



# THE FUTURE LOOKS MAGENTA



## FOREWORD BY THE MANAGING DIRECTOR

Let me extend a warm welcome to our 2016 annual report. I'm glad you are taking the time to read what we have been busy with in 2016, and promise that it will be worthwhile!

Beyond the celebrations in 2016 – T-Systems Slovakia turned 10 – there are also a lot of other things that we achieved in the year. Besides covering these achievements, I want to give you an impression which corner stones of the future development we put in.

As I have touched on it already, let's start with the most glamorous part of the year: Our 10-year celebration. For one week in October – the gala was held on 27<sup>th</sup> October – Košice was, or at least felt like, the center of T-Systems' world. I had various conversations here where visitors told me that they finally met the people from other parts of T-Systems that they have worked with for years, but never physically met! It makes us proud to work with so many parts of the DTAG group and get them together here in our homebase in Košice. Our wider cooperation with the rest of the group is growing in fact, as Tel IT, TC Division, DTSE and iPPS increase the scope of services delivered. At the same time, IT Division as the largest, and most mature, part of our business is at the forefront of the seismic change that we see in the IT industry, moving from legacy systems to cloud based environments, private, public and hybrid.

The 10-year celebration was not the only festive thing in 2016. A good number of other things also gave us opportunity to get our best outfits out: We celebrated the first graduation of our Dual Education students, a project my predecessor Thomas Bogdain started, and that is coming to fruition now. All 22 graduates could be placed in the company immediately, evidence to the fact that the education they receive is needed, and contributes to young talents staying in the region.

What more? Quite a number of awards indicating that we are doing something right. We were awarded as the Best Employer (Najzamestnavateľ) in the IT and Telecommunications in Slovakia 2016. The best shared service center in CEE. And the Project of the Year 2016 with our global flagship product Open Telekom Cloud. Besides all these professional awards, we also have to report that our hockey team won the 2<sup>nd</sup> award for the best team in the city!

All this wouldn't be possible without our people. Here, we are still growing in some areas, pushing us very close to 4000 staff in Košice. At the same time, we see a rapid change in the demands on the resources that we provide.

In the past, we contributed the major part of our value to DTAG through lower labor cost. That is changing. We have built up experience and skills in the last 10 years that are unique in the group. Increasingly, there is a demand to bring this experience, and our people's skills, into the group to make the global organization more competitive. At that stage, labor cost becomes second priority.

The change required – from a focus on lower labor cost to value creation for our customers – is something that we have put in the center of our strategy for the next years. As diverse as the units in T-Systems Slovakia are in how they serve customers, the drive to improve the conversion of knowledge and experience we hold into actual customer value is shared by everyone across the organization. This approach resonates well with internal and external customers, something we recognize almost daily from the feedback of different parties visiting our premises, driving our business forward together.

One cornerstone of our services remains unchanged: The quality we deliver to our customers. It is what has fuelled the growth in the last years, and it is something we focus on every day. 2016 has seen a number of high profile initiatives to improve quality in specific fields, as well as a continued attention on keeping the quality level in the entire organization at the high level our global Zero Outage programs aim at.

Almost 4000 staff also means that T-Systems Slovakia needs to take responsibility in the society we operate in and are a part of. Giving something back is a task we take very seriously as the second largest employer in the region. In this context we have stepped up further with our Aity Senior classes – making IT understandable for senior citizens, and have sent a record number of volunteers to the national volunteering week. We are aware of the difference we can make in the structural economic change Eastern Slovakia is experiencing, and are committed to our workforce, the society we work in, and ultimately our location here.

Let me conclude with a note to the team here, that has made all of this happen. It's been great to work with you all, thank you for all the hard work in 2016!

Daniel Giebel



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# COMPANY PROFILE



T-Systems Slovakia is a dynamically developing company providing its services in the information-communication technologies (ICT) sector. The company was established in January 2006 as a subsidiary of T-Systems International, GmbH, a company with its headquarter office in Germany and itself a member of the global group Deutsche Telekom AG. Within the Deutsche Telekom group, the Slovak company offers services as an outsourcer, specializing itself in corporate clientele within Germany, the European Union and further across the globe. Thanks to its size, scope of operation and service quality, T-Systems Slovakia makes a sound contribution to the T-Systems brand being number one in the German market and is ranked amongst the top four ICT service providers in Europe. Since its foundation, T-Systems Slovakia has had its seat in Košice and is very closely linked with this region. The companies' most important asset and competitive advantage is its people, who are highly educated, reliable, ambitious and dynamic. The most recent awards T-Systems Slovakia got are the prize for being the Best Employer of 2016 in the field of IT and Telecommunications and The IT Services Firm of the Year CEE.



## WHAT ARE THE ICT SERVICES AND OUTSOURCING ABOUT?

T-Systems Slovakia remotely manages almost all components related to the ICT landscape, starting from a local or long-distance computer or communication networks, through a multitude of servers with different operating systems, SAP systems for enterprise resource management, ending with customized and customer-specific solutions for such diverse domains as toll collection or education and research.

## WHERE CAN ONE SEE THE SERVICES PROVIDED BY T-SYSTEMS SLOVAKIA?

Production hailing from T-Systems Slovakia cannot be found in a shop or warehouse. One can come in contact with its services only indirectly, however, on a daily basis – be it while shopping for major brands, buying petrol or cars. Taking it literally, if the provided ICT services are reliable, an ordinary consumer will not realize that a part of the ICT they utilize is delivered remotely from T-Systems Slovakia. In its portfolio T-Systems Slovakia has leading brands from the automotive, telecommunication and petroleum industries, and also financial or consultancy services.





# MANAGEMENT OF T-SYSTEMS SLOVAKIA 2016



**DANIEL GIBEL**

Managing Director

Vice President Production

Vice President Service



**MAREK REŠOVSKÝ**

Vice President Finance



**PAVEL JIREČEK**

Vice President HR



**JURAJ GIRMAN**

Vice President Telekom IT

# OUR VISION, MISSION & VALUES

T-Systems Slovakia is an integral part of the global group of Deutsche Telekom AG and an important member of its corporate services arm, T-Systems International, GmbH. Its vision and mission reflect the contribution our local company strives to deliver and successfully fulfill the global group's ambitions. Our vision is: "To be the most trusted outsourcing partner for ICT Services".

We consider our reputation as a trustworthy and reliable partner in delivering high-quality ICT services to our European and worldwide customers as the main factor and building a sustainable trademark of our company in Slovakia and Europe. We have an ambition to contribute to the sustainable growth of the competitiveness of T-Systems International in its entirety, as well as that of our mother group, Deutsche Telekom. We connect our trustworthiness tightly with the quality and professional attitude of our specialists and leaders. Thus, as a part of fulfilling our vision, we have an ambition to become the preferred employer not only on the regional level but also within Slovakia. Through continuous professional and personal development of our employees we want to keep increasing the flexibility and quality of the provided services, and thus actively contribute to the development of the entire Kosice region. Our mission is: "We deliver high quality, cost efficient and innovative ICT services to customers worldwide." Put it simply, we want to continue in delivering highly - added value from ICT services to our customers' core business. And indeed we are able not only to deliver high value but increase it annually. According to the economic



weekly Trend, T-Systems Slovakia is a company with the fastest growing value-added in the whole IT sector nationally and one of the most influential ICT players countrywide.

Last year, the mission of T-Systems Slovakia rested on four primary pillars, in which we saw a guarantee of our sustainable development:

- **High quality** – we are continuously evolving into a global competence center which is focusing on the development and operation of virtual ICT and business solutions center.
- **Cost efficiency** – we are focusing on provision of the highest possible quality of ICT and business services whilst keeping our cost base competitive and sustainable in the long term.
- **Innovative attitude** – we are proactively supporting the formulation and development of new ideas, solutions and delivery processes to achieve excellence in increasing the efficiency, effectiveness and quality of our ICT and business services.
- **Customer satisfaction** – we are leading our business through an international and global collaboration, react quickly and respond to the evolving needs of our customers.

## PORTFOLIO OF DELIVERED ICT SERVICES

T-Systems Slovakia serves two main markets – information and communication technology outsourcing solutions (ITO) and solutions for business process outsourcing (BPO). For our global corporate customers ICT Outsourcing is one of the main tools for improving their own economic performance and flexibility. It is also a mean that provides faster and cheaper access for customers to innovations or technological advantage, and last, but not least, it is a way of cutting operational costs for our customers. In practice, it is about a partial or full takeover of activities carried out by a customer's ICT departments, or by other providers of ICT services.

## DELIVERY AND OPERATION OF ICT SOLUTIONS AND SERVICES

### ICT services for telecommunication systems

This part of our portfolio is focusing on designing, managing and operating solutions for long-distance communication, typically fitting our global customers or customers with geographically distributed offices. Our main competences include:

- Voice and video services, including VoIP and telepresence
- Network and security related ICT services for local and wide-area networks
- Optimization of network capacity and performance

### ICT services for computing (server) systems

With this part of our portfolio we manage, operate and deploy shared ICT platforms that act as a foundation for customer-specific solutions. Our main competences include:

- Global Data Center networking and security
- Infrastructure as a Service (IaaS) and Cloud Computing and virtualization solutions
- Platform as a Service (PaaS) focusing on "SAP as a Service" platform
- Storage, back-up and recovery of data

### Services of customer operating systems and applications

With this part of our portfolio we manage, operate and deploy customer-specific systems and dedicated ICT solutions that underpin our customers' core businesses in several industrial sectors. Our main competences include:

- Virtualized systems of all major vendors
- Customer- and business sector-specific database and middleware solutions
- Customer portals and application solutions

## SOLUTIONS AND SERVICES FOR BUSINESS PROCESSES OUTSOURCING

### BPO services for finance & controlling

With this portfolio we act as a shared business services center towards our sister companies within T-Systems International network and Deutsche Telekom Group. Our main competences include:

- Global order-to-cash management (contracts, order entry, billing, account receivables)
- Global purchase-to-pay management (cost controlling, charging and pre-closing operations)
- Global shared services for finance & controlling (reporting, master data management, user account management, etc.)

### Sales, pre-sales and consultancy

This portfolio focuses on advanced services towards both T-Systems International and Deutsche Telekom Group. Our main competences include:

- Global business partners for finance & controlling
- Global ERP transformation programme support

## SHARED BUSINESS AND MANAGEMENT SERVICES

### Management, transformation and design of ICT services

This portfolio acts as an interface between our global customers, their ICT leadership and our solution deliver and operation teams. Our main offering includes:

- Global service delivery and account management
- Design of customer solutions and ICT architectures
- Project management and transformation of customer ICT systems and solutions

### Application and solution development

With this part of our portfolio we complement our strong delivery and operational competences, and offer our customers also service of software engineering and consulting. Our main competences include:

- Software development, testing and consulting for SAP solutions
- Software development, testing and consulting for non-SAP solutions

### Applied research, development and support for strategic global portfolio

The smallest but most dynamic section of our portfolio aims at exploring new opportunities in terms of new ICT products, new business models or new ways of process execution. Our main competences include:

- Emerging software-defined networking platform
- Cloud solutions engineering and development
- ICT process automation, engineering and development

Year 2016 was an exciting year for T-Systems Slovakia also from the portfolio viewpoint. We further developed our software development competences and are becoming a competence center for SAP and ABAP development. Within the ICT domain we entered the Big Data and OpenStack worlds, both elements with strategic global focus of our dedicated Digital Division. In the telecommunication domain we established a strategic partnership with ngena – the global alliance led by Deutsche Telekom AG aiming at delivering industry-strength global network solution on the foundations of software-defined networking philosophy. Within BPO segment we were recognized by the global Deutsche Telekom Shared Services Europe, a subsidiary of Deutsche Telekom for BPO, as one of its four strategic hubs.



## 2017 +: FROM PRESENCE TO THE FUTURE

Year 2017 will mark the beginning of a new decade – having celebrated 10<sup>th</sup> anniversary in 2016 of establishing the base in Košice, we enter the next decade with close to 4000 highly qualified employees. We are the second largest company in the ICT sector in Slovakia now, and at the top with respect to creating added value from our business pillars. In fact, focus on value and our capability to continuously increase the value we deliver to our customers, is at the core of refreshing and reenergizing our strategy. On one hand we expect our added value creation will be fueled by our modernized telecommunication and application development portfolio and competences, both tightly aligned with the strategy of Deutsche Telekom AG. On the other hand we see an important source of value also in the deep know-how of ICT markets enabling automation and continuous service improvement, especially in the ICT infrastructure.

T-Systems Slovakia is the company with fastest growing added value in Slovak IT sector. Our value added created for our customers during 2016 reached Eur 110,8 Mio, and thus exceeded the previous year by 10%. Value added growth goes hand in hand with a growth in revenue (10.2%) and represents 80% of our annual revenue (sales). This direct contribution to the regional GDP shall be viewed also in the context of total economic impact of our company on the region. In terms of economic impact, the presence of T-Systems Slovakia in Košice region has induced additional increase in regional productivity by Eur 117,5 Mio. Our regional presence has led to creating Eur 19 Mio of income from the jobs directly creating by our ordering of services and spending in the city and the region. This can be translated to approximately 1 030 jobs being in existence thanks to successful commercial activities of T-Systems Slovakia in the region. Our presence in the region also induced additional value added in our regional supplier and partner network, which amounted in 2016 to fantastic Eur 48,8 Mio (which comes on top of our own value added). During its 11 years of existence, T-Systems Slovakia has generated in cumulated total Eur 585 Mio of added value and cumulatively contributed to the regional GDP by inducing additional Eur 232,3 Mio of added value in total over the same period. We are proud of these numbers. They clearly show that T-Systems Slovakia is not only successful business, but also business with a high degree of socio-economic impact on its home region and a proud socially responsible employer to its home region.

Reflecting on 2016 our earlier decisions to develop know-how in technologies like OpenStack, Docker, Hadoop and similar proved to be well aimed and well timed. During 2016 our telecommunication division worked on Intercloud solution together with Cisco as our strategic global partner. Although the Intercloud

stream has ended during 2016, it provided an excellent foundation to become an outsourcing partner for ngena – the global alliance led by Deutsche Telekom AG aiming at delivering industry-strength global network solution on the foundations of software-defined networking. Similarly, another strategic portfolio element of the Deutsche Telekom group – Open Telekom Cloud – has matured and T-Systems Slovakia was again a part of the winning team. We expect that all these offerings based on the shared foundations of OpenStack will be strengthened in 2017 and enable us to deliver a greater contribution to relevant global projects from our Košice base.

In the ICT parts of our portfolio we are keen to make our presence more visible not only at the end of value chain in the operation of ICT solutions. Within some areas our Slovak company has developed a position of the unique know-how holder globally. During 2016 we embarked on the path to evolve from an administrator of global platforms to “co-designer and co-developer” of new offerings, focusing in particular on automation, zero touch workflow execution and further virtualization.

In 2016 T-Systems Slovakia’s board of management launched an ambitious strategy refresh and change programme that is based on an updated premise: delivery of ever-increasing value to our customers. We see five channels for achieving this ambition underpinned by one core resource – our people:



Speaking of right skills and competences, we plan to strengthen particularly competences to lead, design, innovate and take overall responsibility for larger parts of the global value chain. During 2016 we inducted 600 newcomers into available positions. In 2017 we are likely to face a continued challenge in attracting 300–500 new job entrants, increasingly into more complex positions and roles, such as ICT architects, solution designers, service managers or ERP consultants. This challenge is clearly visible if we compare our skill needs with the strategic market analysis our company prepared for Kosice Self-governing Region during 2015. According to this study, local market shows a structural gap between positions on offer and available graduates that is likely to reach ratio of 1 candidate for 3 newly created jobs! In other words, ready-made ICT graduates will be in short supply also in 2017.

In 2016 we have seen the first graduates of our flagship programme of dual vocational education. We expect a similar output also in 2017; however, it is clear that we will not plug the skill gap with this programme alone. In 2017 we plan to upgrade our educational pilots with the local Technical University into a similarly managed dual study programme, whereby we will focus on developing hands-on vocational and soft skills at the university level, both Bachelor's and Master's. The programme expected to be started in September 2017 will focus on the areas where the gap is most striking – senior software developers, ICT engineers, designers and consultants, and also service managers. In the first year, we plan to engage some 30 to 50 students of the local Faculty of electrical engineering and informatics in this “dual study academy”.

A new skill development stream has been designed in collaboration with Kosice IT Valley, local sectorial cluster that brings together all major ICT players in the region. Together with the cluster we will be offering a series of qualification courses and programmes to non-ICT students and potentials from the local universities, thus equipping them with relevant skills prior to applying for a job in the ICT company. While this initiative is unlikely to resolve the challenge with more complex jobs, it can ease the pressure on finding sufficient numbers of candidates for the entry level profiles.

From the risks and threats point of view, a particular risk for T-Systems Slovakia arises from the scarcity of qualified resources to fuel our ambition of increasing value of our ICT services. Kosice is no longer a location that can be perceived as low cost. Low cost alone will not be a competitive advantage anymore... Due to dynamics of the ICT industry in Europe and worldwide, we see our new competitive advantage in our capability to keep creating new jobs in value-added parts of our portfolio faster than the local labour market can fill up. However, both lack of qualified resources on the local market along with potential drain of competences to the western Slovakia and beyond Slovakia carry a degree of risk that will continue to be closely assessed by the local management. We are actively preparing for this

scenario and intensifying our work with talents and potentials among students and also among existing workers. To counter the threat we will continue working systematically with local schools and universities to guarantee continuous inflow of fresh talents.

A certain threat is stemming also from the ongoing push for automation and digitalization, where the nature of outsourcing business model is threatened. This is similar to the impact Industry 4.0 will be having onto production facilities. Automation and digitalization are likely to reduce the number of people needed to operate ICT landscapes, but that is not the primary threat – in fact, this will accelerate the growth of higher-value skills and reshaping of our skill pyramid towards higher expertise levels. We see a more significant threat in the fact that automation and digitalization will place demands on new skills and competences that are not yet developed on the local educational and labour markets.



From the strategic point of view, our focus for 2017 will be to establish a mechanism to improve value delivery by means of leveraging the competences and attitudes of our people, enabling the culture of sharing and ownership and instilling the mindset of continuous improvement of our processes, our services and indeed ourselves.

# THE POTENTIAL OF DUAL EDUCATION

A fast growing business has increased the need to have the right employees with the right set of skills in a company. Within the project which started in 2013, T-Systems Slovakia offers the Dual Education Programme in the field of information and communications technology (ICT) to the graduates of various secondary schools in Slovakia, which are interested in IT technologies. The above mentioned education programme is designed for potential employees at TSSK and at the same time it significantly contributes to the regional development. Dual Education is realized in cooperation with the Secondary Electrotechnical School in Kosice, with the support of Kosice self-governing region and the German-Slovak Chamber of Industry and Commerce as the authority for certification. As the first ICT company in Slovakia, we have received a certification authorizing T-Systems Slovakia to provide practical education under the umbrella of the new dual education system legislation starting from September 2015.

The Dual Education Programme is a three-year higher vocational education in the ICT area that supports a close cooperation between both the educational and business spheres. It is characterized by combining apprenticeships in a company and vocational education at school in one course. Trainees develop their hard and soft skills, the aim of which is to match the employer's requirements with the knowledge and skills acquired by secondary school graduates. It offers students what they are missing today – practice. Up to 70 % of study is composed of practice in a real working company



environment. The programme offers the trainees a unique opportunity to use their potential in the ICT area.

## HARD WORK PAYS OFF

Since the beginning more than three years have passed and the education project is moving on. In June 2016 we have beaten a new milestone when the historically first graduation ceremony took place. 22 young talents graduated in a big style. They were the first to undertake education following a successful German model and obtain the title of „certified specialist“ (DiS) and 17 of them also received a specialisation certificate of competence from the Slovak-German Chamber of Industry and Commerce, equivalent to the German “Fachinformatiker” (computer system specialist) certificate. In July 2016 all graduates started their careers within T-Systems Slovakia as full time employees.

Thanks to the graduates' familiarity with the company environment and processes we could count on them as full-valued team members from the first day. Once they are employed by the company they can start with daily tasks without further trainings. This is the biggest difference compared to people who come outside of T-Systems Slovakia.

## THE GAME IS NOT OVER YET

The Dual education programme made a long journey up until now and brought its first successes. As of August 2016, 13 employees of T-Systems completed a training „Ausbildung der Ausbilder“ and gained new knowledge and skills in pedagogy, didactics, preparation of lesson plans and students assessment. They received the German certificate which allows them to educate within the German dual model as well as it means the fulfilment of the requirements to implement the German model in Slovakia.

With 67 trainees on board, five of who are women, the program is running well and it is meeting all the desired company goals. However, our work doesn't end here and there is still room for improvement. We will pursue to continuously innovate the teaching methods, improve the qualification level of teachers, lecturers and students, and increase the quality of the whole programme.







# FINANCIAL REPORT

Current liquidity of 2,10 means that the company is able to pay its liabilities.

Return on Capital Employed (ROCE) is 30,50% means that there is 30,50 cents of profit per each Euro invested.

Total debt of 43,60% represents a share of foreign capital, i.e. the company covers 56,40% of its assets by its own resources.

The increase in revenues for services compared to 2015 is valued at 12 021 194 EUR.

After 31st December 2016 there have not occurred any events requiring publishing or disclosure in the financial statements and annual report for 2016. T-Systems Slovakia does not have any organizational unit abroad. At the balance sheet date, the statutory body of the Company had not presented a proposal for distribution of 2016 profit.

## TSSK REVENUE 2016

Type of Service	2016
Operation and remote administration of operating systems and virtual ICT infrastructures	57 429 739
Operation and remote administration of SAP platform	18 962 380
Operations and remote administration of customer applications	22 219 146
Operation, administration and monitoring of remote	14 949 290
Sale of goods to the end customer	0
ICT Service Management and support	8 267 312
Project Management	9 182 601
Others	4 637 200
<b>TOTAL:</b>	<b>135 647 668</b>





# HUMAN RESOURCES

The companies' most important asset and competitive advantage is its people, who are highly educated, reliable, ambitious and dynamic. Only through the motivated and satisfied employees the company can successfully meet its goals. On 31.12.2016 T-Systems Slovakia employed 3898 employees which is 150 employees more than previous year. In terms of education level, more than 60% of employees have a second university degree. Average age of employees is 32,34 years.

## EMPLOYEE DEVELOPMENT

T-Systems Slovakia aims to become a mature and everlearning organization by means of the continuous development of its employees, which is perceived as the core strength of the organization. The company supports the development of employees' skills and leads them to increase their maturity through a range of programs, training sessions and courses, which can be categorized into the following groups: hard skills (ICT) training, soft skills training, methodology training, and language training. Development trainings, courses and special programs of T-Systems Slovakia help employees to keep the pace with the trend. As many as 3199 employees took part in at least one training last year. The development of employees has been an inevitable part of the success of T-Systems Slovakia during the past years. The company belongs amongst the top investors into educational and development programs in the entire Slovak Republic.

EACH EMPLOYEE ATTENDED 5,05 TRAINING DAYS IN 2016 ON AVERAGE.





# CREATING A BETTER BALANCE OF LIFE AND WORK

T-Systems Slovakia mission to mobilize personal, social, and business networking demands increased flexibility from employees. The company balances this challenge by granting its workforce greater freedom to harmonize work, individual life styles and private life. T-Systems Slovakia employees are its key to organizational health, economic growth, and financial success. An attractive and wide-ranging work-life portfolio guarantees ongoing motivation with a better life quality, encourages physical and mental well-being, and contributes to a positive working environment.



## HEALTHCARE

The physical and mental well-being of the workforce is an issue particularly close to our hearts. Throughout the year, several specialists are available to all employees such as general practitioners, dermatologists, orthopedic surgeons and psychologists. Two times per year the company organizes the so called Health Weeks, where employees can test their health condition and take part in various exercises. At the same time, they have an opportunity to donate blood right in the premises of T-Systems Slovakia. After a busy day at work, employees can also enjoy body massages and a range of sport exercises.

## FLEXIBLE WORK-TIME MODELS

Individual life planning depends on more than just a job. T-Systems Slovakia accommodates employees with different options such as flexitime and part-time work models, for example home office, educational leave, or sabbaticals. In 2012 the company launched the Work Life Coaching Program, which offers all employees the opportunity to have their own personal consultant. With the help of consultants, our employees can easily overcome personal problems accompanying their lives.

## BENEFITS

In addition to the basic principles of rewarding employees stipulated by the Labor Code, the company motivates its employees using a dedicated, the so called Benefit Cafeteria Program. The company is offering individual as well as generally-shared benefits. Generally-shared benefits are offered to all employees in the shape of discounts, benefits, weekend events, offers, awards and special reward programs such as Best Employee. Individual benefits are oriented towards four basic categories: Health, Leisure, Education, and Travel and commuting to work, which are offered in the shape of an annual financial allowance. In addition T-Systems Slovakia regularly organizes weekend events, sport competition in futsal, competitions for concert tickets, as well as large company-wide events including the participation of family members. Those events are highly popular among employees.

## EMPLOYEE SATISFACTION

T-Systems Slovakia is a part of Deutsche Telekom Group, which organizes an employee satisfaction survey every two years, in which our company also takes part. The company is also measuring employee satisfaction using other tools, such as attrition ratio, and the new employee recommendation program (which is also a financial benefit for the recommender).







# RESPONSIBILITY TOWARDS THE COMMUNITY

## T-SYSTEMS SLOVAKIA DONATION FUND

In 2013 T-Systems Slovakia Fund was created. Its grant program "T for all, all for T" granted money to NGO projects for the third time in succession.

The fund supports projects run by local groups and organizations where employees are actively involved. It includes NGOs implementing small self-help projects. There are also opportunities for employees' to apply creative and innovative ideas for improving lives where they live. Support can also be provided for employees in their volunteering work in order to highlight the close link between career and professional life through out-of-workplace activities.



Eight NGOs from the Košice and Prešov regions each received donations of max EUR 2,000. The following three projects provide an example of activities supported by the fund in 2016:

**Ride safely:** This project involves a „foampit“ pool with a retractable roof being built at the “Dirtpark Drábova” public cycling facility. This project will provide safe acrobatic jumping practice for children and teenagers.

**Agility as a sport for young people:** The aim of the project is to improve the quality of agility training sessions in Kosice by purchasing hurdles. This will increase the number of athletes taking part in this sports discipline which combines doing sport with looking after a pet. The project is a great way of teaching young people about the right attitude toward animals and combining this with sport.

**Sport with Belo:** the aim of the project is to develop the areas affected in children with autism and to improve their physical fitness through sporting activities.

## SUPPORTING THE EDUCATION

Since 2006, T-Systems implemented several educational activities to raise awareness of ICT, particularly in the eastern region. Cooperation of T-Systems with educational institutions is covered by the training program “IT Academy”. The program supports working with high, middle and primary schools. Last year, T-Systems Slovakia organized various Summer & Evening IT courses in basics of ABAP programming language, basic of SAP program, basic knowledge of networking (CCNA 1-4), basics in processes and project management. This program is targeted at students and the general public willing to learn ICT. This activity was founded in 2006 and is regularly repeated and is fully covered by T-Systems. The company also offers the possibility to perform a bachelor and master theses for students. T-Systems Slovakia is also involved in the national project “Universities as Engines of a knowledge society” which is co-financed by the EU funds. The project is designed for all types of university education - Bachelor, Master and PhD students. In the project there were involved students in short excursions in the company and their practice in real working conditions. During this period the students processed specific technical topics within IT. In 2016 T-Systems also collaborated with the secondary vocational schools in the region in order to increase the attractiveness of IT education and trainings. There were organized open door days to provide work experience for students and summer IIT camps for pupils of elementary schools.

## VOLUNTEERING

Painting a school fence, organizing Kids Day at the Beach Club in Košice, helping in a dog shelter or continuation in teaching basic computer skills for seniors. These were just a few activities in 2016 by which T-Systems Slovakia employees supported the community in the Eastern Slovakia as volunteers. The special project called AjTy Senior was launched in 2013 and its still more and more successful series are the evidence of the fact that there is no age limit in IT education. This project is aimed at the needs of seniors by for example calling their grandchildren or reading newspapers on the internet. 20 volunteers from T-Systems Slovakia were actively engaged in the project and led this course during the two terms with 40 students – seniors. Besides that the company traditionally participated at the all-state event Our City. The aim was to physically support several activities, for example repair of old castles or reconstruction of a fence.

## KOŠICE IT VALLEY

T-Systems Slovakia is an active member - and not to mention one of the founding members - of the association of legal entities operating under the title Kosice IT Valley. The aim of the association is to establish a center of excellence in information and communication technologies in the East Slovakia region with the purpose of making the regional socio-economic environment more attractive, especially for young people. The association aims to contribute to building an information and knowledge-focused society in the east of the country, building a communication platform between public authorities, local businesses and local educational institutions, which shall thus lead to an accelerated development of the ICT industry in the region. The association welcomes anyone who is willing to contribute to achieve these goals.



## LIFE & CULTURE IN THE KOŠICE REGION

During the year the company supported several cultural activities. Since 2009 T-Systems Slovakia has been supporting the International Peace Marathon in Kosice, the second oldest marathon worldwide. Hundreds of employees participated in different categories in 2016. T-Systems Slovakia supported other sport events as well, for example the accompanying activity by the International Peace Marathon called Water Marathon 2016, taking place during the same marathon weekend. In August 2016 T-Systems Slovakia was the main partner of the Royal Mountain Bike Marathon in Granč Petrovce where almost 40 employees participated.



## RESPONSIBILITY TOWARDS THE ENVIRONMENT

T-Systems Slovakia has continued with its implementation of an active environmental policy based on its corporate values. By regular checking of energy consumption and increase of fossil fuel and energy consumption efficiency, T-Systems Slovakia was able to mitigate its negative impact on the environment. In 2013, T-Systems Slovakia identified a disproportional increase of energy consumption to an increase of a number of employees. For that reason, during the year 2013 and 2015 the company installed reactive power compensators to use electricity more efficiently and to diminish the negative trend in energy consumption. Thanks to these provisions the energy consumption is on the same level since 2013 despite the increasing number of employees. During the year, T-Systems Slovakia organized internal communication campaigns for its employees to educate them how to use electricity more efficiently and to enhance their environmental concerns. The company continuously achieved to keep its CO2 emissions in accordance to the regulations and within the range set by Deutsche Telekom. Thanks to these efficiency improvements, T-Systems Slovakia was able to lower its increase of energy consumption per head.

	2015	2016
#FTE	3658	3898
Electricity consumption/FTE [kWh]	1027	1025





A person in silhouette is standing on a balcony or walkway, looking out a large window at a city skyline. The scene is bathed in a magenta light, and the person's reflection is visible on the floor. The text 'THE FUTURE LOOKS MAGENTA' is overlaid in large, white, bold letters.

# THE FUTURE LOOKS MAGENTA