social Dialogue Manual.

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## COLLECTIVE AGREEMENT

In addition to the Labour Code, issues related to employment relationships are also regulated by the Collective Agreement, the scope of which, with the exception of executive officers [employees falling within the scope of Section 208 of the Labour Code (34 persons on 31 December 2023)] covered all individuals employed by Magyar Posta Zrt., thus 99.85 % of employees in 2023.

Just like in the previous years the notice period in 2023 for both employees and organisations with Collective Agreements was 30 days, i.e., 4 weeks. With regard to the conditions of termination and the opportunity for employees to consult, we act in accordance with the relevant legislation, the Collective Bargaining Agreement, and the cooperation agreements concluded with stakeholder representatives.

### Communication with colleagues

To achieve corporate goals, the management of the Company considers both cooperation between areas and teamwork important and is also committed to transparent and regular communication. For Magyar Posta Zrt. it is important to keep employees informed about our goals, achievements, and topics that interest or affect them. Among our internal communication interfaces, we should highlight:



*A mi Postánk (Our Post Office) is our professional and community journal (printed and electronic format).*



*The PostaTV channel has many short films and podcasts, mainly aimed at salespeople.*



*On our intranet (Postaweb) and internal newsletters (Postainfo), we inform our employees and management about the progress of developments.*



*Some professional areas have a dedicated professional portal for their subject: HR Navigator, Postagram.*



*Internal printed posters, and notices - on certain topics, we reach colleagues who have no e-mail address by placing printed posters and notices in workplaces, factories and post offices.*

## RECRUITMENT INITIATIVES AND ATTRACTING YOUNG WORKERS

From a social point of view, Magyar Posta's presence in the labour market contributes to attracting new employees and building trust towards current and potential employees by displaying remuneration transparently. Our Company provides various internship programmes and professional practices, which gives us a better chance of reaching a wider range of employees.

We also operate an Employee Referral Programme on our revamped careers site to ensure a supply of staff, which aims to reach the right quality of employees for shortage jobs and in regions/locations where recruitment is more difficult through postal employee referrals. Candidates who apply on the career portal can indicate during the job application process that they are applying in the framework of referral, so this automatism registers the fact of the referral already at this stage. To attract employees with the appropriate expertise, we continued to maintain continuous contact with the regional Employment Offices of government offices, training institutions and non-profit organisations.

Our Company offers internships and thesis writing opportunities to students, university students and recent graduates regarding postal activities. We provide compulsory traineeships for students participating in professional trainings and for students in higher education. At our practice sites – under the guidance of our experts – we welcome students learning the profession of postal business administrator, for whom we provide mid-year and continuous internship as a dual training place.

Magyar Posta Zrt.

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## 5.3. Training and education

The training courses and education provided by Magyar Posta contributes to the professional development of employees. The Company also supports employees with a mentoring programme and training courses aimed at developing professional and managerial skills. Additional development and training opportunities are also available for talented colleagues. As a result, Magyar Posta will become a more attractive place to work, enhancing operational efficiencies. Due to the nationwide presence of the Company and the large number of employees, these developments have a positive impact on the entire society, contributing to areas such as the development of digital literacy, deepening skills in everyday behaviour outside working hours, and online administration. However, for workers employed in rural, small villages, the lack of professional training courses can reduce the efficiency of services. The increase in training fees and conferences has had a negative impact on the available resources, limiting the wide range of use.

In 2023 our Company continued to place great emphasis on the professional training of employees and the development of their competencies. Our training courses are measured not in hours but in terms of the number of participants involved. In 2023, we achieved 99,422 participants in our training courses. In addition to postal staff, the Company organised and delivered training to another 1,251 participants from the partner programme.

The workforce development of Magyar Posta Zrt. includes the professional training of employees, the elimination of qualification gaps, participation in further training courses with a professional outlook, as well as the development of skills both for present tasks and those in the future. These programmes aim to enable employees to perform tasks arising from the constantly changing environmental, technological, strategic, market and legal conditions. All of this helps contribute to the long-term success of operations and to raising service levels. Training courses continued to focus on obtaining qualifications in executive positions, and on developments aimed at retaining managers.

The Company considers the activities of the Human Resources Development Centre (HRDC) as adult learning

activities (Magyar Posta Zrt. is an adult education provider registered in accordance with the Act on Adult Education, registration number: B/2020/0000866), and the internal training offered by the Centre is listed in the online Training Catalogue, with detailed information about the categories of Professional training, Digital literacy, Skills development, Mandatory trainings, and Featured programmes. Internal training courses are announced nationwide in an annual training calendar – updated quarterly – which employees can apply to with the support of their workplace manager. The Catalogue also displays content tailored to individual needs, which are expanded based on both mid- year, professional feedback and on annual planning. If the advertised training date does not meet the required numbers or there are not enough dates, HRFK will launch another training group or groups depending on applications and capacity.

In addition to internal training courses, it is also possible to participate in external training courses, conferences, and further training courses. In addition to the support of a direct and instructive leader, the approval of the head of centralized educational resources (HRFK head) is also required for enrollment in order to start the procurement procedure, thus ensuring responsible resource management.

A small number of applications for obtaining the qualification for postal business administrator is scattered throughout the

country. To increase the number of applicants, employees of Magyar Posta Zrt. participate in career guidance events to provide information on employment and career opportunities, as well as available internships in dual training courses. In addition, our Company is also represented in the Sectoral Skills Council, where issues related to professional development are discussed and interpreted.

We assess the effectiveness of the career orientation days through discussions with the four vocational schools involved. The number of interested parties is the primary indicator of efficiency, which can be supplemented by the number of applications to VET providers. After passing the professional exam, we contact all graduates to facilitate postal employment. In one of the vocational schools, career guidance has resulted in the start of a vocational training course for postal clerks.

Each postal training course ends with an exam, with the result acting as feedback for the individual, the manager, and the trainees. Certain services - typically the sale of payment products - are also subject to an examination to provide authentic and truthful information to customers, to ensure reliable use of systems and to avoid mishandling and customer write-backs. The efficiency of these trainings is supported by the continuous examination of questions that may be difficult to answer and show a higher error rate as well as the processing of transactions through training.



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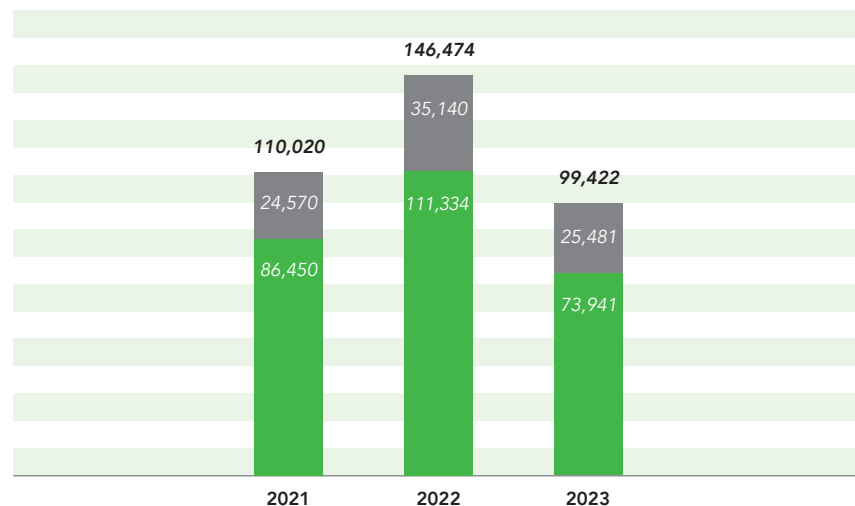
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The Human Resource Development Centre is responsible for updating, targeting, and refining the content of development programmes, as well as making changes based on feedback from the organisation and the experiences of teachers and trainers. External partners become involved if the head of the centre considers the content of the feedback to be worth forwarding to the internal requestor. The feedback is given verbally, and depending on the content, the trainers and organisers participate in the discussions.

Magyar Posta Zrt. does not record trainings in terms of training hours, therefore data is not provided in terms of hours, but in terms of the number of participants. One person could attend several training courses.

Number of participants in training courses



Female Male

Number of participants in training courses by counties

Counties	manager	subordinate	male	female	Total
Bács-Kiskun	3,598	1,159	1,153	3,604	4,757
Baranya	3,605	920	1,152	3,373	4,525
Békés	2,371	748	968	2,151	3,119
Borsod-Abaúj-Zemplén	5,532	1,870	1,493	5,909	7,402
Budapest Capital City	16,389	2,904	6,620	12,673	19,293
Csongrád-Csanád	3,024	773	1,218	2,579	3,797
Fejér	2,863	1,063	624	3,302	3,926
Győr-Moson-Sopron	3,586	1,213	1,181	3,618	4,799
Hajdú-Bihar	4,396	1,090	1,438	4,048	5,486
Heves	2,067	734	595	2,206	2,801
Jász-Nagykun-Szolnok	2,746	837	893	2,690	3,583
Komárom-Esztergom	1,983	711	432	2,262	2,694
Nógrád	1,298	604	317	1,585	1,902
Pest	9,689	2,382	2,926	9,145	12,071
Somogy	2,502	922	813	2,611	3,424
Szabolcs-Szatmár-Bereg	3,368	1,280	1,147	3,501	4,648
Tolna	1,662	587	467	1,782	2,249
Vas	2,072	712	623	2,161	2,784
Veszprém	2,582	921	683	2,820	3,503
Zala	2,015	644	738	1,921	2,659
<b>Total</b>	<b>77,348</b>	<b>22,074</b>	<b>25,481</b>	<b>73,941</b>	<b>99,422</b>

Magyar Posta Zrt.

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Participants by training course category

	2021	2022	2023
<b>INTERNAL TRAINING</b>	<b>108,236</b>	<b>142,590</b>	<b>97,304</b>
Vocational trainings	737	1,149	1,041
Open exams	6,864	7,428	1,102
Financial and banking trainings	20,775	33,133	18,913
Vehicle driver trainings	2,044	1,845	1,885
Skills development	1,290	1,695	530
Safety training	53,531	75,077	45,356
IT training	484	666	455
Other functional training courses	22,511	21,597	28,022
<b>EXTERNAL TRAINING</b>	<b>2,716</b>	<b>3,817</b>	<b>2,051</b>
Legal obligation	737	1,566	1,095
Qualify	0	0	0
Increase of skill level	1	1	58
Increase of sales capability	0	0	0
Leadership development	1,150	1,144	325
Special training for IT staff	63	193	87
Training related to activity extension	88	285	486
Training needs relating to TM system	677	628	0
Digital literacy	0	0	0
<b>SCHOOL-BASED TRAININGS</b>	<b>68</b>	<b>67</b>	<b>67</b>
<b>Total</b>	<b>110,020</b>	<b>146,474</b>	<b>99,422</b>

OUR SKILLS DEVELOPMENT AND TRAINING PROGRAMMES IN 2023

We continuously monitor evolving market expectations, knowledge, and skill requirements, and update our training programs quarterly as necessary. The length of the announced training courses depends on the content and methodology: skill development programmes last 1-3 days, professional training courses last 2-6 days, while more complex training programmes last 1-1.5 years. We also hold our day-long professional training courses in the framework of e-learning and classroom training. Our Company strives to retain new and experienced workforce with continuously available training, educational materials and programmes. We also provide support for the simultaneous performance of several work tasks. Through the HR Navigator interface on our intranet portal, we inform our colleagues about regulations, and professional content concerning human resources, as well as about the process of establishing and terminating employment relationships and managing changes during the employment relationship.

At the post office managers’ meetings, held several times a year, the top topic discussed is turnover, retaining staff, what Magyar Posta is considering doing about it, the responsibility of managers, and possible intervention opportunities.

On 21 July 2023, the Code of Conduct was published on Postalinfo, and a training course entitled ‘Compliance Assurance and Ethics Training’ was organised. The development aims to familiarise all postal employees with the contents of the Code of Conduct and to raise awareness of the expected elements of behaviour. The training took place in August and September. All postal employees with electronic access could learn on the internal e-learning platform of Magyar Post, and those without electronic access could learn on paper.

After the termination of their employment relationship, our employees can turn to the Postakürt Foundation for retraining support. In all cases, we informed all concerned about the Human Assistance service, which includes - among other things - individual consultation on career changes and career corrections, training support up to the value of the national minimum wage/ salary, and one-off social support.



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## TRAINING OF NEW EMPLOYEES

### Onboarding

Magyar Posta Zrt. the four-week onboarding programme, the Welcome Time Programme, supports the orientation, introduction to the corporate culture, professional learning and organisational integration of our new employees. By setting up a programme based on prior experience and a needs assessment of the company, we have put in place a framework to integrate new employees more effectively by updating and integrating existing elements and developing new, centrally managed elements to provide our Company with a useful employee within a short time, while at the same time offering the opportunity for personalisation. The long-term goal is to increase work efficiency, reduce the intention to quit and promote the transmission and implementation of corporate values.

The specific tasks of the line manager, the staff member, the employer representative, the trainee, the HR generalist and the new entrant are set out in the different sections of the programme, facilitating a smooth implementation of the process.

Through our mentoring programme, mentors help new employees to integrate and acquire the knowledge necessary to perform the tasks listed in their job descriptions. Furthermore, it provides employees with the professional and practical knowledge essential for independent work as soon as possible, for which the mentor receives remuneration.

#### Key elements of renewal in 2023:

- Personalised information has been added to the information booklets.
- The transparency of the process is supported by a range of supporting material and visual elements (animation, short films).
- Supporting trainees with professional support materials.
- Display of onboarding posters.
- Onboarding postcards for new employees.

We aim to continue to develop the programme and its components in the future.

In 2023, 860 new colleagues with email access were targeted by the programme. The monthly Orientation Day for new entrants to the management area was attended by 140 people. Of the employees who were approached and successfully completed the programme, 96 % completed the online Welcome Quiz at the end of the onboarding programme, with an average score of 76 %. Throughout the year, in order to successfully run the programme and raise awareness of the importance of onboarding, we held several training sessions for both logistics managers and HR generalists, attended by a total of 166 people.



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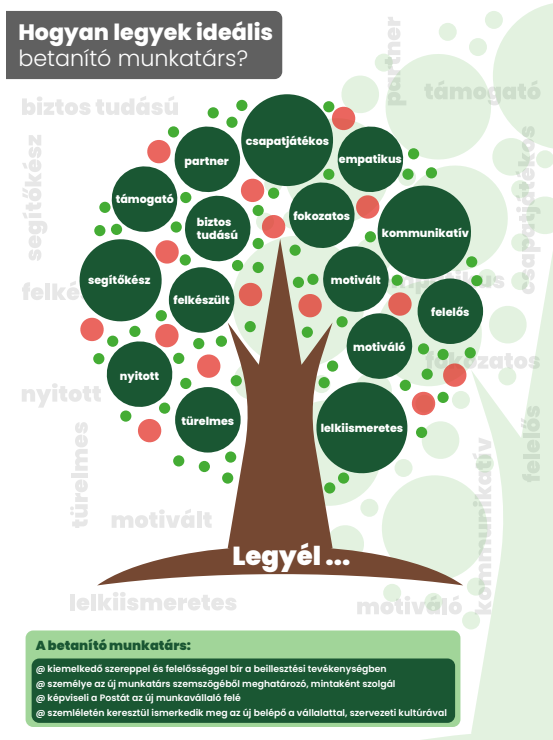
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### Training

Even the first impulses of a well-designed selection process are crucial for the success of the integration activity, and although a successful integration process is the result of a concerted effort by several actors, the employee in charge of training and supporting the onboarding of the new employee, the trainee, has a crucial role and responsibility at all stages of the onboarding process.

In its onboarding program, Magyar Posta emphasizes that a good trainee should not only be knowledgeable about their job, but also capable of sharing their knowledge with new colleagues. They should be motivated to contribute to the organization by quickly becoming a valuable, self-sufficient team member. It gives direction, but not control. With their attention, empathy, questions and honest feedback, they are a catalyst for development. They can provide useful practical advice for both professional and personal development, but they do not want to impose their own opinions and habits on the new colleague.

Recognising the importance of the above, the Welcome Time Programme makes support for trainees a priority. The tasks of the trainee at each stage of the onboarding process are outlined in the internal process rules, and additional help files are accessible on the relevant postal intranet interface.

In addition to the onboarding tree shown here, the interface also provides onboarding colleagues with good advice to help them successfully onboard new colleagues, and a structured questionnaire template at the end of the onboarding process to help them evaluate and discuss the onboarding experience with the manager and the new employee.

Overall, being a trainer staff member is not only a complex responsibility, but also a professional and human reward. The onboarding process is a win-win situation, as lessons can be learnt individually through feedback, and the success of the onboarding process will be a shared success between the new colleague and the trainer.

### AZ ORIENTÁCIÓS NAPOKRA VONATKOZÓAN AZ ÚJ BELÉPŐKTŐL ÉRKEZETT LEGJELLEMZŐBB SZAVAK:



### Orientation days

As part of our Welcome Time Programme, our Company's general onboarding programme, we organise a monthly orientation day for new employees entering the management area - every second Tuesday.

The orientation day aims to familiarise new employees with the organisation and basic services of Magyar Posta, to inform them directly about useful, important and practical information in each field, to enable them to ask questions immediately, to find their place and role in the system of Magyar Posta, to learn about the opportunities and organisational values offered by the company, as all this will help them to integrate quickly and efficiently into the organisation, which is of outstanding importance for both the individual and the company. The interactive discussion and consultation provide an opportunity to learn about the most important things to know about the company, the expectations of employees, the relationship of each organisation to the overall postal process, and where and what professional topics and practical information are available to support successful integration.

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### Vocational training system: practical training for postal business administrators

In 2023, Magyar Posta Zrt. served as a dual training center, offering mid-year and 'summer' internships to 64 students. The Company has produced workbooks for students for the Postal Business Administrator qualification, which is based on a training programme developed jointly with three vocational schools. Students could get acquainted with the post-specific characteristics of theoretical knowledge and get the chance to deepen the acquired knowledge in practice under the supervision of post office trainers.

The company has provided traineeships for 16 people for the profession of logistics consignment administrator and for two people for the profession of office secretary. In addition to secondary education, 40 students from higher education participated in traineeships.



### Manager Successor Programme: My Successor Before Me programme ('Előttem az utódom')

The long-time successful My Successor Before Me manager succession programme continued in 2023 as well. The Network and Logistics Department nominated a total of 72 people, and 47 of them were admitted to the complex programme at the end of the selection process. The preparation was complex, consisting of several elements and focusing in on the development of the candidates' general management knowledge, supporting the individuals' abilities, and expanding their professional knowledge. At the end of the two- year programme, employees report on their knowledge in a complex exam.



### Leadership Development Programme: Network Campus

The Network Campus programme ended in 2023. The four developmental training sessions were complemented by group coaching, which included e-learning development sessions to support the comprehensive preparation of participants. Follow-up support was provided to help participants adapt the lessons learnt.



### Postart Programme

In May 2022 we launched - and completed in April 2023 - our Postart programme for young graduates to develop the next generation of post office managers. Out of more than 60 applicants, following the selection process, Magyar Posta Zrt. made an offer to 14 young people and 12 finally started the one-year preparation programme.

In the first semester, the juniors participated in theoretical training courses, IT and skills development training courses, site visits and - for the most part - practical training courses at post offices. The second semester focused on getting to know the expertise of regional directorates and the Magyar Posta Headquarters' offices, as well as acquiring the theoretical and practical knowledge necessary for the post office manager's role. By the end of the programme, the young trainees had learned about the company, learnt a new profession, the work activities at post offices and the skills needed in a managerial position, which were delivered in an exam presentation, and both semesters of the programme ended with a complex exam. In the end, 8 of the initial team of 12 people were employed after the end of the programme, working in different departments of Magyar Posta.



### Leadership Development Programme: Post Office Leaders Consulting Programme

Support continues for training new leaders with employer powers in the Post Office Leaders Consultation Programme. At a programme with content adapted to the complexity of the management task in 2023, 10 people participated in the twice-2-days long professional consultation of the programme, as well as in a group skill development which was determined based on the results of the developmental competency assessment.

### Training for HR generalists

To support the specialised areas, HR generalists have been involved in a complex development programme in 2023. The two-day programme, organised in October, aimed to bring HR generalists up to date and on an equal level of information through presentations and good practices to work effectively. Among the topics discussed were labour issues, onboarding programmes, employment of workers with reduced working capacity, performance incentives, remuneration issues and the use and development of other HR instruments

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# 5.4. Occupational health and safety

## PERFORMANCE AND CAREER EVALUATION

The definition of performance evaluation and related incentives is part of our Incentive Policy, according to which all employees receive a performance evaluation. Exceptions to this are managers covered by Labour Code 208 and interest representatives, who are 100% exempt from employment. The evaluation is performed annually.

**Percentage of staff participating in performance and career assessment**

	2021	2022	2023
All staff	99.85 %	99.78 %	99.76 %
Female staff	99.88 %	99.82 %	99.90 %
Male staff	99.80 %	99.72 %	99.56 %

As a responsible employer, Magyar Posta Zrt. pays special attention to ensuring the personal, physical, and organizational conditions of safe work to prevent work accidents and occupational illnesses. In 2023, the strategic and professional management of the Company's OSH activities were performed by the Environmental Protection, Health and Safety Department, with the professional support of the Head of OSH of Magyar Posta. The Department's topic hosts are suitably qualified to carry out OSH tasks. The key documents governing the OSH activities of Magyar Posta are: Security Policy, Occupational Health and Safety Regulations, and Deputy CEO order on the arrangements for OSH advocacy.

The detection and prevention of cases endangering health and safety is carried out through our occupational safety risk assessment processes with the involvement of the relevant professional areas. We provide regular occupational safety training to our employees and strive to detect and prevent the development of potential hazards and emergencies through our protective equipment allowance policy and internal professional audits. We also manage and eliminate existing sources of danger. Our company annually provides information on the occupational safety situation to the Central Committee for Occupational Safety and Health.

## RISK ASSESSMENT

The identification and assessment of occupational health hazards, as well as the definition of preventive actions, will be carried out according to specific activities and job roles. The assessment is conducted by our occupational safety and health experts based on a central questionnaire, the frequency of risk assessment is in line with legal requirements. If any of our employees report an OSH hazard or dangerous situation, the chairperson of the Central OSH Committee forwards it to the contact person in the HR area, who forwards it to the relevant department for response or action. Feedback on risk mitigation measures is also received from managers and employees to ensure additional developments.

The Occupational Safety and Health Regulations outline the process and conditions for investigating workplace accidents, assessing risks, and determining remedial measures to ensure safe and non-threatening work environments. For all employees, accidents are investigated in accordance with legal requirements.

The OSH Regulation also regulates the application of the risk reduction hierarchy. Based on the risk assessment findings, specific protection methods are determined based on the activity and local characteristics. The application of new equipment, technology or the construction of a building is always preceded by occupational health and safety control. In the case of execution processes, we align the requirements of personal protective equipment use to the risk exposure.

Our Company provides basic occupational health services in full within the framework of cooperation with a qualified contractual partner. During attendance at primary occupational healthcare, the worker shall be entitled to sick pay.

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## OCCUPATIONAL SAFETY ADVOCACY

Magyar Posta Zrt. must ensure that safety and health representatives have the right to consultation and information, allowing for timely knowledge and discussion of the employer's measures concerning health and safety at work. The representatives set up a Central Occupational Safety and Health (OSH) Committee from among themselves, which acts as the highest forum for OSH advocacy. A representative of the EHS Department also attends the Committee meetings. In addition, the Company also has a six-member OSH Parity Body in place, where the employee and employer sides are represented in equal numbers and with equal voting rights. OSH issues are regularly discussed in the meetings of the Postal Interest Reconciliation Council.



## OCCUPATIONAL SAFETY AND HEALTH (OSH) TRAINING

The schedule of occupational safety trainings is determined by the OSH Regulation. Employees performing OSH duties as safety and health representatives undergo training every five years, which concludes with an examination. In addition to preliminary OSH training, following recurring types of work-related accidents, employees are provided with extra OSH training, which includes an overview of the causes of the accidents and how to prevent them. On the first day of the job, all employees receive health and safety training specific to their roles.



## HEALTH SERVICES, HEALTHY LIFESTYLE CAMPAIGNS

In addition to occupational health assessments, we also prioritise mental health support for our staff in the event of extreme psychological stress. In all cases, the Company offers psychological assistance to employees who are victims of attempted robbery or other violent attacks. In 2023, six of our employees sought local mental health support in three different locations. Furthermore, we provide employees with musculoskeletal disorders the opportunity to take a rehabilitation holiday each year. In 2023, 28 staff members received rehabilitation holiday allowance.

As part of our corporate social responsibility, we organised blood donations, with 71 employees giving blood on two occasions, and provided health screenings and counselling at the Dragon Boat Race and Postmen's Picnics, and on the occasion of World White Cane Day. We organised ophthalmology and health screenings at the Dragon Boat Race and blood glucose test on World Diabetes Day, raising health awareness among our staff members.

On the occasion of World Epilepsy Day, in February 2023, we raised awareness of information and misconceptions about the disease among our staff members in the form of a professional article. Between 70 % and 80 % of patients are asymptomatic, but one in two individuals involved are unable to work because of prejudice. It is therefore particularly important to increase the awareness and knowledge of managers and potential employees on the subject.

Magyar Posta Zrt. continues to provide numerous sports opportunities for its employees. The All You Can Move (AYCM) Sports Pass is available at a discounted price and allows employees to visit various sports and leisure facilities at 800 locations nationwide. Additionally, our employees can continue to join the Postal Sports Association of Eastern Hungary and Transdanubia, which organises sports events for postal workers and their families throughout the year, thus supporting regular exercise, healthy lifestyle, and active recreation.

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## OCCUPATIONAL ACCIDENTS AND DISEASES

Compared to 2022, the number of accidents at work and the rate of accidents at work increased in 2023. There were no fatal or serious injury accidents in 2023. The majority of workplace accidents happen during the first five years of employment, with the highest number occurring within the first 0-3 months. The increase in the number of accidents can be explained by higher turnover.

### Number of accidents (pcs)

Length of employment (month, year)	2023
0-3 months	137
4-11 months	98
12 months-5 years	211
Over 5 years	166
<b>Total</b>	<b>612</b>

\* Number of employee accidents at work causing incapacity for work for more than three days.

### Number of occupational accidents and the evolution of the accident rate

	2021	2022	2023
<b>Employees*</b>			
Total hours worked	43,625,467	40,797,746	37,110,294
Number of high-consequence accidents (pcs)	0	0	0
High-consequence accident rate – per 1 million hours worked	-	-	-
Total number of accidents (pcs)	567	567	612
Rate of accidents – per 1 million hours worked	12.9	13.9	16.5
<b>Indirect employees *</b>			
Total hours worked	722,016	641,209	649,404
Number of high-consequence accidents (pcs)	0	0	0
High-consequence accident rate – per 1 million hours worked	-	-	-
Total number of accidents (pcs)	12	15	16
Rate of accidents – per 1 million hours worked	16.6	23.39	24.64

\* The data includes all employees of Magyar Posta Zrt.

In 2023, a total of 287 male and 325 female staff were involved in accidents. For non-employed workers, the corresponding number was 3 females and 13 males. The female/male ratio is proportional to the headcount figure. Compared to 2022, the gender breakdown has not changed significantly.

At our company, the employee groups most frequently affected by work accidents are delivery workers and those working in the processing and loading areas. In 2023 the most common injuries from investigated accidents were:



Superficial damage



Pulls or sprains



Open wounds



Animal attack



Closed fractures

In 2023, there were a total of 73 work accidents involving dog attacks. Despite the decrease in the number of attacks, dog attacks remain one of the most common sources of occupational accidents involving postal carriers. We report all dog attacks and threats to local municipalities to promote proper dog ownership. In case of serious injuries, we file a police report. We also provide our delivery drivers with special mandatory training courses where we draw attention to the rules and procedures of conduct that prevent accidents caused by dog bites. In 2023, refresher training on dog attack prevention continued.

Our Company pays special attention to the prevention and proper education of our employees both for technology and occupational safety. This includes encouraging the proper use of protective equipment and checking it in accordance with the OSH Regulation.

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**PDA's CAN EVEN SAVE LIVES**

The risk exposure of our delivery staff is highest due to spending most of their working hours alone outside the workplace. At the initiative and under the professional supervision of the Security Chief-Directorate, as part of the package of measures to protect delivery staff, an application called KSR2 (KSR = Deliverer Emergency Call System) was installed on PDAs when they were introduced. This allows the deliverer to call for immediate assistance from the Inspectorate General in the event of an attack, illness or accident. When the emergency call is activated, the device also provides position data - using a GPS positioning system - so that the General Inspectorate can direct the police and/or ambulance to the exact address if needed. Operators from the Security Chief-Directorate are available 24 hours a day, 7 days a week, to help employees handle extraordinary incidents. Emergency services can save lives, so it is vital that everyone involved knows how to contact them and how they work.

**5.5. Inclusion and diversity**

An important goal of our Company is to enforce the principles of diversity and equal opportunities. Equal opportunity activities are governed by the two-year 2023-2024 Equal Opportunities Plan, which sets out our related principles and objectives. The Plan covers disadvantaged groups and individuals employed (women, workers aged over 40, disabled and/or people with reduced working capacity, large families, young people starting their careers, etc.), regardless of the nature of such employment, the hours worked or the duration. In addition to respecting human dignity, improving working conditions, partnership and social solidarity, equal opportunities are also reflected in salaries and benefits (through the operation of a system of professional, moral and financial recognition based on objective criteria). It is important to ensure equal opportunities, which is why we prepare an analysis of disadvantaged groups twice a year based on characteristics and conditions that qualify as direct discrimination. This analysis is sent in aggregated and anonymized form to the members of the Equal Opportunities Coordination Committee.

A new Equal Opportunities Ambassador was appointed in 2023. The new ambassador has already been actively

involved in the Let's Do It Together campaigns to support the employment of colleagues with reduced working capacity, and now as ambassador they will support and assist their colleagues. The role of the Ambassador is to represent workers with reduced work capacity and workers from disadvantaged groups, to advocate for their issues and increase their visibility.

Magyar Posta's special attention to this topic has a positive impact on disadvantaged workers and employees with disabilities or reduced capacity by providing them with opportunities and livelihoods. Magyar Posta can enhance the situation of underprivileged and disabled employees by implementing educational and awareness programs, and by collaborating with non-governmental organizations. Thanks to this, the social responsibility of the Company is also enhanced. Helping these workers helps to increase the employment rate and the number of people in work, however, the increasing number of career starters and the growing proportion of people working while receiving pensions may lead to the ageing of the workforce.



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**Employee diversity distribution**

	2021			2022			2023		
	Total employees	Managers	Subordinates	Total employees	Managers	Subordinates	Total employees	Managers	Subordinates
Under the age of 30	9 %	4 %	10 %	9 %	4 %	10 %	11 %	3 %	11 %
Between the age of 30-49	50 %	55 %	49 %	48 %	52 %	47 %	46 %	48 %	46 %
Over the age of 50	41 %	41 %	41 %	43 %	44 %	43 %	43 %	49 %	43 %
Male	39 %	14 %	43 %	40 %	15 %	44 %	42 %	15 %	45 %
Female	61 %	86 %	57 %	60 %	85 %	56 %	58 %	85 %	55 %
<b>Total headcount</b>	<b>25,712</b>	<b>3,502</b>	<b>22,210</b>	<b>24,156</b>	<b>3,159</b>	<b>20,997</b>	<b>21,979</b>	<b>2,588</b>	<b>19,391</b>

\* Total headcount does not contain leaders under Mt. 208 §.

**EQUAL OPPORTUNITY**

At Magyar Posta, we pay attention nationwide to ensure that our employees at all levels receive higher remuneration than their basic salary. The gender difference in basic salaries and remuneration is primarily determined by the composition of the Company's workforce, the age and length of service of the employees.



**The ratio of female base salaries and remuneration to male base salaries and remuneration by employee category**

Employee category	The ratio of base salaries and remunerations*		
	2021	2022	2023
Top manager	102.4 %	114.3 %	110.9 %
Manager	95.8 %	98.2 %	94.3 %
Subordinates	101.6 %	102.0 %	99.7 %

\* Calculation methodology: female (Base salary/remuneration) / male (Base salary/remuneration)

In 2023, female base salaries were 0.3 % lower than male base salaries in the junior category and 5.7 % lower in the senior category, which represents a difference below the EU average (12 %). At the senior management level, the ratio is more favorable for females.

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## EMPLOYEES WITH DISABILITIES OR REDUCED CAPACITY TO WORK (MMM)

It is a legislative requirement that 5% of employees are workers with reduced working capacity or, if this is not complied with, a rehabilitation contribution shall be paid. As Magyar Posta is one of the largest employers in Hungary, it is of paramount importance that we set an example in integrated employment, stay ahead and keep improving. On 31 December 2023, Magyar Posta had 364 employees with reduced working capacity, which is 1.65% of the total number of employees. The average statistical number of employees with reduced working capacity was 351.72 in 2023, which is 1.55% of the total employee headcount.

To achieve these results, the Company runs the Let's do it together program, which aims to increase the employment level and personalized support for workers with reduced working capacity, to define the tasks to be performed based on individual competences and to strengthen acceptance in our organisational culture.

It is important for us that we do not want to achieve compliance with legislation by creating sham jobs, but by enabling our colleagues to do meaningful, value-creating, responsible work.

### THEIR EMPLOYMENT SHOWS PRIMARILY THE FOLLOWING PATTERNS:

- In work areas where work activities and working conditions can be individualised according to the principle of reasonable adaptation, the MMM (workers with reduced working capacity) employment level can be expected to be high. By creating a forklift-free zone in the National Logistics Centre, we have achieved 6.1% MMM employment level in 2023. Conscious education and the multifaceted 2-year process have achieved their goal. The key is a flexible approach from managers, staff members and stakeholders.
- We offer over 50 diverse job opportunities for individuals with reduced working capacity, primarily in delivery, mailroom, and mail processing roles.
- Male-female, geographical distribution, no difference in age.
- Among workers with reduced working capacity, 25.74 are in managerial positions. This number represents 1% of all managers.

### THE KEY SUCCESS CRITERIA FOR EMPLOYMENT:

- Identifying a win-win situation, value-creating work activities, and responsible work together.
- Job assessments.
- It is important to mention the possibility of the application of a person with reduced working capacity in the job advertisement.
- Motivating line direct managers and staff members.
- Continuous training and development to create openness and awareness on the topic, to dispel misconceptions.
- Cooperation with NGOs during recruitment.
- Personalised mentoring.

The internal training of HR generalists who have an impact on direct employee relations continued last year as well, as it is extremely important to have up-to-date information on topics related to the employment of people with disabilities, such as legislative changes, workplace inclusion, or special interviewing techniques. In addition, three of our rehabilitation mentors participated in the Autism Foundation's day-long training course to increase the number of disabled workers.

We continued the conscious internal communication started in previous years: We report on current events, good practices and experiences on the MMM page of our internal magazine 'A mi Postánk' (Our Post). In these articles, we reported on the experiences of World Post Day, sign language training, the activities of internal mentors, and the progress made with the NGO partners. Our professional experience shows that most misconceptions can be dispelled by targeted, clear, and continuous information provision.

We organised a joint recruitment campaign and factory visits with the National Association of the Deaf and Hard of Hearing to give potential candidates a live look at the site and decide for themselves whether they would like to work for us.

2023 also saw the organization of a knowledge-sharing event between civil society organizations to improve the recruitment and employment of people with reduced working capacity. Knowledge sharing between NGOs, and foundations is unique in its field and significantly advances the cause of workers with disabilities and those who employ them. The main topics of the round table were the sharing of experiences and the possibilities of launching different pilot programs.

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### Let's Do It Together!

In 2023, the results and the actualities of Magyar Posta's Let's Do It Together! programme was presented at an event organized by the Employers' Equal Opportunities Forum and the Budapest Chamber of Commerce and Industry. At the You are Valuable! awards we had an exhibition stand where, in addition to providing an experience, we also had expert colleagues answering questions. In the annual planning of the Let's Do It Together! programme, the organization involves volunteers of disabled workers working for the Company in line with the principle of nothing about us without us. In cooperation with them, we evaluate the results of the previous year and define the priorities of the programme for the upcoming year. We have continued to prioritize the training of managers by organizing inclusive training sessions for both managers and new recruits with reduced working capacity.

The MMM special issue of 'A mi Postánk' (Our Post)

The Let's Do It together programme presents three years of experience, professional work and organizational good practices in a special issue published in-house. The sharing of experiences and outlook articles were complemented by supporting materials.



### Inclusion programme

In 2023, the successful inclusion programme of previous years was implemented at 72 post offices in Budapest in cooperation with the Aura Association. Four young

people with autism/Asperger's syndrome were given the opportunity to try their hand at several tasks. Our goal was to offer young people the chance to gain work experience and explore suitable tasks for individuals with reduced working capacity in the network sector. The success of the programme is demonstrated by the fact that one of the young people is already working as a staff member at the Budapest 72 post office. It is also a good thing that although the colleagues did not know much about autism before and did not know what to expect, thanks to their dedicated attitude, everyone felt comfortable in the end, not only the young people had a good experience, but they also brought positive change, more openness and better cooperation to the organizational culture of the post. The support from the Central Regional Directorate, the dedication of the postal manager to the program, and the helpful and supportive attitude of the post office staff were crucial.

### Preparation for job search

Magyar Posta offers free-of-charge employment and job search coaching (test interviews, CV preparation) to customers of NGOs working with people with reduced working capacity. This allows both HR staff and candidates to gain experience. An additional advantage is that the NGOs provide recruitment and mentoring services to the Company free of charge in exchange for the mentioned services. Before an employee with disabilities or reduced capacity joins the organization, we organize a sensitising program for employees and managers of the given workplace.

### Recruitment

In 2023, Magyar Posta launched a new recruitment campaign with the National Association of the Deaf and Hard of Hearing (SINOSZ). Our goal was to reach out to the deaf and hard-of-hearing community with job opportunities brought about at the National Logistics Centre. As a result of our recruitment campaign, another

hearing colleague with hard of hearing has been added to the forklift-free zone.

We used Lantegi job analysis to assess the parcel delivery role and developed the parcel terminal loader job based on the findings. This role involves placing and retrieving parcels from vending machines and does not require direct customer contact. As a result, people who are hard of hearing can also perform the role. In December 2023, two people with hearing impairment worked in this role. Magyar Posta also participated in a job fair for its customers with the assistance of NGO partners, where we presented the currently available jobs to interested parties, providing information on the application forms and the possibility of entering the database.

In addition to cooperation with civil partners, Magyar Posta also recruits on the career page of the posta.hu and on the Érték Vagy! (You are valuable!) portal.

### Employers' Equal Opportunities Forum Club in January: Magyar Posta was the host

The professional and interest representation organization of employers, which emphasizes the importance of equal opportunities, was founded in April 2010, currently, Magyar Posta is also a member together with 26 companies. At the initiative of Magyar Posta, a good practices sharing club event was held, where along with Salva Vita, Provident, Abacus Medicine Group, Magyar Posta also presented the good results and practices of workers with reduced working capacity achieved at the National Logistics Centre.

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### Awareness raising and sensibilization

To integrate employees with disabilities or reduced capacity to work into the workplace community, it is essential to educate and sensitize managers and direct colleagues. Education of staff members is based on the celebration of World Post Day, information placed on the HR Navigator, and animated short films. Managers underwent sensitization sessions before interviewing a candidate with reduced working capacity, and colleagues were briefed before the colleague's arrival

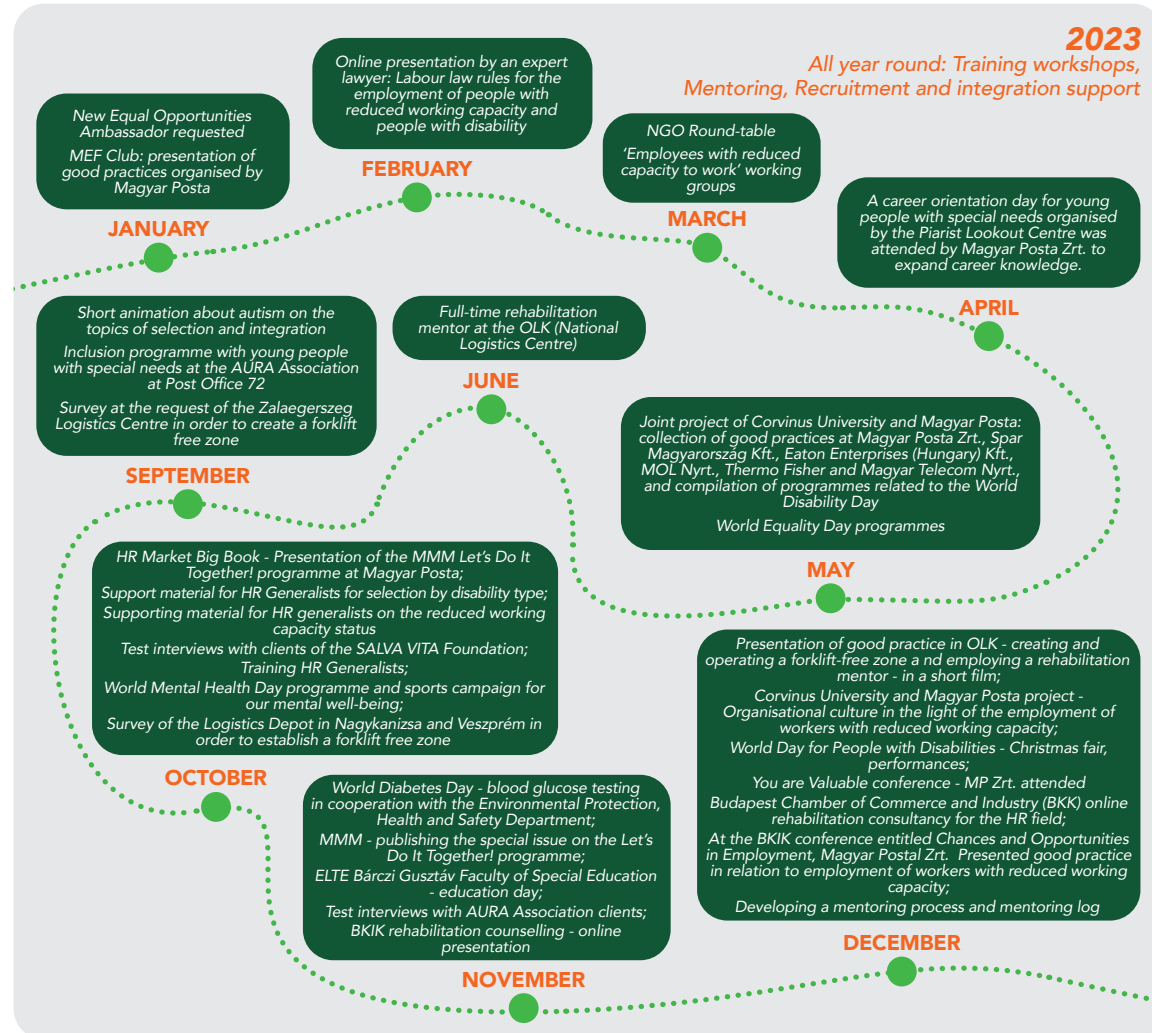
### Good practice of the National Logistics Centre

In the National Logistics Centre, employees with disabilities or reduced capacity to work staffing levels reached 5 % by mid-year (and then exceeded this percentage in the second half of the year), making it necessary to employ a full-time rehabilitation mentor dedicated to the organization.

### Christmas fair

A Christmas fair of products made by people with disabilities was held in the head office building at the end of 2023, where György Bovier, national team wheelchair tennis player, the first wheelchair competitor of the Budapest-Bamako rally and motivational trainer, also gave a presentation. The Christmas fair was opened by the Equal Opportunities Ambassador. The Company invited the Down Foundation, the Association for Rainmen, the White Cane Foundation and the State Institute for the Blind, among others, to the fair, where visitors could buy beautiful gifts made by the people concerned.

### THE YEAR 2023:



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# 5.6. Support for workers in need

Magyar Posta provides support for disadvantaged workers and their families through the Postakürt Foundation.

**THE SCOPE OF SOCIAL GRANTS FROM FOUNDATIONS CAN BE DIVIDED INTO THREE MAIN AREAS:**

- ✔ support for people in difficult circumstances based on individual requests,
- ✔ support for foundation purposes within the framework of grants (including grants for health promotion, training, and recreation),
- ✔ Provision of Human Assistance service to staff members affected by redundancies.

**THE LARGEST GRANTS IN 2023:**

- ✔ support for large families with several children, with 2,536 beneficiaries,
- ✔ and the Extraordinary Tender to Reduce the Inflationary Burden for the first time in 2023 for families facing hardship caused by economic events, under which 835 staff members benefited from the Foundation’s support.

**OTHER TENDERS ANNOUNCED IN 2023:**

- ✔ Health rehabilitation tender.
- ✔ Tender to assist summer camps for children.
- ✔ Tender to support workers with reduced working capacity or disabilities.
- ✔ Tender announced to fund higher education for talented children of postal workers.
- ✔ Christmas support for families with sick, orphaned, and half-orphaned children.
- ✔ A Pre-Christmas theatre programme looking back for decades-long tradition.

In 2023, at the Madách Theatre, Ervin Lázár: a fairy-tale play entitled ‘Négyszögletű kerek erdő’ (The Square Around Forest) was presented to socially disadvantaged families of postal workers. Within the framework of the programme, gift vouchers purchased from the donations of postal managers and family gift packages donated by Magyar Posta Zrt. were handed over to the 209 participating families.

In 2023, a total of 6,228 people received some form of support: individual, through an application or through Human Assistance. Twice a year, Magyar Posta conducts aggregated and anonymous analyses of the number of employees belonging to disadvantaged groups and their ratio within the total workforce based on characteristics and conditions that qualify as direct discrimination. The employer also sends the data to the members of the Equal Opportunities Coordination Committee. The analyses do not contain any personal data. Our Ethics Committee informs the Equal Opportunities Coordination Committee annually about the content of employee reports, the findings of the investigations conducted based on those reports, and measures taken.



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## Responsible use of data: data protection and cybersecurity

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### WHY IS IT IMPORTANT?

The protection of personal data is a fundamental human right. Meanwhile, the information society is based on data, information, and the free flow thereof. The General Data Protection Regulation (GDPR) also underlines that the protection of personal data contributes to the creation of an area of freedom, security, and justice and the economic union, to economic and social progress, to the strengthening and convergence of economies within the internal market and to the well-being of natural persons. Changes in the economic and social environment have presented new challenges for the protection of personal data, as the collection and sharing of personal data have increased significantly.

Magyar Posta Zrt., as a postal service provider, plays a fundamental role in the information society and the protection of personal and business data is fundamentally linked to its activities, given that the postal service - also in a historical context - is one of the depositories of the free, but secret flow of information through the letter confidentiality.



### OBJECTIVES AND PRINCIPLES

Magyar Posta is committed to fair, transparent and lawful information and data use. We will take all necessary security, technical, and organizational measures to ensure the safe handling of the personal and business data entrusted to us.

Magyar Posta's own services require regular data protection and IT technology development, as well as cybersecurity awareness within the company and towards the clients of Magyar Posta's.



### GOVERNANCE

Magyar Posta is committed to protecting the personal data of its clients, which is demonstrated by the [Internal Data Protection Regulation](#) and [Privacy Notice](#) which are publicly available on its website. The Internal Data Protection Policy defines Magyar Posta's data protection organization and, together with the related internal regulations, sets out the data protection processes and responsibilities to comply with the requirements of the GDPR.

Our Company employs a Data Protection Officer and operates an organization-wide Data Protection Officer Network to ensure and enforce the presence of data protection in its business processes.

In addition, the Security Chief-Directorate operates a dedicated organizational unit with a cybersecurity profile, independent of IT and business, to protect all electronically managed data.

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## 6.1. Data protection organisation

The Data Protection Officer exercises their right of control under the GDPR on their authority and in cooperation with the Audit Directorate and the Security Chief-Directorate of Magyar Posta Zrt., and in accordance with the legal provisions, continuously supports the organizational units of Magyar Posta Zrt. in the proper implementation of the data processing within their area of responsibility. The Data Protection Officer reports annually on his activities to the Board of Directors and Supervisory Board of Magyar Posta. The Data Protection Officer Network consists of colleagues in each department who understand the department's operations and have a data protection perspective. They act as a contact point between the Data Protection Officers and the organizational unit and ensure that the data protection approach is applied in the development of business concepts and plans.

### Principles of data management

Lawfulness and fair process	Accuracy
Transparency	Limited storability
Commitment to goals	Integrity and confidentiality
Data saving	Principle of accountability

## 6.2. Privacy notice on data processing

In 2023, we updated our Privacy Notice to reflect the changes in the processing of personal data, so that the data subjects can be properly informed about the conditions for handling their personal data. Comments and complaints can be formulated and submitted using the contact details provided in the Privacy Notice.

For our data processing activities where it is appropriate to ensure optimal transparency, including some new data processing activities introduced in 2023, we published separate privacy notices in accordance with legal requirements for new processes that require data processing. Information on data processing is made available to data subjects through the channels where they have the easiest access to the content relevant to them, taking into account the nature of the processing, i.e. we make information available at the post office about the data processing of the services available at the post office, and information on data processing related to electronic services and activities - together with the services available at the post office - is made directly available to our clients and on our Company's website.

We organize the Privacy Notice for each service and activity into separate sections that describe how data is processed. We believe that users are interested in our services, not data processing, so it's easier for them to understand the information when it's structured based on their relationship with our company and the services they use.

The responsive design of the online information note allows it to be adapted to the device used for reading it. Its contrasting view ensures that it is readable for visually impaired individuals, and its readability aloud with software for this purpose allows it to be read by blind and visually impaired people.

Our aim and task are not only to provide our clients with full information, but we also require our business partners involved in data processing, in particular in the storage, recording, organisation, deletion and destruction of data, to protect personal data. To this end, we have developed and applied our sample contracts, which contain appropriate guarantees and requirements for our data processing with our contracted partners.

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## 6.3. Data protection training

The key to data protection is to ensure that those working with data consciously pay attention to data protection aspects and requirements. Our employees receive mandatory data protection training every year, including in 2023. The training material was delivered to all our employees in the form of e-learning or paper-based learning materials, in a readable format with reading software for blind and partially sighted colleagues. The training courses ended with an exam for all participants. In 2023, 100 % of employees attended data protection training and all employees passed the exam.

Furthermore, to increase awareness of data protection requirements and to incorporate them into their daily work, the Data Protection Officer specifically educates our organizational units about data protection aspects and experiences related to their activities. Training courses were also held in 2023, for example for employees performing customer service tasks.

## 6.4. Preventing phishing and online fraud

According to the statistics published by Hungarian National Bank in early 2023, one family a day and one company a week lose their entire wealth as a result of cyber-fraud. It is no wonder that data protection and cybersecurity are becoming an increasingly important issue for large companies. The main challenge for data protection and IT security today is the lack of data protection awareness and the convenient and irresponsible use of IT services, which allows people to share their personal data in the course of their online activities. Magyar Posta emphasizes that individuals can take significant steps to safeguard their personal data.

Phishing criminals – taking advantage of our high-level name Company recognition and our trusted image as a public service provider – are increasingly misusing the name, logo, and image elements of Magyar Posta. The increasing volume in online commerce also contributes to the rise in the number of phishing incidents, and with a high number of attack campaigns launched during busy periods (e.g. Christmas, promotions, and sales). As a responsible service provider, for years our Company has been taking an active role in preventing phishing crimes and strengthening awareness. To reduce the risk of becoming a victim, we regularly issue warnings, cooperate with official bodies, and continuously educate the public through several channels, including the official

website of [posta.hu](http://posta.hu) and social media. The main page of our website features a link with continuous access to the most up-to-date security alert about the latest phishing methods, related criteria, and methods of monitoring: we update the content of the alert when we become

aware of new types of phishing methods. Our updated alert is regularly reported by national media, and quickly picked up by other media. This intense media presence contributes to ensuring that our awareness-raising campaign reaches the widest possible audience.



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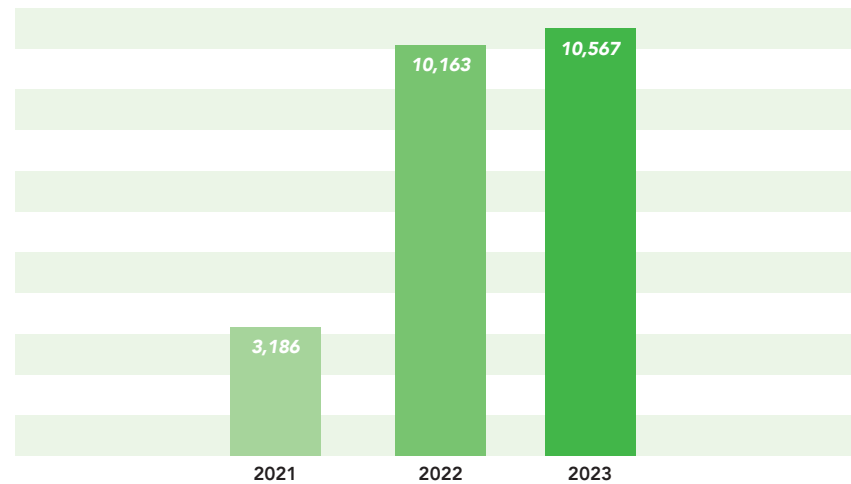
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Our company also prioritizes rapid response to cybersecurity challenges and prevention of incidents, and the Security Chief-Directorate reports annually to the management and the Supervisory Board on its cybersecurity activities. In 2023, more than 10,000 reports of phishing were received from clients. We have notified the National Cyber Defense Institute (NKI) and emphasized multichannel client awareness. In addition, we started preparing for the domestic implementation of the NIS2 EU Cybersecurity Directive and participated in the working group meetings of the National Cybersecurity Coordination Council. In 2023, Magyar Posta announced its intention to join the CyberShield communication partners to support the Company's efforts to inform its clients about the latest fraud methods on the Internet.

In 2022 and 2023, the number of client reports and/or related requests to the authorities concerning phishing or online fraud increased. This is also the result of our company's effective prevention campaign, leading to increased public awareness.

Our educational efforts to prevent phishing help raise awareness among employees and customers, and enhance data protection measures from a social standpoint. Our corporate governance activities also improve trust among business partners and customer safety, thus reinforcing information protection. All in all, this could contribute to reducing the number of victims of phishing and increasing public trust in Magyar Posta.

**Number of client reports of phishing or online fraud (pcs)**



## 6.5. Compliance with data protection legislation

In 2023, Magyar Posta Zrt notified two data protection incidents to the Hungarian National Authority for Data Protection and Freedom of Information (hereinafter NAIH) in accordance with Article 33 of the GDPR.

In 2023, the NAIH did not issue a decision imposing sanctions against Magyar Posta, and no administrative fine for data protection was imposed.

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### WHY IS IT IMPORTANT?

For decades, environmental scientists and professionals have been warning about the risks of climate change and the overuse of ecological services and natural resources. Reducing greenhouse gas emissions is a priority in addressing climate change risks. Magyar Posta is a major contributor to Hungary's economic performance, also due to its size, and therefore the impact and importance of its environmental measures is indisputable.

The most significant environmental impacts of Magyar Posta in terms of the activities covered in the report are related to transport, energy consumption in buildings, and related greenhouse gas emissions. At the same time, the Company can also make significant progress in the transition to a circular economy because of the use of materials and waste generation associated with its activities, and our role in logistics.



### OBJECTIVES AND PRINCIPLES

In its integrated *Quality, Environment and Energy Policy*, Magyar Posta is committed to protecting the environment, avoiding pollution, and managing energy wisely. The Company's decisions are based on a lifecycle approach and a combined consideration of economic benefits and environmental impact. The Environmental Policy declares our compliance with environmental legislation and our commitment to the effective operation and continuous improvement of the environmental management system.

Beyond meeting legal requirements, the company aims to minimize its environmental impact and regularly measure its environmental performance to set an example. Environmental and energy efficiency aspects are also considered during procurement and product development.

We expect our employees to protect the environment during their work, to consider the economical use of resources and handle waste management properly. We regularly organize awareness-raising campaigns and information sessions for our stakeholders. Additionally, we host an environmentally friendly competition for the post office. By continuously raising employee awareness, Magyar Posta is working to create a corporate environment where, in addition to economic sustainability, environmental and climate-conscious operations become an important element of everyday work and long-term development goals.



### GOVERNANCE

Magyar Posta's integrated *Quality, Environment and Energy Policy* applies to all employees and is shared with our business partners on the Company's website. Environmental issues are handled by the Environmental Protection, Health and Safety Department. The department is responsible for developing the company's environmental and climate policy objectives and for monitoring their progress. It also has other duties such as planning, organization, management, and regular monitoring of the environmental management systems implementation. Similarly, regular analyses and evaluation of risks, as well as the development of internal environmental awareness. The ultimate decisions are taken by the Deputy CEO for Corporate Governance. The Environmental Management System (EMS) covers the logistics area as well as special plants and centres. We monitor the effectiveness of our measures according to the ISO 14001 standard Environmental Management System goals.

The Company's energy strategy is developed and implemented by the Infrastructure Directorate, which is also responsible for the operation of the Energy Management System (EMS). With regards to transport and vehicle operation, the Logistics Operations Directorate carries out the supervision of energy-related tasks. The Energy Management System covers the whole organization and is coordinated by the Quality Management Department together with the EMS.

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Responsible operations: regulatory compliance and ethical business conduct

Responsible services: customer satisfaction and quality management

Responsible employment: employee well-being

Responsible use of data: data protection and cybersecurity

**Responsibility for the environment: climate change and environmental protection**

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## OUR ENVIRONMENTAL OBJECTIVES AND RESULTS

Our Company boasts several environmental objectives and achievements. All targeted objectives were met in 2023. The environmental objectives covered energy management and air quality protection.

### Targets

	2022			2023		
	Target value	Results	Status	Target value	Results	Status
Fuel consumption per unit parcel	>=4,5 pcs/litre	4.02 up. pcs/litre	Not fulfilled	>=4 pcs/litre	4.42 up. pcs/litre	Fulfilled
Electricity consumption compared to previous year	<=99 %	99.23%	Not fulfilled	<=98.5 %	90.72 %	Fulfilled
Natural gas consumption compared to previous year	<=93 %	89.16%	Fulfilled	<=95 %	73.65 %	Fulfilled
District heating consumption compared to previous year	<=99.5 %	88.05%	Fulfilled	<=99 %	86.47 %	Fulfilled
Carbon dioxide emissions compared to 2017	<=99 %	94.62%	Pro-rata target achieved	<=99 %	86.3 %	Fulfilled
Reduction of paper-based packaging compared to previous year	- 5 %	Wrapping paper: -5.97% Unit box: -8.71%	Fulfilled	- 5 %	- 5.1 %	Fulfilled

# 7.1 Energy management and air quality protection

Magyar Posta has a high energy demand due to the operation of its post offices, and its transport and delivery activities. In addition to energy-saving measures, our Company strives to cover its energy demand by using partly renewable energy sources, primarily solar energy. To reduce fossil fuel use, our Company sets objectives and development opportunities related to the use of electricity, district heating and natural gas, as well as around the use of fuel for motor vehicles.

Since the start of the energy crisis, we have focused on improving energy efficiency and, with it, sustainability. We are proud to report that over the years we have made significant steps towards controlling energy use and reducing energy consumption. In addition to administrative measures, we have launched the further development of the Energy management information system (EgIR). By renewing the energy efficiency project, we are setting a good example for our Company and the environment. The main objective of the project is to reduce and optimise energy use while developing energy awareness to enhance our organisational culture in the meantime. With the introduction of the E-Utility service, we processed data from the 300 largest energy-consuming units in our large real property portfolio, and then started to in-depth analysis of energy use data. As a result of the analysis, the next task is to optimize future use.

In 2023, as part of the EgIR, the management decided to implement the E-Utility energy controlling system, which can collect automatically, via an internet connection, both bill data and metering data of large consumers - 15 minutes for electricity and 1 hour for natural gas - from each energy service provider (DSO). These data were required to complete the annual audit of the energy management system according to ISO 50001:2018, and the analysis of the data will also provide a basis for further optimization of energy procurement.

The new system tested well in the 2023 audit. E.g., the impact of the administrative measure of heating rationalization in 2022 was easy to detect. For the 12 real properties selected as a representative sample, significant savings in gas consumption were achieved.

The extension of the E-Utility system to the 300 properties with the highest consumption was completed in August 2023 in our Company. In the next phase of the continuation, it will be extended to the 600 largest consuming real properties in Q2 2024, providing further efficiency improvements and cost rationalisation.

E-commerce continued to expand in 2023 which led to our fleet's increased fuel and energy consumption. Magyar Posta's internal awareness-raising programmes and mandatory training courses also raise awareness about the Company's energy-efficient work, which supports Magyar Posta's goal of reducing its energy demand.

The energy efficiency improvements at our sites are ongoing. This is primarily centred around lighting upgrades, as well as upgrades to boilers and air conditioning equipment on site.

**In addition, Magyar Posta implemented several energy-saving investments in 2023, including:**

- ✔ Boiler replacement, and heating upgrade at 3 sites
- ✔ modernisation of lighting, replacement of lamps at 4 sites

Thanks to these measures, the reduction in energy consumption is 261 MWh/year.



## ENERGY CONSUMPTION OF MAGYAR POSTA

### Direct energy consumption (GJ)

	2021	2022	2023	Change (2023/2022)
<b>Total*</b>	659,123	625,020	635,090	+ 1.61 %
<b>Non-renewable energy sources</b>	632,251	593,990	608,792	+ 2.49 %
<b>Diesel (mineral)**</b>	311,831	306,179	397,205	+ 29.7 %
<b>Petrol (mineral)**</b>	13,674	14,421	17,064	+ 18.3 %
<b>Natural gas</b>	306,395	273,168	194,371	- 28.8 %
<b>Compressed Natural Gas (CNG)</b>	352	222	152	- 31.6 %
<b>Renewable energy sources</b>	26,872	31,030	26,298	- 15.3 %
<b>Diesel fuel (organic)</b>	21,978	21,579	22,436	+ 3.9 %
<b>Petrol (organic)</b>	980	1,033	1,008	- 2.4 %
<b>Firewood</b>	3,915	8,418	2,854	- 194.9 %

\* The values shown include data for all postal sites. The energy consumption data are accurate and measured. Where necessary, calorific values from relevant legislation or industry estimates were used.

\*\* The values shown include both personal and postal technology travels.

### Indirect Energy Use (GJ)

	2021	2022	2023	Change (2023/2022)
<b>Total</b>	187,746	180,440	156,993	- 13 %
<b>Non-renewable energy sources</b>	186,398	179,331	155,809	- 13 %
<b>Electricity</b>	135,990	134,946	115,571	- 14 %
<b>Purchased heat</b>	50,408	44,385	40,238	- 10 %
<b>Renewable energy sources</b>	1,348	1,109	1,184	+ 7 %
<b>Solar energy (solar collectors, solar panels)</b>	476	468	511	+ 9 %
<b>Purchased heat (thermal water)</b>	872	641	673	+ 5 %

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Magyar Posta’s total energy consumption was 792,083 GJ in 2023, which is approximately 1.7 % less compared to the previous year. The decrease was mainly influenced by the reduction of consumption of natural gas and electricity. According to the owner’s expectations, a package of internal energy efficiency measures was introduced, which significantly contributed to the reduction of natural gas consumption.

The use of purchased renewable energy sources has increased compared to the previous year, and alternative energy sources are now supporting the reduction of operating costs. In 2023, using solar energy reduced primary energy demand by 5 MWh. This energy demand will be further reduced by the installation of a solar park with a nominal capacity of 100 kW at the end of 2023 at the OLK (National Logistics Center) site in Budaörs.

## ENERGY INTENSITY

47 % of the energy consumption of Magyar Posta is realised in the transport processes. One of the main sources of energy consumption within the Company is the energy consumed by vehicles, therefore it is important to regularly monitor and enhance the procurement of vehicles and their energy-efficient operation. Our procurement procedure is primarily concerned with choosing equipment that is safe, does not pose a risk to the environment, and can be properly serviced and repaired while in use.

In addition, the use of ECO-driving and the optimisation of route management are top of the Company’s agenda. 1,636 drivers took part in the annual driver training on the Highway Code, with ECO driving being a key focus of the training material.

The electric vehicles fleet consisted of 132 electric trucks of category N1 in 2023 and 894 three-wheel electric auxiliary motorcycles, that we own or maintain through long-term lease (771 are in long-term lease). In all cases, vehicles are charged on our own or rented premises. We also have 2212 Pedelec bicycles and 100 tricycles with electric assistance.

Our transport-related energy intensity indicator is a key aspect of reducing energy consumption related to vehicles. For motor vehicles, the consumption-reducing measures introduced in 2022 have been maintained. In 2023, 45 Volkswagen e-Crafter electric vehicles were purchased.

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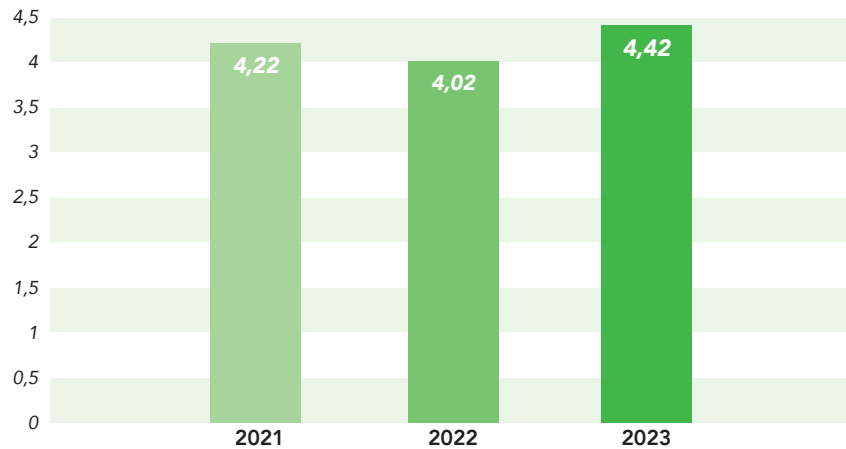
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## 7.2 Greenhouse gas (GHG) emission

Fuel consumption per unit parcel (up.pcs/litre)



The quantity of unit consignments per litre of fuel consumption is the quantity per litre of fuel used and is related exclusively to the technological processes of the postal service. In 2023, we transported 10 % more unit consignments per unit of CO<sub>2</sub> emissions than in 2022.

The long-term objective of the Company set out in 2020 is to reduce our gross carbon emission by 2030 by 18.1 % compared to the 2017 base year.

The primary sources of maintenance, building, and transportation activities of Magyar Posta are fossil energy sources. Due to that, we pay special attention to the reduction of GHG emissions arising from them. Energy efficiency investments, goals, and targets contribute to the reduction of direct (Scope 1) and indirect (Scope 2) emissions that are mainly related to purchased energy. Currently, there is no data available on energy consumption outside of direct operations and related Scope 3 emissions, although their establishment and reporting may contribute to the development of a transparent non-financial disclosure in the future.

Quarterly measurements of greenhouse gas emissions, along with deadline-bound emission reduction commitments and targets, demonstrate the Company's active participation in the battle against climate change.

### GHG EMISSIONS AT MAGYAR POSTA

Our Company's Scope 1 GHG emissions have been reduced compared to 2022. Magyar Posta does not conduct carbon offsetting. The decrease is due not only to the reduction in our energy consumption but also to the decrease in electricity usage resulting from the closure of post offices. Biogenic emissions were 1,961 tonnes of CO<sub>2</sub>e in 2023.

Scope 1 and Scope 2 GHG emissions of Magyar Posta (tCO<sub>2</sub>e)

	2021	2022	2023	Change (2023/2022)
Scope 1	41,147	38,865	35,310	- 9.1 %
Scope 2 - market-based*	12,210	12,133	12,347	+ 1.8 %
Scope 2 - location-based**	12,388	12,054	11,267	- 6.5 %
Scope 1 + 2 - market-based*	53,357	50,998	47,657	- 6.5 %
Scope 1 + 2 - location-based**	53,535	50,919	46,577	- 8.6 %

\* Market-based emission: the value calculated with the actual emission factor associated with the purchased energy, if available from the supplier. If data missing, the average nationally calculated emissions value of residual energy, excluding energy sold as explicitly low or zero emission.

\*\* Location-based emissions: calculated from energy consumption with a local (national) average emission factor. The two emission factors are only available for electricity in Hungary.

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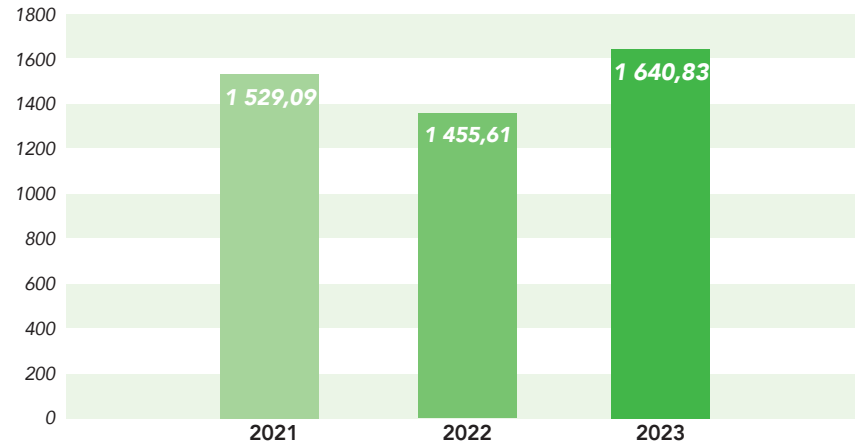
The emissions converted to CO2 equivalent are petrol, diesel, CNG, natural gas, air conditioning, electricity (locational and market-based), and district heating.

The increase in Scope 2 market-based emissions is mainly due to purchased electricity, which is mainly determined by the energy mix used in domestic electricity generation. Compared to 2022, direct emissions fell by around 9 %, driven by a reduction in consumption due to the closure of post offices as a result of energy rationalisation measures.

Passenger cars used for everyday work have a significantly lower environmental impact than logistics vehicles. The passenger cars are owned by our subsidiary and leased by the Company.



**GHG emissions related to fuel consumption per unit parcel (up.pc/tCO2e)**



The GHG emissions related to fuel consumption per unit parcel decreased compared to the previous year. Our Company continues to pay special attention to optimizing logistics processes and purchasing vehicles with lower emissions.

Thanks to the delivery personnel's two-year transportation vehicle development program, in 2023—100 E-bikes and 511 Pedelec e-bikes have arrived. Our company's future plans include the full replacement of conventional bicycles with electrically assisted models. During the year, Magyar Posta acquired 45 new electric trucks from Porsche Hungaria, which are mainly used for parcel transportation and delivery. With their 100 kW/136 hp electric motors, the Volkswagen e-Crafter trucks can travel up to 160 kilometers without recharging and have a load capacity of more than 10 m3, making them ideal for parcel transportation and delivery tasks for Magyar Posta.

Through these purchases and route optimisation, Magyar Posta is significantly reducing the emissions of its transport operations, contributing to the achievement of emission targets, while at the same time increasing the cost of vehicle procurement.

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## 7.3

## Waste management, circular economy, material usage and water consumption

Magyar Posta strives to protect the environment and avoid pollution through its integrated *Quality, Environmental and Energy policy*. As a responsible company, we seek to minimise the amount of waste generated during our activities and to consider the aspects of circular waste management. Additionally, we pay particular attention to achieving paperless processes in business and back-office services, considering legal constraints. Magyar Posta has less influence on the environmental burden of packaging, as the packaging of parcels and lettermail is primarily done by the customers. Currently, Magyar Posta does not have information and data on waste generated at the customer and supplier in the supply chain.

Our primary goal is waste prevention. One way to achieve this is by recycling our wrapping materials used for services and operations (e.g., paper, cardboard boxes, plastic bags), which not only reduces the environmental impact, but also reduces the costs of procurement and waste disposal. Given that the largest amount of waste generated arises from paper use, the development of digitalisation serves to minimise the amount of waste generated in the long run. In addition to reducing paper usage, digital solutions improve the efficiency and accessibility of operational and service processes. Measures to reduce waste are monitored through the use of the ISO 14001 Environmental Management System.

In Magyar Posta's operation, generated waste reached 1,814 tons from what had been collected in 2023, of which 99.4 % is non-hazardous waste (e.g. paper, metal, electronic waste). The Company collects its generated waste selectively as described in its Environmental Policy and has handed over nearly 99 % of its waste (paper, metal, plastic, electronic waste, etc.) for recycling to the contracted partners in 2023 as well. Absorbents, toners, and toner cartridges accounted for most of the hazardous waste.

The Company collects and sorts the waste generated in accordance with its Environmental Policy. In the case of

hazardous waste, special attention is paid to collection and storage, ensuring the prevention of environmental pollution. Apart from municipal waste, the registration of waste is carried out in accordance with legal requirements – ensuring that the quantities generated can be traced precisely.

In the framework of a legislative change, MOHU has been subcontracted to MOHU MOL Hulladékgazdálkodási Zrt. to coordinate waste management tasks within the framework of a state concession, so that orders for the removal of the waste concerned can only be placed via the electronic interface operated by the concessionaire and only from waste transport partners who are subcontractors of MOHU. At the start of the waste management concession on 1 July, there were no disruptions in the transport of separately

collected waste generated by our Company under the concession, and the connection to the MOHU system went smoothly.

For products covered by the extended producer responsibility (EPR) scheme, the statutory record-keeping system has been established and the regulatory data reporting deadlines have been met.

The packaging of parcels and lettermail is primarily done by customers, so liability for the environmental burdens cannot be linked to our Company's direct operation.

In 2023, Magyar Posta participated in the work of the Circular Economy Technology Platform as a founder, thus facilitating the transition to the future circular economy.

### Amount of waste generated, recovered and disposed by type (t)

	2022			2023		
	Waste generated	Waste recovered	Waste disposed	Waste generated	Waste recovered	Waste disposed
<b>Hazardous waste</b>	17	1	16	11	3	8
<b>Toners, toner cartridges</b>	6	0	6	6	0	6
<b>Absorbents</b>	7	0	7	1	0	1
<b>Batteries, accumulators</b>	1	1	0	3	3	0
<b>Other waste</b>	3	0	3	1	0	1
<b>Non-hazardous waste</b>	9,712	1,405	8,307	9,953	1,643	8,310
<b>Electronics</b>	67	67	0	38	38	0
<b>Paper, paper packaging</b>	1,195	1,195	0	1,462	1,462	0
<b>Metals</b>	39	39	0	42	42	0
<b>Other waste</b>	320	104	216	261	101	160
<b>Municipal waste*</b>	8,091	0	8,091	8,150	0	8,150
<b>Total</b>	9,729	1,406	8,323	9,964	1,646	8,318

\* Municipal waste is transported by a public service provider for disposal, its quantity has been estimated.

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**Amount of waste recovered (t)**

	2021	2022	2023
Hazardous waste	3	1	3
Non-hazardous waste	1,633	1,406	1,643
<b>Total waste recovered</b>	<b>1,636</b>	<b>1,407</b>	<b>1,646</b>

The largest proportion of transfer for recycling occurs in the case of paper waste. Almost 100% of our electronic waste is handed over to a company that carries out waste pre-treatment and recycling. The handling of metal waste is done in the same way.

In the case of transfer for disposal, incineration or landfill occurs.

**Amount of waste handed over for disposal by type (t)**

	2021	2022	2023
Hazardous waste	20.6	16.4	8.2
Incineration (with energy recovery)	0.6	0.4	0.2
Landfilling	17	15	8
Other disposal operations	3	1	0
Non-hazardous waste	8,291.3	8,308.2	8,309
Incineration (with energy recovery)	0.3	0.2	0
Landfilling	8,291	8,156	8,309
Other disposal operations	0	152	0
<b>Total waste disposed</b>	<b>8,311.9</b>	<b>8,324,6</b>	<b>8,317.2</b>

**MATERIAL USAGE**

In our company, direct material usage includes not only packaging paper but also the sender-receiver slips for registered mail, stamps, and other labels related to delivery. The envelopes and boxes that signify the packaging of shipments are provided by the clients; our Company sells them, rather than using them. Magyar Posta performs the wrapping for a small proportion of parcels.

**Material usage at Magyar Posta**

	2021	2022	2023
Wrapping paper (kg)	2,095	1,970	1,870
Unit box (piece)	n/a*	34,600	63,300
Consignment note (kg)	37,867	21,210	14,646

\* Unit box quantities have been calculated on a per unit basis since 2022.

To ensure responsible use of materials, we aim to reduce paper-based wrapping materials by 5 % per year, which we have achieved over the past 3 years. Our goal is also to recycle returned packaging and boxes received from other organizations (we will resend undamaged boxes, and we will make sealing material from the damaged ones for the packages), as well as to send materials destined for the same address in a single shipment. We continue to expand digitisation and reduce paper use in our services and background operations.

**WATER CONSUMPTION**

Our company's water consumption is not significant, with a total water consumption of 177,765 m<sup>3</sup> in 2023. The amount of water used decreased by 6.7 % compared to the previous year. Magyar Posta uses only fresh water from the municipal water network for public utility purposes. Most of the wastewater generated by the Company is municipal wastewater. Our fundamental aim is to ensure that no untreated waste or pollutants enter the public sewer. Due to the small amount of water used by our Company, we have not set targets for water consumption.

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## 7.4 Climate change impacts and environmental risk management

Climate change has numerous potential impacts on our Society. On one hand, global warming and the accompanying strong temperature fluctuations, as well as the increasing number of extreme weather events, affect our employees' working conditions and health, as well as our clients' service usage habits (for example, they may not be able to go to the post office due to the weather conditions).

The fight against the heat in the summer and the cold in the winter months also played a key role in the Company's set of tasks. In 2023, there were five heatwave periods in the country's weather from the end of June to the end of August, and these were stressful periods for our workers working outdoors or in non-air-conditioned environments. During heat alerts, where temperatures are in excess of 26 °C, we pay special attention to issuing and observing rest periods (at least 5-10 minutes per hour) and to ensuring the supply of protective drinks, especially for those working outdoors. Based on our Occupational Safety and Health Policy, exemptions from wearing work clothing can be granted during the period of the third-degree heat alarm, in customer-facing workplaces that are not serviced working air conditioners. From autumn, there was a new type of challenge. Due to the energy emergency, the law required us to lower our natural gas consumption, which required us to organise work with reduced heating activity. We arranged for the purchase of polar vests and blankets for the group of employees (15,000 people) who did not previously receive winter protective clothing, representing a cost previously unplanned for.

In addition, extreme storms are increasingly resulting in material damage to postal infrastructure and assets.

Our company increasingly employs electric vehicles, creating conditions for safe and weather-resistant letter and package delivery. Equipping delivery drivers with enclosed electric vehicles significantly increases their comfort and contributes to maintaining their health. Currently, more than 3,000 electric vehicles support the work of delivery drivers, and we are constantly expanding our fleet.

Access to postal services via the Internet allows the public to perform administrative tasks regardless of the weather. In response to the changes our customers require, our Company is developing ways to access its services on the Internet in addition to traditional mailbox access. Key investments addressing emissions reduction include the building of package logistics depots, which significantly reduce the length of transport routes, thus enabling cost savings and reducing pollution, however, our investments into electric vehicles increase our costs.



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# 7.5 Compliance with legislation and environmental awareness

The Environmental Policy sets out, that all employees of the Company are responsible for complying with environmental regulations, which they are informed about in the framework of regular training. It details, by environmental element, how to ensure compliance with legislative requirements. It regulates the Company's waste management system (collection, registration, sending waste to central waste collection points, and reporting to the authorities). In the field of air quality protection, it regulates the assignment of tasks relating to the operation of point sources of air pollution and the operation of air conditioning systems subject to leakage testing to departments. It specifically addresses tasks related to environmental noise and the use of wastewater pre-treatment facilities operating at the Company.

Magyar Posta recognizing its responsibility for the state of the environment, pays special attention to complying with and enforcing environmental legal norms and regulations. Our Company plans its economic activities in line with the sustainable development goals of the UN, adheres to the relevant directives of the European Union, and complies with the provisions of Act LIII of 1995 on Environmental Protection. It collects and publishes data related to environmental impacts and greenhouse gas emissions, as well as adopts action plans. Magyar Posta is also adjusting its organizational structure to comply with legal regulations.

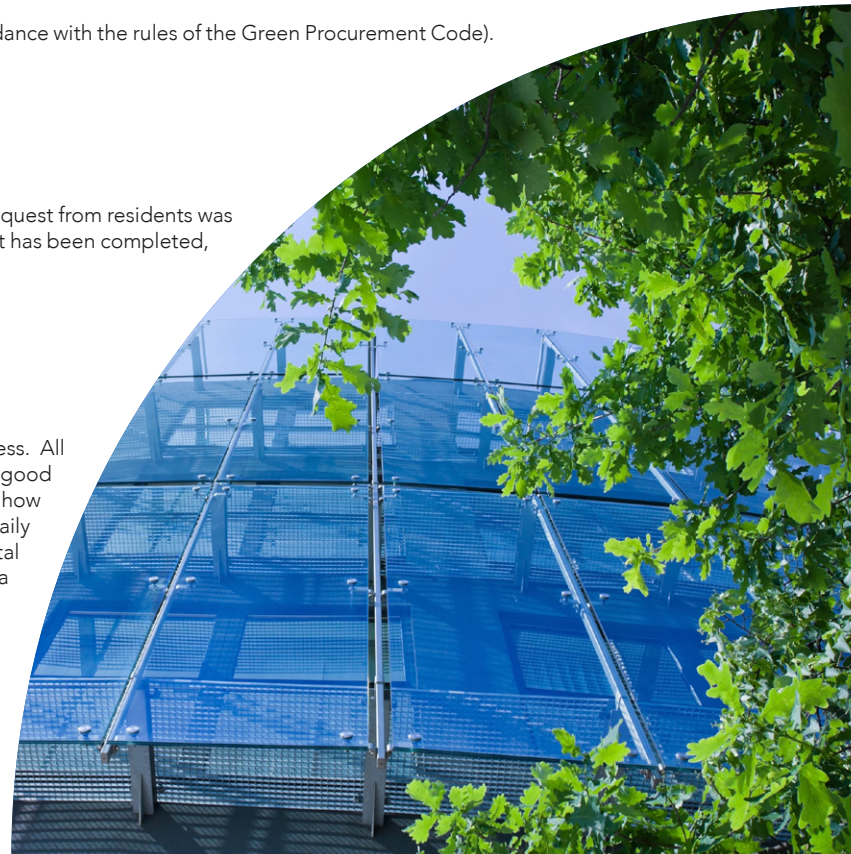
Our company's goal is to complete the environmental assessment of suppliers as well (in accordance with the rules of the Green Procurement Code).

## ENVIRONMENTAL IMPACT ASSESSMENTS

Although Magyar Posta is striving with due care to prevent environmental damage, in 2023 a request from residents was received due to noise emissions exceeding a threshold. The environmental noise measurement has been completed, and the underlying causes have been successfully addressed with organizational measures.

## RAISING ENVIRONMENTAL AWARENESS

We aim to start promoting environmental awareness already during the recruitment process. All our new employees receive a separate brochure providing information and advice on good environmentally friendly workplace practices to be learned and applied, as well as tips on how to promote energy efficiency. We strive to make environmental protection part of our daily work practice through several communication channels and platforms. During environmental awareness training courses we invite our employees to send their ideas on energy efficiency via e-mail or post.



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## Social responsibility

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### WHY IS IT IMPORTANT?

Magyar Posta Zrt. is our country's traditional, well-known, and recognized national postal and logistics service provider – simultaneously a universal service provider and a market player. For the Company, client trust comes first, and our perception is influenced by our daily activities and the results thereof. Magyar Posta reciprocates the public's trust in the form of social responsibility in line with its role and economic strength in society. The social responsibility activities of Magyar Posta provide an additional and enhanced connection point to customers that goes beyond business activities. Our company thus expresses solidarity with the society it has lived alongside for more than a century and a half. For Magyar Posta, social responsibility is the key with which we aim to further strengthen the public trust placed in us.



### GOVERNANCE

The Chief Directorate for Marketing Communication is responsible for coordinating, preparing, implementing, and deciding about support, sponsorship, and charity activities. The Support, Sponsorship and Donation Policy for the period 2020 - 2023 defines the principles, goals and tools that contribute to the development of our social relations, increase our social recognition and the strengthening of trust in Magyar Posta, in line with the business objectives. The Policy also sets out the scope of organisations / activities excluded from funding and sponsorship. Through NGOs, we always support groups and causes, never individuals. Grant, sponsorship and donation activities are presented to the Decision Preparation Committee, and the CEO decides on the grants to be made in a particular year. We annually designate and announce which organisations we provide (only direct) support to.



### OBJECTIVES AND PRINCIPLES

Magyar Posta primarily provides financial or in-kind support to achieve the objectives as defined in the Support, Sponsorship, and Donation Policy. Magyar Posta Zrt. formulates its policy so that in its implementation it attracts and continuously maintains the interest of certain social groups; it sets an example for other organisations in the field of responsibility and commitment to society, in keeping with its tradition, while continuously strengthening its positive image in the public consciousness. Our Company has identified several areas of support and each year we invite applications to see which programmes it is linked to. Our Company's social responsibility is focused on the future generation, and we strive to support charitable organisations that are active nationwide, including those that also aim to help children. Magyar Posta only support goals that are morally acceptable and represents quality for both local communities and broad sections of the population (e.g. health protection, sport, culture, education, sustainable development). In addition, we support foundations, associations and organisations established by and in which the Post has an interest, and we help our colleagues.

Magyar Posta Zrt.

Responsible economic operations:  
economic performance and fair value creation

Responsible operations:  
regulatory compliance and ethical business conduct

Responsible services:  
customer satisfaction and quality management

Responsible employment:  
employee well-being

Responsible use of data:  
data protection and cybersecurity

Responsibility for the environment:  
climate change and environmental protection

#### Social responsibility

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# 8.1 Donations, sponsorship and campaigns

Magyar Posta Zrt. has always been an active part of the everyday life of local communities and families. Beyond its services, the postal service is still present in the lives of families today; every fifth family has a postal worker among its relatives. Therefore, the focus of Magyar Posta Zrt.'s corporate social responsibility activities is on future generations and the family, as the smallest unit of society, which it aims to positively impact through the realization of the following goals:

**GOALS:**

- Supporting children's physical and mental health and talent development
- Improving the quality of life of families
- Cultivating our traditions by supporting foundations, associations and organisations established by the Post

**AREAS OF SUPPORT:**

- Health and social grants
- Sports
- Culture
- Sustainable development
- Charitable organisations
- Other grants (e.g. schools, initiatives by postal workers, support organisations providing postal tasks)



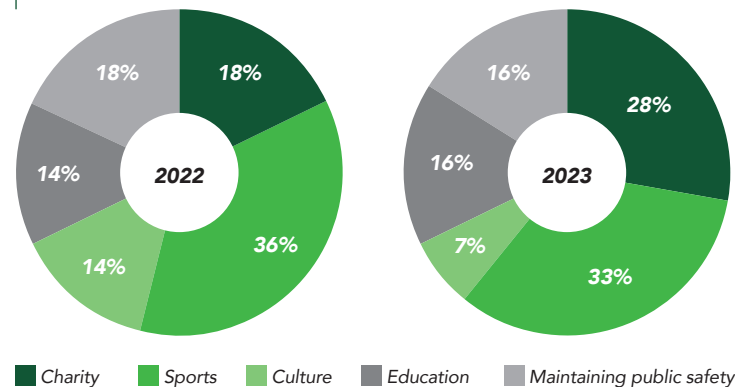
Our Company determines the planned maximum amount of donations and sponsorship as one-thousandth of the net income estimated in our business plan. In 2023, this amounted to a total of HUF 248.6 million, from which HUF 123 million was spent on donations, HUF 22.2 million on sponsorship, HUF 93 million on free services, and another HUF 6 million on the membership fee of the Professional Association of Postal Workers.

### Grant and sponsorship amounts

	2022	2023	Change (2023/2022)
Donation	HUF 112 million	HUF 123 million	+ 9.8 %
Sponsorship	HUF 16 million	HUF 22.2 million	+ 38.8 %
Professional Association of Postal Workers	HUF 6 million	HUF 6 million	0.0 %
Free services	HUF 74 million	HUF 93 million	+ 25.7 %
<b>Total*</b>	<b>HUF 208 million</b>	<b>HUF 244.2 million</b>	<b>+ 17.4 %</b>

\* The costs recognised are net amounts.

### Distribution of donations (%) in 2023



\* The 2022 categorisation has been revised and amended.

Magyar Posta Zrt.

Responsible economic operations: economic performance and fair value creation

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## SUPPORTED ORGANISATIONS, COMMUNITIES, CAMPAIGNS

As one of the largest employers in Hungary, our Company is involved in the lives of thousands of families, our employees are in daily contact with the widest sections of society and therefore meet families from all walks of life, so we help wherever we can in the spirit of social responsibility. The supported organizations will not be presented in full; we will highlight our more significant collaborations.

### COOPERATION WITH PARTNERS EMPLOYING WORKERS WITH REDUCED WORKING CAPACITY

We entrusted the sewing of the postal uniforms to a partner where individuals with reduced capacity to work are primarily employed. This is not charity on our part, but rather a form of active social responsibility.



## DONATION

### National Auxiliary Police Association

Magyar Posta has been supporting the legal and professional operation of the National Auxiliary Police Association for years. The Association plays an important role in reinforcing public safety, while providing opportunities for citizens who want to participate in upholding public safety and who feel responsible for the safety of their environment.

### Wekerle Sándor Business College

The Wekerle Sándor Business College is an educational institution supported by Magyar Posta, which contributes to the development of a qualified postal workforce and was therefore a significant partner of our Company in 2023.

### Transdanubian Postmen's Sports Association and East-Hungarian Postmen's Sports Association

In line with tradition, the long-established sporting associations have continued to organise, run and support sports outings. Popular in 2023, bowling and darts tournaments, hiking and cycling tours and water sports events have been added to the daily activities.

### Pro Minoritate Foundation for Minorities and Together for Autistic People Foundation

Magyar Posta has supported the operation of several foundations through public benefit activities, with the Pro Minoritate Foundation for Minorities and the Together for Autistic People Foundation being the main beneficiaries.

Magyar Posta Zrt.

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**FREE SERVICES**

*Hungarian Interchurch Aid*

The Hungarian Interchurch Aid is the largest charitable partner of our Company. In 2023, in a joint action - ‚There could be a better place for change’ - with Central Bank of Hungary and the Hungarian Interchurch Aid, we collected coins accumulated by the population. We supported the collection by placing boxes at the post offices, and 100% of the money collected was donated to the Hungarian Interchurch Aid.

In partnership with the Hungarian Interchurch Aid, thanks to our donation phone line 1353, 2,000 students in need received their brand new, personalised school supplies before the start of the school year. In addition to our colleagues, well-known people also joined the ‚Back to School Together!’ campaign by helping to put together the school kits. The related media event was also supported by our Company.

Another major campaign of the organisation is ‚szeretet.éhség’ (‘love.hunger’), which is a fundraising campaign during the Advent period with a dual purpose: to organise festive relief actions and to raise funds to support their work throughout the year. In 2023, our Company supported the Advent campaign with media coverage and free parcel posting.



**FOUNDATIONS**

*Postakürt Foundation*

The Postakürt Foundation received a grant of HUF 1.2 billion, including the transfer of assets free of charge after the closure of post offices. The main activities of the Postakürt Foundation can be grouped around its cultural and social objectives, which are reflected in its name. Among the cultural objectives, the priority is to preserve, present and promote postal traditions, values and memories of the past of the profession; and to organise high-quality cultural and leisure activities for the families of postal workers and their communities.

The Foundation provides social support to postal workers and their families who are in difficult circumstances or seriously ill, to large families of postal workers, to talented postal workers and their children eager to learn, to socially deprived pensioners of the Post, to victims of crimes against the company and their families.

The Postakürt Cultural and Social Public Benefit Foundation has two main objectives: to help postal workers in need and to build postal communities by preserving the postal profession and traditions. It also plays an important role in endorsing equal opportunities.

For many years, our company has a long tradition of organising Christmas theatre visits for the children of postal workers, with the support of the Postakürt Foundation. In December 2023, the families could watch the fairy tale play The Round Forest of Squares at the Madách Theatre. The performance was attended by 420 children, who also received a gift voucher of HUF 10,000, a board game, a puzzle, a storybook and a cookbook. As in previous years, the vouchers were offered by the management of Magyar Posta and supplemented by the Postakürt Foundation’s Relief Committee to ensure that all families with valid applications received the gift.

Magyar Posta Zrt.

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**SPONSORSHIP PARTNERSHIPS**

*Minipolis and e-commerce conferences*

Magyar Posta has been part of the Minipolis mini-city since its creation. At the mini-post office stand, children can try out what life is like for postmen. The partnership aims to create a long-term commitment to the postal service for children as prospective clients.

Magyar Posta traditionally participates in conferences and events that can be the basis for new business relationships. As Magyar Posta is one of the largest parcel logistics service providers with its MPL brand, it is also a sponsor of several e-commerce events (e.g. E-commerce Expo).

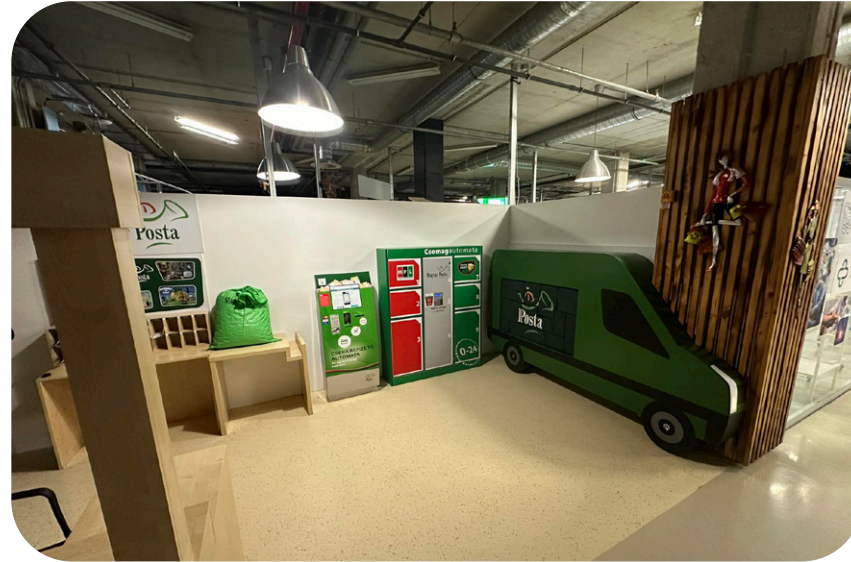
**CAMPAIGNS**

*Cooperation with the Victim Support Centre*

Our company joined the Victim Support Service in April 2022, a network system established by the Ministry of Justice, whose members include the Victim Support Centre of the Ministry of Justice, Magyar Posta, MÁV, MVM Energetika and Szerencsejáték Zrt. Hundreds of thousands of public sector workers will receive information on victim assistance. The Victim Support Service aims to help those who become victims of any crime or property offence, have physical or mental problems or face financial difficulties as a result.

The Victim Support Centre, set up by the Ministry of Justice, provides practical help to people who have been victimised for various reasons. If necessary, the centre also provides psychological support, legal advice and a lawyer. Victim Support Centres are located in Budapest, Miskolc, Szombathely, Pécs, Kecskemét, Szeged, Veszprém, Salgótarján, Debrecen, Szolnok, Eger, Érd, Siófok, Békéscsaba and Nyíregyháza.

In 2023, we also informed our colleagues about the Victim Support Service and its work in several issues of our monthly print magazine 'A mi Postánk' (Our Post).



*Cooperation with Magyar Nemzeti Bank to deepen financial awareness*

In addition to preparing our employees, we also pay attention to raising awareness among our customers. Based on the agreement between Magyar Posta and the Magyar Nemzeti Bank (Central Bank of Hungary), customer information campaigns that were launched to raise financial awareness continued in 2023 with the Financial Navigator Booklets delivered to designated post offices. We educate not only the general public, but also our own employees.

*Sugárút Festival in Dunaújváros*

We have been invited by the organisers to participate in the only community-based cultural mini-festival of Dunaújváros, the Sugárút Festival, which was held on 27 May 2023. The festival aims to revive the forgotten values of the city, reminding participants through experiences of where we live and who we are as residents of Dunaújváros.

*Where are you, Kajla?*

Magyar Posta also joined the 'Where are you, Kajla?' national tourism programme, where primary school students could discover Hungary's natural and cultural treasures throughout the year. Our company supported the organisation running the programme with free services, and Magyar Posta is the logistic partner of the programme.

Magyar Posta Zrt.

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## 8.2 Affected communities

Magyar Posta is present throughout the country in the form of its own post offices, a network of partners and logistics centres. Due to the nature of our activities, there are no local harmful environmental or social impacts from our operations. We are also gradually reducing emissions from transportation through route optimization and the acquisition of electric devices, increasing their proportion. In locations where we are forced to close post offices, we are working to expand our network of partners and find solutions for making our services accessible through vending machines and parcel points. In these cases, local employment is negatively affected by our economic measures, but in return, we help local municipal or retail businesses by connecting them to our partner network. Through our staff members, we have a significant role to play with the older generation in our country, among whom meeting the postman of the day is often the only human contact, and thus often a relationship of trust. This relationship of trust and the information that we learn can leave clients, their families and homes vulnerable, so confidential treatment of information is of the utmost importance to us. Due to the increasing number of phishing and online fraud attempts that misuse the name or services of public service providers, our role is prominent in prevention and information among our vulnerable clients and the general public.

### RETIRED LEADERS' MEETING

In 2023, we held our already traditional retired leaders' meeting. We received positive feedback from our retired colleagues about the undiminished dedication and love for the Post.

## 8.3 Cultivating traditions



Magyar Posta Zrt. is the longest-established national postal and logistics service provider in Hungary and as such, it is the guardian of the cultural heritage of the postal profession. The operation of Postal Museums is a priority form of traditional activity.

In cooperation between the Magyar Posta and the Open Air Ethnographic Museum Public Foundation, the Open-Air Ethnographic Museum in Szentendre added a Transylvanian landscape unit, with a post office from Székelyudvarhely (its equipment is on hire from the Postal Museum). To give visitors as much of a feel of a real, working Post Office as possible, they sell postcards and greeting cards for visitors to drop them off.

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**PHILATELY**

In 2023, Magyar Posta entered into a strategic cooperation with the National Association of Hungarian Stamp Collectors (MABÉOSZ), with the support of the Prime Minister's Office, to promote stamp collecting. The cooperation covers cultural and educational areas: the Post supports the community of stamp collectors and their events, including youth programmes, while MABÉOSZ promotes stamp collecting through stamp exhibitions and philatelic publications, and produces educational materials.



**ISSUING STAMPS WITH THE TOPICS OF SUSTAINABILITY AND THE ENVIRONMENT**

Continuing our tradition, in 2023, we have many stamps with the topics of sustainability and the environment.

A block of stamps presented the **House of Hungarian Music**, which is unique in that it creates a harmonious coexistence between the built and natural environment, providing a space for the encounter between music and nature.

Among the foreign personalities, we remembered the visit of **Pope Francis** to Hungary, the church teacher **St. Thomas Aquinas**, a Dominican monk and a leading thinker of the Christian Middle Ages, and the British explorer **James Cook**, who was the first to cross the Antarctic 250 years ago.



In 2023, **Magyar Nemzeti Levéltár** (Magyar Országos Levéltár until 2012), the Hungarian national archives, a public state collection of national treasures, celebrated the 300th anniversary of its foundation and the 100th anniversary of the opening of its main building. A pair of stamps was issued to commemorate the anniversaries of the archives.



In 2023, we continued our series on native Hungarian **poultry species** with four titles and added two titles to the 'Hungary's Cultural Flora – Fruits' series.



Every year, the European Association of Postal Operators (PostEurop) offers its members the opportunity to issue a EUROPA stamp on a common theme. In 2023, the focus is on the topic called **'Peace - the ultimate human value'**.

In December 2018, **Veszprém**, together with the Balaton-Bakony region, won the title of European Capital of Culture 2023, and a block and stamp set were published to mark the occasion.



150 years ago, the first **steam locomotive** was built in Hungary, and 100 years ago the first **electric locomotive** was launched in Hungary. We have issued a stamp to honour this.



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# 9. Features of the Sustainability Report and GRI Content Index

Magyar Posta Zrt. prepared its Sustainability Report for the period from 1 January 2023 to 31 December 2023 in accordance with the GRI standards. To disclose our performance data and make it comparable, we present data for the period 2020-2023 and strive to show and explain the causes of the broader context and trends.

## Features of the Sustainability Report

Organisation covered by a report	Magyar Posta Zrt.
Reporting period	01.01.2023 - 31.12.2023*
Reporting cycle	Annual
Date of disclosure of the report	September 2024
Restatements of information	Restatements are indicated in the current data.
External assurance	Assurance is provided by an independent, third party.

\* Magyar Posta Zrt. has the same reporting period for its annual and sustainability reports.

## GRI Content Index

Statement of use	Magyar Posta Zrt. has reported the information cited in GRI content index for the period 1 January 2023 and 31 December 2023 in accordance with the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021
Applied GRI Sector Standard	No valid relevant sectoral standard, not applied.

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DISCLOSURE	TITLE OF DISCLOSURE	PAGE NUMBER	DIRECT RESPONSE	REASON FOR OMISSION
<b>GRI 2: GENERAL DISCLOSURES 2021</b>				
2-1	Organisational details	5., 6.		
2-2	Entities included in the organisation's sustainability reporting	5., 6.	<p>Magyar Posta's 100% owned subsidiaries:</p> <ul style="list-style-type: none"> <li>■ Postautó Duna Zrt.</li> <li>■ Posta Paletta Zrt.</li> <li>■ Posta InIT Zrt.</li> <li>■ PostafloTTa Kft.</li> <li>■ Magyar Posta Vagyonkezelő Zrt.</li> <li>■ Magyar Posta Ingatlankezelő Kft.</li> <li>■ Díjbeszedő Holding Zrt.</li> <li>■ EPDB Nyomtatási Központ Zrt.</li> <li>■ Tipó Offset S.R.L.</li> <li>■ Díjnet Zrt.</li> <li>■ Díjbeszedő Faktorház Zrt.</li> </ul> <p>Ths subsidiaries are not incorporated in the sustainability report and materiality assessment.</p>	
2-3	Reporting period, frequency and contact point	98., 107.		
2-4	Restatements of information	98.	We will communicate and indicate in the current data.	
2-5	External assurance	98., 106.		
2-6	Activities, value chain and other business relationships	5., 6., 12., 32., 37.		
2-7	Employees	46., 47.		
2-8	Workers who are not employees	48.		
2-9	Governance structure and composition	7., 9.		
2-10	Nomination and selection of the highest governance body	7., 9.		
2-11	Chair of the highest governance body	7., 9.		
2-12	Role of the highest governance body in overseeing the management of impacts	7., 9.		
2-13	Delegation of responsibility for managing impacts	7., 9.		
2-14	Role of the highest governance body in sustainability reporting	8., 9.		
2-15	Conflicts of interest	7., 9.		
2-16	Communication of critical concerns	27., 28., 29.		
2-17	Collective knowledge of the highest governance body	9.		No data available in a structured, publishable format.
2-18	Evaluation of the performance of the highest governance body	7., 9.		
2-19	Remuneration policies	7., 9.		
2-20	Process to determine remuneration	7., 9.		
2-21	Annual total compensation ratio	50.		
2-22	Statement on sustainable development strategy	2., 12.		
2-23	Policy commitments	27., 28., 29.		
2-24	Embedding policy commitments	27., 28., 29.		

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DISCLOSURE	TITLE OF DISCLOSURE	PAGE NUMBER	DIRECT RESPONSE	REASON FOR OMISSION
<b>GRI 2: GENERAL DISCLOSURES 2021</b>				
2-25	Processes to remediate negative impacts	29., 41.		
2-26	Mechanisms for seeking advice and raising concerns	29.		
2-27	Compliance with laws and regulations	24., 27., 28., 29., 31., 77., 88.		
2-28	Membership associations	11.		
2-29	Approach to stakeholder engagement	10., 95.		
2-30	Collective bargaining agreements	57.		
<b>GRI 3: MATERIAL TOPICS 2021</b>				
3-1	Process to determine material topics	14., 15.		
3-2	List of material topics	14., 15.		
3-3	Management of material topics	At each chapter and material topic.		

Responsible economic operations: economic performance and fair value creation

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**MATERIAL TOPICS**

DISCLOSURE	TITLE OF DISCLOSURE	PAGE NUMBER	DIRECT RESPONSE	REASON FOR OMISSION
<b>ECONOMIC PERFORMANCE AND FAIR VALUE CREATION</b>				
<b>GRI 3: MATERIAL TOPICS 2021</b>				
3-3	Management of material topics	21.		
<b>GRI 201: ECONOMIC PERFORMANCE 2016</b>				
201-1	Direct economic value generated and distributed	22.		
201-2	Financial implications and other risks and opportunities due to climate change	87.		
201-3	Defined benefit plan obligations and other retirement plans	23.		
201-4	Financial assistance received from government	23.		
<b>GRI 207: TAX 2019</b>				
207-1	Approach to tax	24.		
207-2	Tax governance, control and risk management	24.		
207-3	Stakeholder engagement and management of concerns related to tax		We receive concerns through the whistleblowing, complaint handling and ethics reporting system. We participate in audits, and our supervisory bodies have insight into our activities during their inspections.	
<b>GRI 203: INDIRECT ECONOMIC IMPACTS 2016</b>				
203-1	Infrastructure investments and services supported	24.		
203-2	Significant indirect economic effects	24.		

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DISCLOSURE	TITLE OF DISCLOSURE	PAGE NUMBER	DIRECT RESPONSE	REASON FOR OMISSION
<b>REGULATORY COMPLIANCE AND ETHICAL BUSINESS CONDUCT</b>				
<b>GRI 3: MATERIAL TOPICS 2021</b>				
3-3	Management of material topics	26.		
<b>GRI 205: ANTI-CORRUPTION 2016</b>				
205-1	Operations assessed for risks related to corruption	30.		
205-2	Communication and training about anti-corruption policies and procedures	30.		
205-3	Confirmed incidents of corruption and actions taken	30.		
<b>GRI 206: ANTI-COMPETITIVE BEHAVIOUR 2016</b>				
206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	30.		
<b>GRI 204: PROCUREMENT PRACTICES 2016</b>				
204-1	Proportion of spending on local suppliers	32.		
<b>GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT 2016</b>				
GRI 308-1	New suppliers that were screened using environmental criteria			No data is available as we do not apply screening based on environmental criteria, however, environmental considerations are included in our decision-making. We are considering future implementation.
GRI 308-2	Negative environmental impacts in the supply chain and actions taken			Detailed information is not available as we do not perform environmental due diligence and risk assessment of our supply chain. We are considering future implementation.
<b>GRI 410: SECURITY PRACTICES 2016</b>				
GRI 410-1	Security personnel trained in human rights policies or procedures			No data is available. Security is an external service provider.
<b>GRI 414: SUPPLIER SOCIAL ASSESSMENT 2016</b>				
GRI 414-1	New suppliers that were screened using social criteria			No data is available as we do not apply screening based on social criteria. We are considering future implementation.
GRI 414-2	Negative social impact in the supply chain and actions taken			No data is available as we do not apply screening based on social criteria. We are considering future implementation.
<b>GRI 415: PUBLIC POLICY 2016</b>				
GRI 415-1	Political contributions		Magyar Posta does not participate in or support political activities or parties. It exercises interest representation through its owner and in dialogue with supervisory bodies.	
<b>GRI 406: NON-DISCRIMINATION 2016</b>				
GRI 406-1	Incidents of discrimination and corrective actions taken			No data is available on suppliers, but we expect lawful operation, which includes the requirement to ensure human rights.

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DISCLOSURE	TITLE OF DISCLOSURE	PAGE NUMBER	DIRECT RESPONSE	REASON FOR OMISSION
<b>GRI 407: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING 2016</b>				
GRI 407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk		Magyar Posta respects the human rights laid down in the Fundamental Law and international conventions and makes every effort to ensure that no human rights violations occur in connection with its activities.	
<b>GRI 408: CHILD LABOUR 2016</b>				
GRI 408-1	Operations and suppliers at significant risk for incidents of child labor		Magyar Posta respects the human rights laid down in the Fundamental Law and international conventions and makes every effort to ensure that no human rights violations occur in connection with its activities.	
<b>GRI 409: FORCED OR COMPULSORY LABOUR 2016</b>				
GRI 409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor		Magyar Posta respects the human rights laid down in the Fundamental Law and international conventions and makes every effort to ensure that no human rights violations occur in connection with its activities.	

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**CUSTOMER SATISFACTION AND QUALITY SERVICES**

<b>GRI 3: MATERIAL TOPICS 2021</b>				
3-3	Management of material topics	35.		
Own indicator	Quality of services	36., 37., 38., 39.		
Own indicator	Customer satisfaction and complaints handling	39., 40., 41., 42.		
Own indicator	Security of supply, provision of public services, accessibility, affordability	43.		

Responsible use of data: data protection and cybersecurity

Responsibility for the environment: climate change and environmental protection

**EMPLOYEE WELL-BEING AND RESPONSIBLE EMPLOYMENT**

<b>GRI 3: MATERIAL TOPICS 2021</b>				
3-3	Management of material topics	45.		
<b>GRI 202: MARKET PRESENCE 2016</b>				
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	52.		
202-2	Proportion of senior management hired from the local community		The top management is 100% Hungarian citizens. At the county level, we strive for local employment wherever possible, both at the managerial and employee levels.	
<b>GRI 401: EMPLOYMENT 2016</b>				
401-1	New employee hires and employee turnover	54., 55.		
401-2	Benefits provided to full-time employees that are not provided to temporary or parttime employees			Not relevant, because our Company does not have a benefit that applies exclusively for full-time employees.
401-3	Parental leave	53.		

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DISCLOSURE	TITLE OF DISCLOSURE	PAGE NUMBER	DIRECT RESPONSE	REASON FOR OMISSION
<b>GRI 402: LABOUR/MANAGEMENT RELATIONS 2016</b>				
402-1	Minimum notice periods regarding operational changes	56.		
<b>GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018</b>				
403-1	Occupational Health and Safety Management System	64.		
403-2	Hazard identification, risk assessment and incident investigation	64.		
403-3	Occupational health services	64.		
403-4	Worker participation, consultation and communication on occupational health and safety	65.		
403-5	Worker training on occupational health and safety	65.		
403-6	Promotion of worker health	65.		
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	66.		
403-8	Workers covered by an occupational health and safety management system		100% of direct and indirect employees.	
403-9	Work-related injuries	66.		
403-10	Work-related illness	66.		
<b>GRI 404: TRAINING AND EDUCATION 2016</b>				
404-1	Average hours of training per year per employee	58., 59. 76.		
404-2	Programmes for upgrading employee skills and transition assistance programmes	60.		
404-3	Percentage of employees receiving regular performance and career development reviews	64.		
<b>GRI 405: DIVERSITY AND EQUAL OPPORTUNITIES 2016</b>				
405-1	Diversity of governance bodies and employees	8., 68.		
405-2	Ratio of basic salary and remuneration of women to men	68.		
Own indicator	Support for staff members in need	72.		
Own indicator	Employment of workers with reduced working capacity	69.		
<b>DATA PROTECTION AND CYBERSECURITY</b>				
<b>GRI 3: MATERIAL TOPICS 2021</b>				
3-3	Management of material topics	74.		
<b>GRI 417: MARKETING AND LABELLING 2016</b>				
417-1	Requirements for product and service information and labeling			Not relevant.
417-2	Incidents of non-compliance concerning product and service information and labeling	31.		
417-3	Incidents of non-compliance concerning marketing communications	31.		

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<b>GRI 418: CUSTOMER PRIVACY 2016</b>				
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	75.		
Own indicator	Number of employees participating in data protection training	76.		
Own indicator	Contributing to the prevention of online fraud and phishing	76., 77.		
<b>CLIMATE CHANGE AND ENVIRONMENTAL PROTECTION</b>				
<b>GRI 3: MATERIAL TOPICS 2021</b>				
3-3	Management of material topics	79.		
<b>GRI 302: ENERGY 2016</b>				
302-1	Energy consumption within the organisation	81.	The cooling-heating energy use was not broken down.	
302-2	Energy consumption outside of the organisation			Data is not available because our Company does not collect information on energy consumption outside the organisation. We are considering future implementation.
302-3	Energy intensity	82.		
302-4	Reduction of energy consumption	82.		
302-5	Reductions in energy requirements of products and services			No data is available as our company does not collect information on this indicator. We are investigating implementation.
<b>GRI 305: EMISSIONS 2016</b>				
305-1	Direct (Scope 1) GHG emissions	83., 84.		
305-2	Energy indirect (Scope 2) GHG emissions	83., 84.		
305-3	Other indirect (Scope 3) GHG emissions			No data is available as our Company does not have information on other indirect (Scope 3) GHG emissions. We plan to obtain information within two years.
305-4	GHG emissions intensity			No data available. We are considering future implementation.
305-5	Reduction of GHG emissions			No data is available, because our company cannot link numerical results to GHG emission reduction measures, so the presentation of the indicator is limited to actions only. We plan to implement it within two years.
305-6	Emissions of ozone-depleting substances (ODS)			Not relevant.
GRI 305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions			Not relevant.
<b>GRI 201: ECONOMIC PERFORMANCE 2016</b>				
GRI 201-2	Financial implications and other risks and opportunities due to climate change	87.		

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DISCLOSURE	TITLE OF DISCLOSURE	PAGE NUMBER	DIRECT RESPONSE	REASON FOR OMISSION
<b>GRI 306: WASTE 2020</b>				
GRI 306-1	Waste generation and significant waste-related impacts	85.		
GRI 306-2	Management of significant waste related impacts	85.		
GRI 306-3	Waste generated	85.		
GRI 306-4	Waste diverted from disposal	86.		
GRI 306-5	Waste directed to disposal	86.		
<b>GRI 301: MATERIALS 2016</b>				
GRI 301-1	Materials used by weight or volume	86.		
<b>GRI 303: WATER AND EFFLUENTS 2018</b>				
GRI 303-2	Management of water discharge-related impacts	86.		
GRI 303-5	Water consumption	86.		
<b>SOCIAL RESPONSIBILITY</b>				
<b>GRI 3: MATERIAL TOPICS 2021</b>				
3-3	Management of material topics	90.		
<b>GRI 413: LOCAL COMMUNITIES 2016</b>				
GRI 413-1	Operations with local community engagement, impact assessments, and development programs	91., 92., 93., 94., 95.		
GRI 413-2	Operations with significant actual and potential negative impacts on local communities	95.	Our Company operates nationwide, embedded in all areas, breathing together with the local community. We examine the local environmental and social impact of our activities and seek to increase our positive impact (presence, donations, support, connections). Our potential negative impacts are the closures of post offices, which are offset by the expansion of the partner network. The environmental impacts and their mitigations are described in the environmental section.	
Saját mutató	Donations and sponsorship	91., 92., 94.		
Saját mutató	Support for people in need	91., 92., 93., 94.		
Saját mutató	Cultivating traditions	95., 96.		

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# 10. Declaration of Authentication

## Declaration of verification

on the Sustainability Report of Magyar Posta Zrt. for the year 2023

On behalf of Magyar Posta Zrt., ENVECON Kft. as an independent expert prepared the "in accordance" level assessment and rating of the Sustainability Report (hereinafter the Report) of Magyar Posta Zrt. for the year 2023 in accordance with the Global Reporting Initiative (GRI) standard. In the course of the audit, we have examined the Report and the additional documents referred to therein. The credibility of the data was verified by random checks and interviews.

### Responsibilities:

The management of Magyar Posta Zrt. is responsible for the data and information contained in the Report.

ENVECON Ltd. is responsible for the GRI Standard rating and reporting if it becomes aware of any misstatements in the Report that may be considered material.

As an independent third party, ENVECON Ltd. has no economic or other relationship with Magyar Posta Zrt. outside of this engagement and during its duration and complies with the GRI requirements for external verifiers.

### Tasks completed:

- random checking the reliability of the data and information contained in the Report, in consultation with the person responsible for reporting and with representatives of the various disciplines,
- a detailed review of the content and form of the Report based on the GRI standard and its recommendations, and identification of any gaps,
- formulating expert advice,
- issuing an independent declaration of verification of the certification result.

### Checking procedure:

A total of 6 indicators were randomly checked against GRI standards:

- GRI 2-7 "Number of participants in atypical forms of employment (in persons)"
- GRI 2-27 "Regulatory and other legal procedures"
- GRI 203-1 "Investments (million HUF)"
- GRI 305-1, 305-2 "Scope 1 and Scope 2 GHG emissions (tCO<sub>2</sub>e) of Magyar Posta"
- GRI 306-1 "Amount of waste generated, recovered and disposed of by type (t)"
- GRI 403-9 "Total number of accidents (number)" and "Number of accidents at work and trends in accident rates"

### Summary:

On the basis of the documents obtained, the data and information provided in the Sustainability Report of Magyar Posta Zrt. for the year 2023, which was subject to random checks, were found to be credible and reliable. Based on the documents made available to us, we are not aware of any material misstatements in the Report. The Report meets the requirements of the GRI standard, the "in accordance" level and provides a comprehensive view of the company's operations.

### Recommendation:

According to Act CVIII of 2023, Magyar Posta Zrt. is subject to sustainability due diligence, which is required to be applied for the first time in respect of its activities in the financial year 2025. Accordingly, it should prepare and publish its first ESG report in 2026. The preparation of sustainability reports, which have been voluntarily prepared for several years now on the basis of the GRI standard, provides an excellent basis to build on it. We recommend the further development of data collection protocols in line with ESG content requirements. In the course of the verification process, we specifically highlighted additional opportunities identified in each sub-area, in particular with regard to environmental elements (GHG, waste, water), climate action and investments. We recommend that these are taken into account in the next reporting process.

ENVECON Ltd. was represented in the verification tasks by:

Orsolya Scultéty – MSc. economist, expert  
Rozália Tóth – MSc. economist, expert  
Katalin Zollai – MSc. environmental engineer, project leader

Budapest, 27th of September 2024



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# 11. Imprint

Magyar Posta Zrt. reports on its 2023 sustainability performance and results in its Sustainability Report, which is available on the website.

We look forward to your feedback! Should you have any comments regarding the Sustainability Report or the operation of Magyar Posta Zrt., please share them with us at [kornyezettudatos\\_posta@posta.hu](mailto:kornyezettudatos_posta@posta.hu) so that we can take them into account when preparing the next report and improve our performance!

## PUBLISHER OF SUSTAINABILITY REPORT:

Magyar Posta Zrt.

[www.posta.hu](http://www.posta.hu)

[kornyezettudatos\\_posta@posta.hu](mailto:kornyezettudatos_posta@posta.hu)

## CONTRIBUTED TO PREPARATION OF THE REPORT:

Alternate Tanácsadó Kft. ([www.alternate.hu](http://www.alternate.hu)) and

in the graphic design Bakos Bátor e.v. ([www.underline.hu](http://www.underline.hu)).

The sources of the photographs used are Imagine Creative Consulting Kft., the Postal Museum, Shutterstock, Depositphotos, and a few more prepared by the employees of Magyar Posta Zrt.



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