



2005

Corporate Social Responsibility Report

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“Through our activities we want to show that it is possible to achieve symbiosis of successful entrepreneurship and social responsibility.”

Miroslav Majoroš
Chairman of the Board of Directors and President/CEO

Keynote of the Chairman of the Board of Directors and President/CEO of Slovak Telekom



Miroslav Majoroš

Chairman of the Board of Directors and President/CEO

Dear ladies and gentlemen,

you are holding in your hands the first report on the responsible entrepreneurship and corporate social responsibility of the Slovak Telekom company. It is a report in which we want to document and explain how our company adheres to moral, ethical values and internationally recognised principles defined in the Sarbanes – Oxley Act in doing business, in relation to all those who are involved in our activities. Doing business responsibly is not only about satisfying the needs of the shareholders from the aspect of profit generation or about observation of laws and legal regulations. It is also about the manner in which the company behaves in attaining its goals regarding all concerned – employees, suppliers, partners, customers, but also general public, living environment and the entire country.

From the aspect of financial outcome it might be enough to be profitable and strong as to our influence, but from the aspect of the corporate responsibility in relation to the society we are expected to do much more. Our company behaves and wants to behave as

a responsible enterprise. Through our activities we want to show that it is possible to achieve symbiosis of a successful entrepreneurship and social responsibility. For us, it is therefore a matter-of-course to support a modern education of the general public, but mainly of youth and children. If our company employs experts, we want to help educate further experts. Just because we are said to be strong, we want to help socially challenged citizens and citizens with other disability problems in such a manner so as to enhance the general quality of life of Slovak residents.

The hitherto dynamic development of our company has become a key assumption of the involvement of the Slovak Telekom group into one of the major and strongest families on the world-wide telecommunications market, the magenta "T" family, the Deutsche Telekom Group. I am convinced that Slovak Telekom as a member of this family will behave as a responsible member towards all and in all respects because this is the only responsibility that can be a guarantee of sustainable development of our company.

A handwritten signature in black ink, appearing to be 'M. Majoroš', written over a light-colored background.

Miroslav Majoroš

Chairman of the Board of Directors and President/CEO

About Slovak Telekom

Slovak Telekom, a. s. is a modern and dynamically developing company with many years' tradition. It belongs to the leading companies in the provision of modern telecommunications services on the Slovak telecommunications market. By means of the telecommunications network, Slovak Telekom provides national and international voice services and a wide portfolio of data services. We are the leader in providing the broadband Internet access and the Internet entertainment content.

Slovak Telekom, a. s. is a part of the multinational group of companies of the Deutsche Telekom Group. Deutsche Telekom AG with 51% stake of shares is the majority shareholder of Slovak Telekom, a. s., 34% of shares are owned by the Ministry of Transport, Posts and Telecommunications of the Slovak Republic and 15% of shares are held by the National Property Fund of the Slovak Republic.

Slovak Telekom, a. s. is a 100% owner of T-Mobile Slovensko, a. s. which is a provider of the mobile communication services and data networks operator. T-Mobile Slovensko, a. s. belongs to the T-Mobile International Division, one of the major mobile communication brands worldwide.

On March 8th 2006, Slovak Telekom, a. s. changed its business name to Slovak Telekom, a. s. and launched of the new brand T-Com. This change is a natural move towards outwardly identifying ourselves with one of the largest global telecommunications operators, Deutsche Telekom AG. This introduction of a new corporate identity based on a global brand is a natural step in Slovak Telekom's development.

Slovak Telekom is a holding-type company consisting – together with the mother company of Slovak Telekom, a. s. – of the following daughter companies: T-Mobile Slovensko, a. s., RK Tower, s. r. o., Zoznam, s. r. o, Zoznam Mobile, s. r. o. and TBDS, a. s. The branches: Rádiokomunikácie, o. z. and Call Services, o. z. are also a part of the holding.



“We are pleased that Slovak Telekom is not indifferent to the future of our biggest mountain range. It is not only the financial support, it is mostly the volunteer approach and relentless work of its employees thanks to which there will be a new forest next to Jakubkova lúka.”

Marián Šturcel, State Forests of TANAP.
(National Park of High Tatras) Project: Employee volunteering in the High Tatras

Executive Management Board of Slovak Telekom



Miroslav Majoroš
Chairman of the Board of Directors and President/CEO



Szabolcs Gáborjáni-Szabó*
Member of the Board of Directors
and Senior Executive Vice-
President for Finance/CFO



Herbert Müller
Senior Executive Vice-President
for Business and Operating
Activities/COO



Anna Hudáková
Executive Vice-President for
Human Resources/CHRO



Igor Hurčík
Executive Vice-President for
Information Technologies/CIO



Pavol Kukura
Executive Vice-President
for Strategy and Regulatory
Affairs/CSRO

* Until 15. 4. 2005 the position of Senior Executive Vice-President for Finance/CFO had been held by Dr. Mark Peter Montagne von Lillienkiold.

Financial Results of Slovak Telekom in 2005

Total revenues: SKK 16,093 mil.

EBITDA: SKK 7,353 mil.

EBIT: SKK 478 mil.

EBT: SKK 1,850 mil.

Net profit: SKK 1,626 mil.

Total assets: SKK 57,993 mil.

Tangible fixed assets: SKK 36,469 mil.

Equity: SKK 45,117 mil.

Total liabilities: SKK 12,140 mil.

Capital expenditures: SKK 3,967 mil.

Financial results are in line with Slovak Accounting Standards.

“Children need our help and support. Then need someone to stand by their side, helping them to make wise and correct decisions. Someone who has the time for them. Right now.”

Project: An Hour for Children, support to a public fund-raising campaign

Corporate Social Responsibility Strategy of Our Company

All advanced companies nowadays focus more on application of the sustainable development principles. It is a business-making method which prefers adequate long-term revenues over short-term high profit which usually has negative environmental or social impacts. All companies professing corporate social responsibility tend to assess the consequences of their to-be-performed activities in advance striving to apply a mature and proactive approach.

Slovak Telekom has voluntarily applied the major ethical principles to its everyday activities. We feel to be committed not only in terms of the quality of our products and services, but also of the quality of life of the community in which we operate. We try to achieve that the Slovak Telekom brand be associated with an image of a telecommunications leader bringing Slovakia's residents a modern life style. We are – and we also want to be in the future – a responsible corporate citizen. We want to return our customers the confidence which they put in us. We want everybody to feel the confidence.

In 2004 we became one of the founding members of the Business Leaders Forum the aim of which is to spread the corporate social responsibility principles, create higher ethical standards of business practice, contribute to the sustainable development and, via application of the responsible entrepreneurial principles, to support the growth of society in general. The position of the President of the Business Leaders Forum was held by the Chairman of the Board of Directors and President/CEO of our company Miroslav Majoroš in 2005. The corporate social responsibility strategy of our company mainly concentrates our acting to the five areas as follows:

- Support of digital literacy of citizens,
- Support of unique cultural projects,
- Philanthropy with the aim to enhance the quality of life of socially challenged citizens or people having other disability problems,
- Corporate voluntary activities aimed at supporting the work of specific selected communities, and
- Protection of the environment.

Our experience and investments given into and time exerted to the CSR projects have addressed selected target groups and have concurrently positioned our company as a good corporate citizen, which fact was also confirmed by the results of the quality research carried out by the AISA Agency in January 2005.

The research compared telecommunications companies, insurance companies, banks and other significant enterprises operating in Slovakia. The respondents whose age ranged from 20 to 50 years were split into three target groups as follows: 1st group consisted of those who do not use the services of Slovak Telekom at all, 2nd group was created from users of only voice service provided by Slovak Telekom and 3rd group consisted of users of both voice and Internet services of Slovak Telekom and concurrently of services of other operators.

Our company was considered one of the major sponsors of lives of our citizens by all three groups. The Slovak Telekom brand was mainly associated with the support of education (namely with the PCs for Schools Project) health services and with the support of the national hockey league.



Code of Conduct of Slovak Telekom

A Code of Conduct is considered a key document setting out the rules of behaviour of our company in everyday life.

It is a fundamental document which is based on the company's vision and values and which reflects the corporate strategy matching to its actions and manners of behaviour of all employees.

The Code of Conduct is a guarantee for our partners and customers that Slovak Telekom and its employees hold in high regard and respect the basic human

By accepting the Code of Conduct we express our loyalty to the company and acknowledge both the individual and corporate social responsibilities. Acting in accordance with its principles helps us accomplish the mission of the company and accompanies us in the journey toward achieving our vision.

The Customer Orientation and Behaviour Standards are a follow-up to the Code of Conduct. They express our commitment of a fair approach to the needs and wishes of the customers, professionalism in service provision, respecting the freedom of choice



values and always act in line with the rules of ethics and good manners. The document shaping the corporate culture of the company also links Slovak Telekom with the visions, values and strategy of its parent company – Deutsche Telekom AG.

The Code of Conduct of Slovak Telekom is identical with the Code of Conduct of the Deutsche Telekom Group which sets forth binding standards of behaviour towards both internal and external environments within the entire Group. It has been designed in a manner so as to build an over-bridge between the corporate values and a plenty of various legal and regulatory frameworks applicable to the Group.

and consistent observing of agreements. As far as the labour relations between the superiors and subordinates are concerned, we respect differences of opinions and personalities co-operating fairly, responsibly and taking into account the interests of the entire team.

We want to be a reliable partner for our customers, business partners, shareholders, employees, state administration bodies and institutions and, last but not least, for the general public. We want to give and we do guarantee that our acting will be fair and ethical.

“The new Code of Conduct will help us make intra-company relations more transparent and guarantee unambiguous comprehensibility of our business towards external partners. Having adopted the Code of Conduct of Deutsche Telekom shifted our company into the international community of entities shaping the top-level standards of business ethics.”

Anna Hudáková, Executive Vice-President/CHRO



Content and Application of the Corporate Social Responsibility



We are one of the biggest companies in Slovakia. Through providing services we have a significant influence on the standard and level of the public life. We provide possibilities of effective and high-quality communication – prompt, accurate and free exchange of information, which is an important phenomenon of life quality. We believe in transparency being concurrently interested in the social, ethical and ecological impacts of all our activities to the life of the society in the communities we operate in. We are trying to systematically build the social responsibility programme bringing and supporting projects the aim of which is to improve the life of all individuals.

Our Responsibility Towards Customers

Our main task is to provide the customers with high-quality products and services and to best satisfy their demands. We want not only to give them correct and fair information on the services we provide, but also to be at hand whenever they need us. Throughout 2005, in cooperation with our partners, we extended the network of Slovak Telekom sales points through further 11 locations. In total, the network consists of 55 sales points now which have been known under the new name T-Centrum (T-Centres) since March 2006. The expansion in the sales network has brought our customers better availability and convenience. Within the structure of our services, the dominant position is held by the sale of broadband Internet connection now and, along with traditional telecommunications products and services, we have extended our portfolio with info-communications products including also the sale of personal computers. Broadband Internet penetration in Slovakia has been rapidly growing. It is currently available for nearly 3.8 mil. inhabitants.

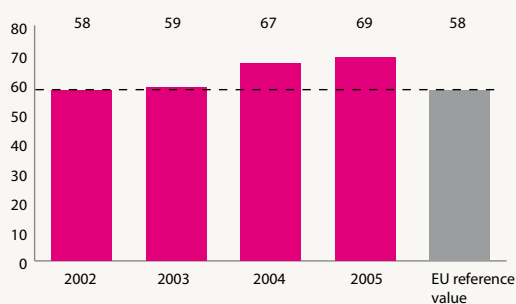
The key indicator reflecting the quality of work of the entire company and the perception of its performance by the customer is the TRI*M index. It is used by companies worldwide to independently benchmark their performance against competitors. We measure customer satisfaction on annual basis, in two waves, and we consider it a great success that its course reflects a highly positive perception of our activities by both residential and business customers. The TRI*M index levels achieved in 2005 has again ranked our company among the absolute leaders from among the European telecommunications operators.



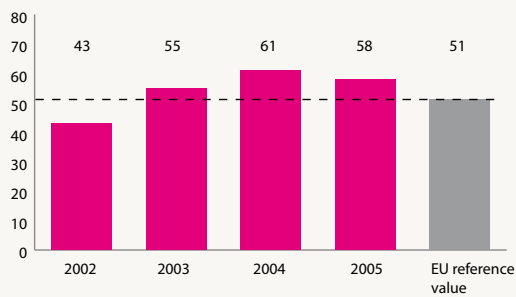
“The customer satisfaction levels achieved in 2005 ranked Slovak Telekom among the absolute leaders from among the European telecommunications operators.”

Source: TNS AISA

The TRI*M index levels achieved by Slovak Telekom, a. s. compared to EU fixed line operators' average.



Customer satisfaction with our company in the fixed line business, household segment
Source: TNS AISIA



Customer satisfaction with our Company in fixed line business, business segment
Source: TNS AISIA

Our Responsibility Towards Partners and Suppliers

Given the scope of its business activities, number of employees, as well as other attributes Slovak Telekom belongs to the top outstanding companies in Slovakia. It is also one of the biggest clients and customers of the country.

We behave responsibly also in this field trying to achieve that the selection of our suppliers and business partners be transparent, that our suppliers would have due certificates in their business areas respectively, would adhere to regulations and standards valid in the European Union and that their businesses would be ethical and in compliance with the applicable laws of the Slovak Republic.

The number of active suppliers amounted to 1,762 in 2005, which is a number reported on the level of the mother company Deutsche Telekom AG.

Our company prefers a long-term cooperation with reliable suppliers.

Slovak Telekom selects its suppliers in the form of public tenders, close tenders or through direct ordering.

In public tenders aimed at external procurement of products and services, as well as at archiving relevant documents we obey the internal corporate directives which are obligatory for all public tenders. Potential supplier will be addressed within the framework of the public tender in writing. Based on the initial information, the potential supplier will be asked to submit a binding written offer which is to contain, along with technical specifications, also business data inclusive of price.

Should the quotation require providing sensitive information, Non-Disclosure Agreement or Declaration of Non-Disclosure are to be concluded with the bidder. Details on the bids themselves submitted under the public tender are subject to business secrecy.



“We strive for fair commercial relations with our suppliers which are based on honesty, trust and commitment.”

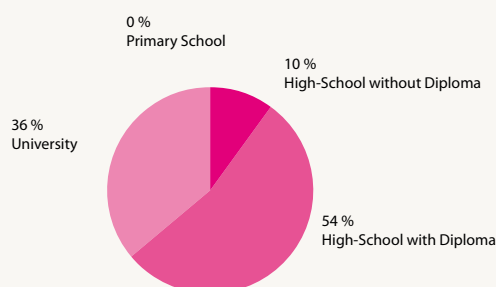
Code of Conduct of the Deutsche Telekom Group

Our Responsibility Towards Our Employees

Employee structure

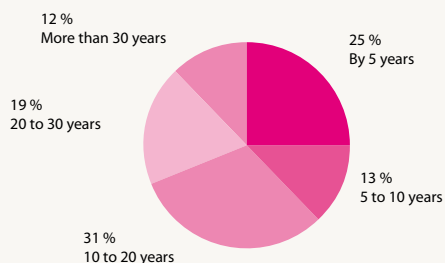
As at 31 December 2005, our company employed 5,417 employees of which 38 per cent were women. The average age of our employees has markedly decreased during the last three years. The ages of the major age group range from 31 to 50 years. More than a third of our employees obtained university education and more than a half of them have completed high-school with a high-school diploma.

Employee Structure in 2005 According to Education Level Achieved



Current labour force structure according to number of years of work experience reflects the decreased average age of the company's employees as well as inflow of highly skilled professionals.

Employee Structure in 2005 According to Number of Years of Work Experience



Employee education

Lifelong education and the continual enhancement of qualification are imperative in the world of telecommunication technologies. Besides St@rt Day, the introductory training for new staff – in 2005, we trained 255 new employees – Slovak Telekom encourages its employees to choose from a broad array of training and development programmes available.

Last year, the company conducted more than 1.600 training sessions, representing 5 employee training days. On average Slovak Telekom applied over SKK 50 million to training activities, courses, professional internships and personal development of its employees.

Most of the training and development activities concerned the following areas:

- Technical infrastructure and other similar areas,
- Products and services,
- Personal development (communication, sales and presentation skills, assertiveness, time management etc.),
- Managerial skills,
- Language education,
- Project management,
- IT trainings,
- Obligatory trainings imposed by the law,
- Team building and outdoor activities, and
- External seminars and conferences.

Employee remuneration

The remuneration system used in our company reflects both the internal and external environment to ensure that the reward of performance is fair, motivating and also competitive on the labour market. In 2005 we introduced several changes in the area of base salaries, variable pay, extraordinary performance bonuses as well as benefits provided.

In the field of social benefits, the flexible benefit system has proved to be convenient, enabling our employees to choose from a wide range in the area of health care, recreation, cultural events or a contribution to supplementary pension insurance.

“In order to become the best telecommunications company in Slovakia we want to hire, develop, motivate and retain the best people. We want to achieve both company and individual excellence in ST via business and market oriented human resources management.”

Anna Hudáková, Executive Vice-President/CHRO

Physical, psychical and social well-being of employees

Employee protection in our company covers three areas as follows: security, health and physical, psychical and social well-being. From the aspect of employee health safety and protection we lay stress on quality of the working environment. We annually check the level of the working environment and working conditions at the workplaces under check-ups of safety and health protection at work. Unfavourable factors revealed during

In the interest of preventing occurrence of industrial diseases, we offer our employees recuperation stays. The recuperation stays are aimed at physical and psychical relaxation putting in focus the prevention of the occurrence of chronic diseases of the employees who are in contact with harmful substances at their work. We also ensure programme of the recuperation stays – collective exercises focused on physical activity improvement and relaxation spinal exercises aimed at increasing their dexterity, strength and perseverance, inhalations, collective breath gymnastics, massages, hot paraffin packs, sauna, solarium, whirling bath,



the check-ups having a significant influence on the well-being at work tiredness, performance and health of the employees are eliminated by adoption of proper measures, for example provision of sufficient space for the employees and creation of suitable ergonomic and microclimatic conditions like for instance optimal summer and winter temperature, air flow, relative humidity, reduction in noisiness etc.

For recruits, employees starting to work after a long-term sick leave and for women starting to work after maternity leave Slovak Telekom ensures initial medical examinations. To monitor the health condition of the employees and reveal potential health damage with respect to the performance of the work, we arrange for preventive medical examinations serving for an objective determination of health conditions of the employees prior to, during and after the termination of the execution of the work they are to perform.

swimming in a swimming pool, fitness centre, biking and walking. The recuperation stays are also focused on correct nourishment, adherence to the principles of correct hygiene practices and proper way of living, drinking regime and, under taking preventive care of the participants, they also provide advisory services, focused on psychical hygiene.

From the aspect of health safety and protection at work, our company provides its employees with good working conditions and conditions of living which protect their health showing a positive effect on it.

Continuous decrease of occupational injury rate in Slovak Telekom (see the chart below), is evidence of the safety and health protection care for the employees.

The transformation process

The transformation process and improvement in the company's efficiency and competitiveness brings also measures reducing staff numbers. Slovak Telekom, a. s. dedicates all efforts to enable employees affected by such reductions in staffing levels, to apply for newly-created vacancies. The company supports them by means of re-qualification and development programmes. Where it is not possible to offer an employee a relevant job in the company, we endeavour to make the situation easier for the employee in their departure and in seeking new employment. Leaving employees receive financial support to facilitate the transition period and are also provided with information regarding social and legal aspects, as well as assistance in further re-qualification.

We do not forget our employees' relatives

Slovak Telekom is a company which does not forget about the relatives of its employees.

The Human Resources Unit and the Corporate Communication Subunit regularly organise activities like competitions or quizzes which may also be participated by our employees' relatives. Since they cannot take part in the official competition events declared for general public, these are just the competitions in which they have a chance to win valuable and interesting prizes.

We neither forget the children of our employees who can enjoy small events which we prepare for them on the occasion of Santa Claus, Christmas, International Children's Day or school-year end.

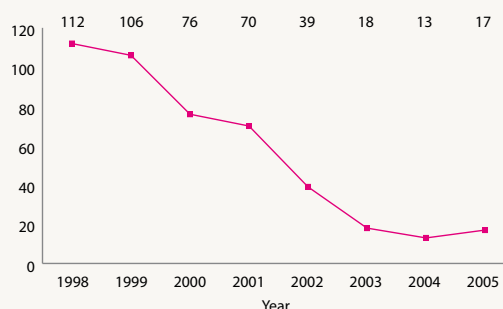
Cooperation with universities

Slovak Telekom has been focused on an active cooperation with universities from a long-term horizon. Attracting young talented graduates from colleges and universities is a key determinant for the further development of our business. Slovak Telekom cooperates with universities in the preparation of curriculum content, as well as in linking academic education with business practice. An innovation in this field, presented in 2005, was Telekom Day – the first interactive student conference for selected 100 students of technical specialisation held on 10 November 2005. Our professionals presented the students the process of digitalisation, implementation and application of new emerging telecommunications technologies.

Over the past year, we provided support in defining the topic and elaboration of diploma theses to 34 students of which 14 were later employed by us.

The company provides talented young people with an opportunity to participate in a three-month placement within the Deutsche Telekom Group.

Occupational injury rate at Slovak Telekom in 1998 – 2005



Our Responsibility Towards the Community

Our company's sponsorship and philanthropy strategy reflects the responsibility it has as a strong economic entity having a share in improving the life quality of people in Slovakia. It is fully harmonised with the corporate social responsibility principles of our parent company – Deutsche Telekom AG.

We want to contribute to improving the quality of life of people in Slovakia. In addition to developing our own sponsoring and charity projects, we have been, for a long time, taking part in projects of charity organisations both at home and abroad. We seek to be an example for other companies in the fields of information technology-related education and internet penetration of the society, and we are interested in cooperating with schools, professional associations, non-governmental organisations and public administration bodies further.

Corporate philanthropy is, in our opinion, an integral part of socially responsible business practice. We help those in need who cannot find the way out of their situation without the help of donors.

In 2005, our company's sponsoring focused in particular on culture, support to exceptional theatre and film performances and concerts.

Our employees know the meaning of volunteer work and actively participate in volunteer activities organised by the company.

To make our aid targeted, we grouped our 2005 activities into 4 strategic areas:

1. A significant corporate philanthropist

For several years now, we have been supporting the initiative A Smile as a Gift of the Association of Friends of Children from Children's Homes. We are glad to have helped in getting children back into families.

An Hour for Children, a public fund-raising campaign organised by the Foundation for the Children of Slovakia is one of the largest and most popular fund-raising campaigns in Slovakia. Its goal is to provide timely and effective aid to children and improve the quality of their life, using the raised funds. Since 2001, we have provided, free of charge, the telephone number 18 222 for the purposes of the fund-raising campaign. All people wishing to contribute SKK 55 could call this number in the last year, too. More than SKK 800 thousand was raised through this number in 2005.

In addition to direct financial support to projects of UNICEF, in 2005 we also supported the charity Christmas concert the proceeds of which were used to help children in East Timor and the earthquake-struck Pakistan.

After the natural disaster in December 2004 in South East Asia, we gave a helping hand to Sri Lanka destroyed by the earthquake. Specifically, our financial aid was used for the construction of a community centre in the Matara province in the south of Sri Lanka. The community centre serves as a kindergarten, for children's free-time activities, for community meetings and social activities.

As a significant telecommunications operator, we have been supporting the Life Lines project which embraces Forget-Me-Not Help Line and Emergency Line offering support and advice to people with mental or physical problems for several years now. Their existence is also appreciated by all people in life-threatening situations.

Since 2003, we have been a partner of the Forget-Me-Not Help Line 0850 11 10 22, operated by the Mental Health League.

Another help line, a professional advice telephone centre – Emergency Line 0850 11 13 13 – was established three years ago in cooperation with the Chain of Life Foundation. Our company supported these lines with more than SKK 3.6 million in 2005.

“They say that one should do good every day throughout the year. If you believe so and feel that you could do more to this effect, we give you a chance to do it with us. Help people in need.”

Volunteer activities in the Slniečko crisis centre

2. Supporting selected communities through corporate volunteering

We are one of the pioneers of corporate volunteering in Slovakia. In 2005, Slovak Telekom was among the first companies to organise volunteer weekends to help the High Tatras afflicted by the natural disaster. In the course of three volunteer weekends, 114 pairs of hands cleaned and cleared 950 solid meters of fallen Tatra wood. Through our volunteer work, we helped to cultivate and develop the locality of Jakubkova lúka and the town of Starý Smokovec.

3. Supporting culture and art

In the field of culture Slovak Telekom has associated its name with attractive cultural projects. Last year, our support focused predominantly on film-making and theatre, the two art genres which are the closest to the people of Slovakia.

We are pleased to have supported the production of two original Slovak films – an adventure travel documentary by Pavol Barabáš titled Amazonia Vertical and the feature film End Station.



We are very proud that our employees have devoted their free time to cooperation with the crisis centre Slniečko for abused women with children in the village of Štitáre near Nitra. Our volunteer work in Slniečko has included the cultivation of the garden, cleaning and reconstruction of cellar space, new plastering, coating, creating of a workroom for the women, but also more entertaining activities such as playing games and having fun with children from the centre.

Our company, in cooperation with the Red Cross has organised blood donation among the employees since 2003. This activity is called 'ST+ blood group'. The third year of this humanitarian activity in 2005 was marked by enormous interest in helping to save human lives and saw 147 our employees to donate their blood.

As for theatre, we continued our partnership with the Aréna Theatre, in which we supported the staging of the play Oscar and the Lady in Pink. Our cooperation with the Nitra Theatre of Andrej Bagar resulted in the staging of the first Slovak theatre reality show Horses Get Shot, Too.

For third time already in 2005, we were a partner to Art Film – the best known international film festival in Slovakia taking place in Trenčianske Teplice.

We became the partner of the ROMÁN 2006 Slovak Telekom literary contest, thus extending our activities in the field of culture with the support to new and young prospective novelists. The contest is one of the ways in which our company seeks to support the literary production of Slovak writers at home and abroad.

In 2005, we also were a partner of several culture festivals of minorities living in Slovakia, seeking to support nationwide understanding and acceptance of cultural and national diversity.

We also provided funds for the preservation of historical buildings, forming a part of Slovakia's cultural heritage.

4. Helping to build a modern information-communication society

After 2004, in which we donated a PC classroom with an Internet connection to all primary and secondary schools, we focused our attention primarily on supporting digital literacy.

We helped people who had not had the opportunity to work with a PC and the Internet to overcome barriers,

and to learn to use modern information sources, thereby increasing their chances of success in the labour market. We organised Internet courses named www.každom.veku (at every age) in 40 different towns throughout Slovakia.

Pupils and students were again able to participate in competitions we prepared for them, running for the second year already. The competitions eČasopis (eJournal), Žiacka knižka (Student's Book) or eTablo were aimed at informally supporting the creation of interesting Internet content among young people.

All of these activities were carried out as part of the eSlovakia project whose goal is to increase the internet penetration and informatisation of the society. Our successful PCs for Schools project has become historically the largest activity in the informatisation of Slovak basic and secondary schools.



“Blood is the most precious liquid on the Earth. That is why we highly esteem those people from the Slovak Telekom team who decided to help and by donating blood thus contribute to saving human lives.”

Ján Kondáš, Director of Corporate Communication and a blood donor

Our Responsibility Towards the Environment

Any activity of an individual or of the society has an influence on the environment. We are aware of this and strive therefore to have control over our influence on the environment, manage it and minimise its negative aspects. A proactive approach to the environment protection has a positive influence not only to credibility, but also to economic indicators of the company.

Slovak Telekom has declared protection of the environment as one of key principles of a responsible business practice. In extension of the duties imposed by the Slovak law, the company has adopted:

- required by the Global Compact (initiative for the support of responsible business behaviour) of the UN.
 - Enhance efficiency of using of natural resources in the society and contribute to the protection against climate changes on the Earth.
 - Systematically reduce our impacts on the environment.
 - Improve development of sustainable services whereas our application could serve as a good example.
- Slovak Telekom thereby involved in the efforts of leading European companies to take equal account of the economic, social and environmental aspects of



- Sustainability Charter within the European Telecommunications Networks Operators' Association – ETNO (in 2004)
- Strategy of sustainable development for Slovak Telekom (in 2005)

Having adopted the Sustainability Charter of the ETNO we have committed to connect to the utmost our business activities and the environmental, social and economic responsibilities where it is possible and minimise all negative consequences which can be caused by such activities.

By the sustainable development strategy of Slovak Telekom which is based on the strategy of Deutsche Telekom, we have committed to:

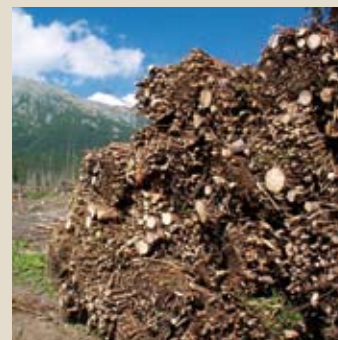
- Introduce into practice internationally acknowledged human rights, labour standards and environment protection within the company-wide framework as

doing business. It contributes significantly to improving protection of the environment, business morals, the quality of life of citizens and employees and thereby also to the perception of Slovak Telekom, a. s. as a highly responsible and respectable company.

The main areas of Slovak Telekom's influence on the environment quality is water, heat and electric power consumption, fuel combustion in motor vehicles and building and maintenance of telecommunications networks. Running its facilities the company uses substances potentially dangerous for particular components of the environment, water and soil, like for instance crude oil products, polychlorine biphenyls, heavy metals and Freons. Our company produces wide variety of waste of which ca. 10 % is hazardous waste.

“A film about the power of nature and the adventure of discovering the ‘forgotten’ world. A film to touch the gentle part of our being...”

Project: Support of ‘Amazónia Vertical’, a document by Pavol Barabáš



Protection of atmosphere and the Earth’s ozone layer and protection against climate changes

Slovak Telekom mainly contributes to air pollution and to the processes leading to climate changes in an indirect way – by electric power and heat consumption. We aim at reducing the production of polluting substances by means of more economical consumption of powers, more rational using of motor vehicles, reduction of fuel consumption and step-by-step changeover to alternative fuel types, i.e., compressed natural gas.

When providing the telecommunications services we use air conditioners containing substances damaging the Earth’s ozone layer (Freons). In Slovak Telekom we proactively carry out check-ups of chlorine difluorine methane on a half-year basis. We have not recorded any fluorine leak into the air or other breach of rules.

We contribute to mitigation of consequences resulting from climate changes by reducing gas emissions into the air.

Water management and protection

We are of the opinion that water consumption and treatment of substances which may endanger the underground and surface water quality are very important issues from the aspect of the environment. In 2005, the total water consumption was 249.240 m³, which means a reduction by 53 % compared to 2004. We also closed down the operation of and removed 25 underground containers for Diesel oil storing which were dangerous since they could have caused the underground and surface water pollution.

We also paid a special attention to waste water quality and sewage treatment in our own facilities – sewage treatment plants and grease and oil traps.

Waste management

In 2005, we recorded an increase of electronic waste (1,473 t) and discarded lead accumulators (319 t), which was caused by a massive replacement of old technologies. The fact that despite of the higher amount of such waste we succeeded to deliver almost 100 % of it for recycling is a big success. We have been paying a special attention to one of hazardous waste categories – discarded tar-impregnated telephone poles. Since the number of entities participating in the production of tar is very high, to ensure a correct handling of it is highly demanding. In 2005, we arranged for disposal of 217 tons of such waste.

Protection of the environment

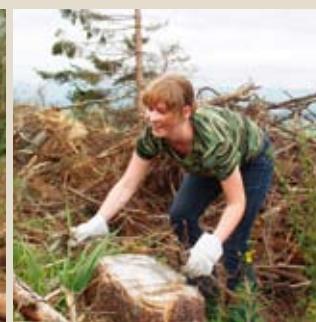
The environment protection improved in Slovak Telekom in 2005 in terms of its quality. This fact is also supported by the amount of SKK 3.837 mil. which was invested into devices reducing the impacts of our company on the environment. We kept in step with new legal measures aimed at alignment of legal milieu and improvement of the environment protection in the EU countries. We succeeded to accomplish tasks and

systematically overcome legacy shortcomings and remove old environmental burdens also in the intricate conditions of transformation of our company.

In compliance with the targets established by Deutsche Telekom Group we are increasing the proactive approach to the environment protection, setting particular objectives, increasing the efficiency of the internal audit, checking the inputs of all suppliers and towards the general public, our customers and the shareholders declaring the positive approach to the environment protection.

We support the environment protection by environmental marketing orientation, increase of the environmental awareness and inclusion of the employees into environmental events via sponsored projects. We wish to show our company's positive approach to the environmental protection.

Our company's products also actively contribute to the negative environmental influence reduction, mainly utilisation of communication and information services instead of transportation of goods and persons, which has increased the efficiency of the utilisation of natural resources in a nationwide scope.



“With its commitment to sustainable development of economy, the Deutsche Telekom Group acknowledges the global awareness that the harmony and balance of the three basic pillars: economic growth, protection of the environment and the social aspect equally promote development.”

Awards for Our Corporate Socially Responsible Behaviour

We help in order to make others happy. Of course, we appreciate when our philanthropic and social responsibility activities are praised by both experts and the wide public. International awards we have been granted always give us pleasant satisfaction, since they are a signal that our aid has a deeper meaning, too.

Our PCs for Schools project was "Highly Commended" by the international expert jury of the World Communications Awards 2005 contest. The supply of over 22,000 PCs and other communications

The PCs for Schools project, implemented in Slovakia thanks to a SKK 1 billion donation of our parent company, Deutsche Telekom AG, also recorded success at the prestigious European event – The European Marketplace on CSR – in Brussels. The expert commission ranked the project among the 100 most successful projects contributing to community development.

Our internetisation efforts received one further award. In May 2005, the Pontis Foundation awarded the



hardware to some 3,600 schools and their subsequent connection to the Internet has not only been the largest informatisation project of Slovakia's schools, but also a unique world-wide project in terms of timing and organisational aspects.

Via Bona Slovakia 2004 prize to the PCs for Schools project. The prize is awarded to business entities for their non-commercial cooperation with non-governmental organisations aimed at developing society, supporting education and social aid.

All of these awards prove that helping wherever necessary truly is meaningful and convince us that everything we do to the benefit of others really matters.



“I extremely appreciate this award, as it also is a way of ‘thank you’ from primary and secondary schools in Slovakia, to which we donated PC classrooms.”

Miroslav Majoroš, Chairman of the Board of Directors and President/CEO

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