

2014 CORPORATE RESPONSIBILITY REPORT

GRI INDEX

GLOBAL COMPACT COMMUNICATION ON PROGRESS



LIFE IS FOR SHARING.

GENERAL STANDARD INFORMATION

Indicator Reference Checked

Strategy and analysis

G4-1 Board of Management statement

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- > Strategy and management > Risk and opportunity management
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Organizational profile

G4-3 Name of the organization

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G4-10 Total workforce

- > Performance indicators > Social and HR performance indicators > Part-time employees at the Deutsche Telekom Group in Germany

The differentiation between employees based on employment contract is not yet available but will be included in the future. A breakdown of the workforce according to employees and external supervised staff is not

Indicator Reference Checked

included. The expense and effort involved in collecting this information would be too high in relation to its informative value.

G4-11 Employees covered by collective bargaining agreements

57 percent of all employees worldwide and 68 percent of all employees in Germany were covered by collective agreements in 2014.

G4-12 Supply chain

- > Suppliers > Supply chain management

G4-13 Significant changes regarding size, structure and ownership structure

We have no central documentation of all changes in our supply chain of more than 30,000 suppliers, e.g., changes in supplier location. None of our business relationships with suppliers were ended during the reporting period due to failure to comply with our sustainability requirements.

G4-14 Addressing the precautionary approach

Risk management, compliance management and the ESG KPIs provide approaches for proactive action at Deutsche Telekom.

- > Strategy and management > Risk and opportunity management
- > Strategy and management > Compliance
- > Strategy and management > Finance

G4-15 External charters, principles or other initiatives

- > About this report > Global Compact Communication on Progress
- > About this report > German Sustainability Code
- > Strategy and management > Values and Guiding Principles
- > Strategy and management > Values and Guiding Principles > Code of Responsible Conduct for Business
- > Strategy and management > Stakeholder involvement > Involvement formats > Overview of memberships and collaborations

G4-16 Memberships in associations and advocacy organizations

- > Strategy and management > Stakeholder involvement > Involvement formats > Overview of memberships and collaborations

Due to reasons of confidentiality it is not possible to list our memberships and collaborations based on strategic aspects. Our policy on political advocacy applies to our involvement in committees and associations.

- > Strategy > Stakeholder involvement > Lobbying

Indicator Reference Checked
A breakdown of the table based on committees in which Deutsche Telekom holds a leading position will be available next year.

G4-17 Corporate structure

Identified material aspects and boundaries

 www.telekom.com/worldwide

Places of operations, subsidiaries & affiliates

Deutsche Telekom Headquarters: Bonn, Germany

Country	Subsidiaries and affiliates	Stake held by Deutsche Telekom (directly/indirectly)
Albania	AMC (Albanian Mobile Communications Sh.a)	99.79 % of shares held by OTE
Belgium	T-Systems Belgium NV	100.00 %
Bosnia	T-Systems d.o.o.	100.00 %
Bulgaria	Novatel EOOD	100.00 %
	T-Systems Bulgaria EOOD (03.01.11)	100.00 %
Denmark	T-Systems Nordic TC A/S	100.00 %
Germany	Group Headquarters	100.00 %
Former Yugoslav Republic of Macedonia	Makedonski Telekom AD	51.00 % of shares held by Magyar Telekom
	T-Mobile Macedonia AD	100.00 % of shares held by Makedonski Telekom
France	T-Systems France SAS	100.00 %
Greece	OTE (Hellenic Telecommunications Organization S.A.)	40.00 %
	Cosmote (Cosmote Mobile Telecommunications S.A.)	100.00 % of shares held by OTE
	T-Systems Information and Communication Technology E.P.E.	100.00 %
United Kingdom	Everything Everywhere Limited	50.00 %
	T-Systems Limited	100.00 %
	Deutsche Telekom (UK) Ltd	100.00 %
Italy	T-Systems Spring Italia srl	100.00 %

Country	Subsidiaries and affiliates	Stake held by Deutsche Telekom (directly/indirectly)
Croatia	Hrvatski Telekom d.-d.	51.00 %
Luxembourg	T-Systems Luxembourg S.A.	100.00 %
Montenegro	Crnogorski Telekom A.D.	76.53 % of shares held by Magyar Telekom
Netherlands	T-Mobile Netherlands B.V.	100.00 %
	T-Systems Nederland B.V.	100.00 %
Austria	T-Mobile Austria GmbH	100.00 %
	Software Daten Service Gesellschaft m.b.H.	100.00 %
	T-Systems Austria GesmbH	100.00 %
Poland	T-Mobile Polska S.A.	100.00 %
	T-Systems Polska Sp.z o.o.	100.00 %
Romania	Combridge S.R.L.	100.00 % of shares held by Magyar Telekom
	Telekom Romania Mobile Communications S.A.	70.00 % of shares held by Cosmote
	Telekom Romania Communications S.A.	54.01 %
	T-Systems ICT Romania S.R.L.	100.00 %
Russia	T-Systems CIS	100.00 %
Switzerland	T-Systems Schweiz AG	100.00 %
Slovakia	Slovak Telekom, a.s.	51.00 %
	T-Systems Slovakia s.r.o.	100.00 %
Slovenia	T-Systems, informacijski sistemi, d.o.o.	100.00 %
Spain	T-Systems ITC Iberia, S.A.	100.00 %
Czech Republic	T-Mobile Czech Republic, a.s.	100.00 %
	T-Systems Czech Republic, a.s.	100.00 %
Turkey	T-Systems Telekomünikasyon Limited Sirketi	100.00 %

Indicator	Reference	Checked
Country	Subsidiaries and affiliates	Stake held by Deutsche Telekom (directly/indirectly)
Ukraine	Novatel Ukraine LLC.	100.00 % of shares held by Magyar Telekom
	TOB T-Systems Ukraine	100.00 %
Hungary	Magyar Telekom Nyrt.	59.30 %
	IT Services Hungary Szolgáltató Kft.	100.00 %
Canada	T-Systems Canada, Inc.	100.00 %
Mexiko	T-Systems Mexico S.A. de C.V.	100.00 %
USA	T-Mobile USA, Inc.	67.00 %
	T-Systems North America, Inc.	100.00 %
Argentina	T-Systems Argentina S.A.	100.00 %
Brazil	T-Systems do Brasil Ltda.	100.00 %
India	T-Systems Information and Communication Technology India Private Limited	100.00 %
Japan	T-Systems Japan K.K.	100.00 %
Malaysia	T-Systems Malaysia Sdn. Bhd.	100.00 %
Singapore	T-Systems Singapore Pte. Ltd.	100.00 %
People's Republic of China	T-Systems P.R. China Ltd.	100.00 %
South Africa	T-Systems South Africa (Pty) Limited	70.00 %

G4-18 Defining report content ✓

➤ Strategy and management > Stakeholder involvement > Results of the materiality process

G4-19 Material aspects ✓

The purpose of our multi-phase materiality process is to identify topics that are relevant to our sustainability management practices. You will find information regarding the results in the matrixes on the section introductory pages and in the section on the G4-20 indicator. We have selected a top ten from the aspects we have identified as relevant in order to provide a clearer picture of the strategic value of these results:

- Group-wide climate protection

Indicator Reference Checked

- Customer enablement
- Sustainability in the supply chain
- Digital inclusion
- Compliance with human rights
- Data privacy and data security
- Responsible network expansion
- Customer satisfaction
- Diversity, health and other HR issues
- Waste and recycling

The content of these topics have also undergone an external review, which is indicated in the report by a check mark.

G4-20 Material aspects within the organization ✓

Topics that are relevant for Deutsche Telekom are identified in the course of the materiality analysis. These topics involve environmental, social and economic impacts that are caused by activities both within and outside of our company. The CR report covers both dimensions. The table below shows whether these impacts are primarily due to activities in our company, our supply chain, our customers or in our business environment.

➤ About this report > Independent assurance report

Economic	Impacts / Aspect delineation
Economic performance	Supply chain, Group, customers, society
Indirect economic impacts	Society
Procurement	Supply chain, Group
Environmental	Impacts / Aspect delineation
Energy	Supply chain, Group, customers
Emissions	Supply chain, Group, customers, society
Effluents and waste	Group, customers, society
Products and services	Customers
Compliance	Group
Transport	Supply chain, Group
Supplier environmental assessment	Supply chain (direct and sub-suppliers)
Social	Impacts / Aspect delineation
Labor practices and decent work	
Employment	Group
Management/labor relations	Group
Occupational health and safety	Group
Training and development	Group
Diversity and equal opportunities	Group
Equal remuneration for women and men	Group

Indicator	Reference	Checked
Supplier labor practices assessment	Supply chain (direct and sub-suppliers)	
Labor practices grievance mechanisms	Group	
Human rights	Impacts / Aspect delineation	
Investment		
Non-discrimination	Supply chain, Group	
Freedom of association and collective bargaining	Supply chain, Group	
Child labor	Supply chain	
Forced or compulsory labor	Supply chain	
Review	Supply chain, Group	
Supplier human rights assessment	Supply chain (direct and sub-suppliers)	
Human rights grievance mechanisms	Supply chain, Group	
Society	Impacts / Aspect delineation	
Anti-corruption	Supply chain, Group, customers	
Public policy	Group, society	
Anti-competitive conduct		
Compliance	Group	
Supplier social impacts assessment	Supply chain (direct and sub-suppliers)	
Product responsibility	Impacts / Aspect delineation	
Customer health and safety	Group, customers	
Product and service labeling	Group, customers	
Advertising	Group, customers	
Customer privacy	Group, customers	
Compliance	Group	

G4-21 Material aspects outside the organization ✓

See G4-20

G4-22 Explanation of any restatements of information

In the 2014 CR Report we corrected the number of our suppliers from "more than 20,000" in the previous report to "more than 30,000." Both figures are based on general estimates and serve to illustrate the general scope of our supply chain management activities. A conservative estimate was used in the previous year, which we adjusted in the current report based on recent developments.

G4-23 Explanation of any changes to reporting boundaries

The reporting boundaries were defined based on the new G4 guidelines.

Stakeholder Engagement

G4-24 Stakeholder groups engaged by the Group ✓

Indicator Reference Checked
 > Strategy and management > Stakeholder involvement > Results of the materiality process

G4-25 Identification and selection of stakeholder groups ✓

> Strategy and management > Stakeholder involvement > Results of the materiality process

G4-26 Approach to stakeholder engagement

> Strategy and management > Stakeholder involvement > Involvement formats > Overview of memberships and collaborations

Not all information from our stakeholder collaborations is meant for public disclosure. For that reason, we provide only a few examples of our collaboration with stakeholders here.

We address all of the Deutsche Telekom stakeholders with our annual materiality survey and our quarterly We Care app magazine. Our stakeholders also have the opportunity to contact us via our CR report. We involve our employees in our CR activities through materials such as our CR newsletter, which is published every two months.

All of our fixed-line and mobile communications customers in Germany can contact us around the clock at no charge. We systematically evaluate their inquiries and complaints to identify the root of the problem and make improvements. We also continue to involve our customers in our sustainability efforts through activities such as used cell-phone collection campaigns.

A variety of formats are available to enable collaboration with our suppliers. These include Sustainable Procurement Dialog Day, which was held for the second time in 2014, as well as ongoing audits and training offers.

We also keep investors informed of our sustainability efforts through a variety of measures: We regularly host SRI roadshows with participation of our CR experts and have been hosting SRI webinars for financial market players since 2014. Requests for information from analysts from this segment are also addressed continuously.

Our involvement in close dialog and collaboration with various NGOs is ongoing. We conduct regular workshops and annual evaluation and planning meetings on this topic. Once a year we hold our Stakeholder Dialog Day and invite representatives from many NGOs to participate. We are also members of a number of committees in which NGOs participate.

> Strategy and management > Stakeholder involvement > Formats of involvement

G4-27 Stakeholder questions and concerns

> Strategy and management > Stakeholder involvement > Results of the materiality process

> Strategy and management > Stakeholder involvement > Formats of involvement

Report Profile

G4-28 Reporting period

> About this report > About this report

Indicator	Reference	Checked
G4-29	Date of most recent previous report	
	> About this report > About this report	
G4-30	Reporting cycle	
	> About this report > About this report	
G4-31	Contact	
	> About this report > About this report	
G4-32	"In accordance" option in GRI index	
	> About this report > GRI index	
G4-33	External assurance for the report	
	> About this report > GRI index	

Governance

G4-34	Governance structure	
	> About this report > About this report	
	> Strategy and management > CR governance > Current organizational structure	
G4-35	Delegating authority for sustainability topics	
	> Strategy and management > CR governance > Current organizational structure	
G4-36	Responsibility for sustainability topics	
	> Strategy and management > CR governance > Current organizational structure	
G4-40	Selection processes for the highest governance body and its committees	

All skills and abilities required and useful in effectively enacting the responsibilities of a position are taken into consideration during the selection process. The requirements of a position are identified using a skills list.

The selection process is conducted by the Supervisory Board, which acts in the interests of stakeholders and shareholders.

G4-49	Process for communicating critical concerns to the highest governance body	
	All of our shareholders have the opportunity to approach the Board of Management with critical concerns in the context of our annual shareholders' meeting. These concerns may be submitted in writing in advance of submitted at the meeting. Each shareholder has the right to obtain truthful information from our Board of Management within the meaning of the shareholders' right to information. Around 100 concerns were submitted and addressed in 2014.	
Ethics and integrity		
G4-56	Values, principles and norms of behavior	

Indicator	Reference	Checked
	> Strategy and management > Values and Guiding Principles	
G4-57	Internal and external mechanisms for seeking advice on ethical and lawful behavior	
	> Strategy and management > Compliance (management approach)	
G4-58	Mechanisms for reporting concerns about unethical or unlawful behavior	
	> Strategy and management > Compliance (management approach)	

SPECIFIC STANDARD DISCLOSURES

Category: Economic

Indicator Reference Checked

Aspect: Economic performance

G4-DMA Management approach

Annual Report > Group strategy (p. 69)

(http://www.annualreport.telekom.com/site0215/en/files/pdfs/telekom_ar14_complete.pdf#page=97)

G4-EC1 Direct economic value generated and distributed

- > Performance indicators > Economic performance indicators > Financial performance indicators > Net added value

G4-EC3 Coverage of the organization's defined benefit plan obligations

- > Performance indicators > Social and HR performance indicators > Diversity and company pension scheme > Company pension scheme

Aspect: Indirect economic impacts

G4-DMA Management approach

- > Networks > Network and infrastructure expansion (management approach)
- > Strategy and management > Stakeholder involvement > Lobbying

G4-EC7 Development and impact of infrastructure investments and services supported



- > Networks > Network and infrastructure expansion (management approach)

Aspect: Procurement practices

G4-DMA Management approach

- > Suppliers > Sustainable procurement strategy (management approach)
- > Suppliers > Supply chain management
- > Suppliers > Resource scarcity and raw materials sourcing

G4-EC9 Proportion of spending on local suppliers at significant locations of operation

As an ICT company, Deutsche Telekom has to work with suppliers worldwide. That is why we do not have Group-wide policies giving priority to local suppliers at our locations.

SPECIFIC STANDARD DISCLOSURES

Category: Environmental

Indicator Reference Checked

Aspect: Energy

G4-DMA Management approach ✓

- Climate and environment > Climate protection measures
- Climate and environment > Climate protection measures > Energy-efficient networks [6354]
- Climate and environment > Climate protection measures > Energy-efficient buildings [6384]
- Climate and environment > Climate protection measures > Energy-efficient networks > Winning the Code of Conduct Data Centre Award 2014

G4-EN3 Energy consumption within the organization ✓

- Performance indicators > Environmental performance indicators > Energy > Total energy consumption

Energy consumption at Deutsche Telekom primarily pertains to the consumption of electricity, district heating, fossil fuels and fuel for our vehicle fleet. The amount of energy sold by Deutsche Telekom is not significant and generally not included in our energy and fuel consumption values.

G4-EN5 Energy intensity ✓

- Performance indicators > Environmental performance indicators > Energy > ESG KPI "Energy Consumption"

Aspect: Emissions

G4-DMA Management approach ✓

- Climate and environment > Climate protection strategy
- Climate and environment > Climate protection strategy (management approach)
- Climate and environment > Climate protection strategy > Measuring Scope 3 emissions along the value chain

G4-EN15 Direct GHG emissions (Scope 1) ✓

- Performance indicators > Environmental performance indicators > CO₂ emissions > ESG KPI „CO₂ Emissions“
- Performance indicators > Environmental performance indicators > CO₂ emissions > Total CO₂ emissions (Scope 1 & 2 Emissions)

G4-EN16 Indirect GHG emissions (Scope 2) ✓

- Performance indicators > Environmental performance indicators > CO₂ emissions > ESG KPI „CO₂ Emissions“
- Performance indicators > Environmental performance indicators > CO₂ emissions > Total CO₂ emissions (Scope 1 & 2 emissions)

Indicator Reference Checked

G4-EN17 Other indirect GHG emissions (Scope 3) ✓

- Climate and environment > Climate protection strategy > Measuring Scope 3 emissions along the value chain
- Performance indicators > Environmental performance indicators > CO₂ emissions > ESG KPI „CO₂ Emissions“
- Performance indicators > Environmental performance indicators > CO₂ emissions > CO₂ emissions from business trips (Scope 3 emissions)

Aspect: Effluents and Waste

G4-DMA Management approach ✓

- Climate and environment > Resource efficiency and environmental protection
- Climate and environment > Resource efficiency and environmental protection (management approach)
- Climate and environment > Resource efficiency and environmental protection > Reducing waste and recycling

G4-EN23 Total weight of waste by type and disposal method ✓

- Performance indicators > Environmental performance indicators > Used cell-phone collection and waste > Waste volume

Deutsche Telekom addresses the majority of the waste produced by our business activities within our Group-wide waste management framework (copper recycling) and with our Used Cell-Phone Collection ESG KPI (cell phones that have been collected and recycled). Any additional data collection regarding disposal methods would be complex and the amount of time and work involved could not be reasonably justified based on the benefit this type of data collection would bring.

Aspect: Products and services

G4-DMA Management approach ✓

- Customers > Sustainable products > Management approach: Sustainable products

G4-EN27 Extent of impact mitigation of environmental impacts of products and services ✓

- Customers > Sustainable products > Sustainable ICT solutions > Used cell-phone collection measures
- Customers > Sustainable products > Sustainable ICT solutions > Don't buy, rent
- Performance indicators > Environmental performance indicators > Used cell-phone collection and waste > Used Cell-Phone Collection ESG KPI at the Deutsche Telekom Group (new)

Indicator	Reference	Checked
>	Performance indicators > Environmental performance indicators > Used cell-phone collection and waste > Used Cell-Phone Collection ESG KPI at the Deutsche Telekom AG (new)	
>	Performance indicators > Environmental performance indicators > Used cell-phone collection and waste > Used Cell-Phone Collection ESG KPI at the Deutsche Telekom AG (old)	
>	Performance indicators > Environmental performance indicators > Other environmental data > Online billing	

Aspect: Compliance

G4-DMA Management approach

- > Strategy and management > Compliance (management approach)

G4-EN29 Fines for non-compliance with environmental laws and regulations

- > Strategy and management > Compliance > Major ongoing litigation

Aspect: Transport

G4-DMA Management approach

- > Climate and environment > Climate protection measures > Climate-friendly mobility
- > Climate and environment > Climate protection measures > Climate-friendly mobility (management approach)

G4-EN30 Environmental impacts of transportation

- > Climate and environment > Climate protection measures > Climate-friendly mobility > Climate-friendly substitute for cars
- > Climate and environment > Climate protection strategy > Measuring Scope 3 emissions along the value chain
- > Performance indicators > Environmental performance indicators > Mobility > Number of vehicles
- > Performance indicators > Environmental performance indicators > Mobility > Mileage
- > Performance indicators > Environmental performance indicators > Mobility > Fuel consumption

Aspect: Supplier environmental assessment

G4-DMA Management approach



- > Suppliers > Sustainable procurement strategy (management approach)
- > Suppliers > Supply chain management (management approach)
- > Suppliers > Supply chain management > 2014 audit results
- > Suppliers > Resource scarcity and raw materials sourcing (management approach)

G4-EN32 Percentage of new suppliers that were screened using environmental criteria

We do not currently have information regarding the percentage of new suppliers that have been evaluated based on sustainability criteria (e.g., through voluntary information, the EcoVadis platform or social audits). This information will be available once the supplier portal has been introduced throughout the Group. Rollout is scheduled to be completed by the end of 2016. The general requirement for any supplier relation-

Indicator	Reference	Checked
	ship is passing a pre-qualification process, which includes 16 questions regarding sustainability.	

G4-EN33 Significant actual and potential negative environmental impacts in the supply chain and actions taken



- > Suppliers > Supply chain management > 2014 audit results

Improvement measures regarding working conditions, human rights or environmental protection were implemented at the facilities of at least 34 out of 45 audited suppliers.

SPECIFIC STANDARD DISCLOSURES

Category: Social

Sub-category: Labor practices and decent work

Indicator Reference Checked

Aspect: Employment

G4-DMA Management approach

- > Employees > Pioneering concepts for the workplace
- > Employees > Responsible employer (management approach)
- > Employees > Diversity and equal opportunities (management approach)

G4-LA1 New employee hires and employee turnover

- > Performance indicators > Social and HR performance indicators > Headcount > Headcount development worldwide
- > Performance indicators > Social and HR performance indicators > Headcount > Turnover rate
- > Performance indicators > Social and HR performance indicators > Headcount > Percentage of civil servants employed at the Deutsche Telekom Group
- > Performance indicators > Social and HR performance indicators > Headcount > Vivento employees

The number of employees entering retirement, an important component of natural employee turnover, is not recorded within the scope of the annual workforce structure report. We therefore cannot provide a breakdown of natural turnover according to gender and age. The time and effort involved in more detailed data collection would exceed any benefit from the results.

Aspect: Labor/management relations

G4-DMA Management approach

- > Employees > Responsible employer (management approach)

G4-LA4 Minimum notice periods regarding operational changes

This indicator cannot be used for Deutsche Telekom as a global corporation because of the extensive effort involved in compiling all country-specific regulations, an effort that exceeds the benefit of such activities. The relevant works council committees are informed on significant operational changes and involved according to the legally applicable provisions such as the German Works Constitution Act (Betriebsverfassungsgesetz). We also regularly engage in dialog with employee representatives at a national and European level.

Aspect: Occupational health and safety

G4-DMA Management approach

- > Employees > Occupational health and safety (management approach)

Indicator Reference Checked

Deutsche Telekom supports its employees with special programs when there is an emergency involving our employees or members of their families, whether it be serious illness or other situations. Some examples are described below:

- Individual counseling by psychosocial experts from the Employee and Executive Advisory Service of our external service provider, B.A.D.;
- Home help for the elderly and assistance for low-income families: The Post/Postbank/Telekom welfare service provides support in case of emergencies, such as natural disasters;
- Dance therapy for women with cancer (2 courses a year, 12 participants each) in collaboration with Erholungswerk Post Postbank Telekom e.V.;
- Advice and arranging of services in connection with "caring for relatives"- Deutsche Telekom Social Fund: We provide fast financial aid to employees who are unable to find a way out of financial difficulties they are facing through no fault of their own.

G4-LA5 Percentage of total workforce represented in formal joint management-worker health and safety committees

We have created different steering levels at Deutsche Telekom in Germany to implement our occupational health and safety management activities:

- The first level is the Central Health Working Group comprised of managers, employer representatives, health and safety management experts, Business Partners from the national companies and representatives of disabled employees.
- The second level comprises the Health Working Groups at Deutsche Telekom subsidiaries in Germany.
- The third level is comprised of local, on-site working groups responsible for implementing occupational health and safety management locally; there are at least 110 of these.

All of our employees in Germany are represented by these committees. The national companies are responsible for their own occupational health and safety management. Step by step, however, all Deutsche Telekom employees are being entered into one health, safety and environmental management system, which guarantees compliance with Group-wide standards. Around 66 percent of employees at an international level are already covered by this management system (as of the end of 2014).

G4-LA6 Type of injury and rates of injury at the organization

- > Performance indicators > Social and HR performance indicators > Employee health > Health rate
- > Performance indicators > Social and HR performance indicators > Employee health > Health rate > Work-related accidents in Germany

Indicator Reference Checked

Aspect: Training and education

G4-DMA Management approach

- Employees > Education and development > Management approach

G4-LA9

Training (Group in Germany)

	Total hours in 2014	Female	Male
Azubis	12,139,088*	4,831,944*	7,307,144*
Dual Studierende	2,139,810*	851,557*	1,288,253*
Summe	14,278,898*	5,683,501*	8,595,397*

* Average values are used in these calculations.

Continuing education (Group in Germany)

Our employees spent an average of around 24.1 hours attending continuing education events in 2014. All employees generally have equal access to continuing education opportunities (regardless of gender, cross-hierarchy). It is therefore not possible to differentiate at Deutsche Telekom.

- Performance indicators > Social and HR performance indicators > HR performance indicators > Training and education > Training and development at Telekom Training
- Performance indicators > Social and HR performance indicators > HR performance indicators > Training and education > Trainees and vocational training programs

G4-LA10 Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings

Programs for lifelong learning

- Employees > Education and development

Managing career endings

Deutsche Telekom uses different tools depending on the situation to make it easier for employees to manage ending their career at the Group. These include the option to take advantage of outplacement consulting or severance pay. Telekom Placement Services also offers employees of Deutsche Telekom new employment prospects. Employees receive support and individual advice on all aspects of professional change, from appropriate job vacancies and application training to tailored skills development and information on financial incentives offered by the Group.

The Post/Telekom welfare service offers seminars on "Getting ready for retirement" in which Deutsche Telekom employees are invited to participate. Participants work on ways in which they will be able to fill their retirement years with meaningful activities and enjoy their retirement for years to come.

- Performance indicators > Social and HR performance indicators > HR performance indicators > Training and education > Training and development at Telekom Training

Indicator Reference Checked

G4-LA11 Percentage of employees receiving regular performance and career development reviews

We use various tools to assess the performance and career development of our employees. "Compass" is used for employees covered by collective agreements and for civil servants in Germany, while the Performance & Potential Review (PPR) is for employees not covered by collective agreements in Germany and for employees at the national companies. Furthermore, in 2014 we launched Performance Dialog, a new tool for assessing the performance of top-level managers.

Performance management tools and employee category	Number and percentage of employees whose performance and career development were assessed
Compass (employees covered by collective agreements in Germany)	74,850 employees (81% of the target group)
Performance & Potential Review (employees not covered by collective agreements in Germany)	8,560 employees (96% of the target group)
Performance & Potential Review (employees at national companies)	20,000 employees (tool is currently being rolled out throughout the Group)
Performance Dialog (top-level managers throughout the Group)	501 employees (pilot project; will be rolled out in 2015 for all managers)

In each case, the performance management tools apply for entire employee groups and therefore cover male and female employees in equal measure.

Aspect: Diversity and equal opportunity

G4-DMA Management approach



- Employees > Diversity and equal opportunities (management approach)

G4-LA12 Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity



- Performance indicators > Social and HR performance indicators > HR performance indicators > Diversity and company pension scheme > Women at the Group
- Performance indicators > Social and HR performance indicators > HR performance indicators > Diversity and company pension scheme > People with disabilities
- Performance indicators > Social and HR performance indicators > HR performance indicators > Diversity and company pension scheme > Age structure

Deutsche Telekom is an international corporation that is only a majority shareholder in some of its national companies. For that reason it is not possible to break down these values based on employee category.

Indicator Reference Checked

Material aspect: Equal remuneration for women and men

G4-DMA Management approach

- Employees > Diversity and equal opportunities (management approach)

G4-LA13 Ratio of basic salary and remuneration of women to men

We have been comparing the pay of male and female employees for several years now. We were unable to identify any significant, gender-based differences in pay for our employees in Germany. Our Logib-D and eg-check certifications confirm that men and women receive equal pay for the same work. It was not possible to record the pay of our male and female employees at all of our international offices due to data unavailability, relevance to competition and the time and effort involved.

Aspect: Supplier Assessment for Labor Practices

G4-DMA Management approach ✓

- Suppliers > Sustainable procurement strategy (management approach)
- Suppliers > Supply chain management (management approach)
- Suppliers > Supply chain management > 2014 audit results
- Suppliers > Resource scarcity and raw materials sourcing (management approach)

G4-LA14 Percentage of new suppliers that were screened using labor practices criteria

We do not currently have information regarding the percentage of new suppliers that have been evaluated based on sustainability criteria (e.g., through voluntary information, the EcoVadis platform or social audits). This information will be available once the supplier portal has been introduced throughout the Group. Rollout is scheduled to be completed by the end of 2016. The general requirement for any supplier relationship is passing a pre-qualification process, which includes 16 questions regarding sustainability.

G4-LA15 Significant actual and potential negative impacts for labor practices in the supply chain and actions taken ✓

- Suppliers > Supply chain management > 2014 audit results

Improvement measures regarding working conditions, human rights or environmental protection were implemented at the facilities of at least 34 out of 45 audited suppliers.

Aspect: Labor practices grievance mechanisms

G4-DMA Management approach

- Strategy and management > Human rights (management approach)

Employees can use a central e-mail address under the Employee Relations Policy [link] (erpolicy@telekom.de) or the Tell Me whistleblower portal at any time to report poor working conditions and other issues, and they can do so anonymously if desired.

Employees at all units are informed of the Employee Relations Policy, the relevant e-mail addresses and the whistleblower portal, typically via

Indicator Reference Checked

the company intranet. New hires are also informed of our whistleblower channels.

In addition to the channels mentioned above, a special e-mail address (humanrights@telekom.de) is also available for information and questions regarding human rights topics at Deutsche Telekom.

G4-LA16 Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms

- Strategy and management > Human rights > Revised Social Charter applies worldwide

SPECIFIC STANDARD DISCLOSURES

Category: Social
 Sub-category: Human rights

Indicator Reference Checked

Aspect: Investment

G4-DMA Management approach

- Strategy and management > Human rights
- Strategy and management > Human rights (management approach)
- Suppliers > Sustainable procurement strategy

For mergers and acquisitions, human rights-related risks are assessed during the due diligence phase.

G4-HR2 Total hours of employee training on human rights policies or procedures, including the percentage of employees trained

- Strategy and management > Human rights > Training on human rights
- Suppliers > Sustainable procurement strategy > Up to date thanks to e-learning

Aspect: Non-discrimination

G4-DMA Management approach ✓

- Strategy and management > Human rights (management approach)

Total number of incidents of discrimination and corrective actions taken ✓

- Strategy and management > Human rights > Revised Social Charter applies worldwide

Aspect: Freedom of association and collective bargaining

G4-DMA Management approach

- Strategy and management > Human rights (management approach)

G4-HR4 Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated, and measures taken to support these rights

- Suppliers > Supply chain management > 2014 audit results

To our knowledge there are no cases of this nature.

Deutsche Telekom recognizes the fundamental right to freedom of association and the right to collective bargaining within the scope of national regulations and existing agreements. These basic rights form an integral part of the Social Charter, are binding for the entire Group, and must be confirmed in writing annually by the Group companies.

Indicator Reference Checked

With regard to the accusations from unions about T-Mobile US, it is important to note that the freedom of association and collective bargaining is guaranteed in the United States. All employees have the right to organize themselves in unions. This is effective and is being practiced, which can be seen from the fact that employees at two locations in the north-eastern USA (Connecticut and New York) have decided to join unions. There are also several collective agreements at these two locations that T-Mobile US signed with the responsible union, the Communications Workers of America.

Additional links:

➤ <http://www.telekom.com/corporate-responsibility/responsible-employer/news/169844>

➤ <http://www.telekom.com/corporate-responsibility/responsible-employer/news/202338>

Aspect: Child labor

G4-DMA Management approach

- Strategy and management > Human rights (management approach)
- Suppliers > Supply chain management (management approach)

G4-HR5 Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken ✓

- Suppliers > Supply chain management > 2014 audit results

No significant risk of child labor was identified at our direct business facilities.

Aspect: Forced or compulsory labor

G4-DMA Management approach

- Strategy and management > Human rights (management approach)
- Suppliers > Sustainable procurement strategy (management approach)
- Suppliers > Supply chain management (management approach)

G4-HR6 Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures taken

- Strategy and management > Human rights (management approach)
- Strategy and management > Human rights > Comprehensive human rights impact assessment finalized
- Suppliers > Supply chain management > 2014 audit results
- CR facts > Social Charter

Indicator Reference Checked

We address risks regarding forced labor by auditing selected strategic suppliers and suppliers that are at particularly high risk.

Aspect: Assessment

G4-DMA Management approach

- Strategy and management > Human rights (management approach)

G4-HR9 Total number and percentage of operations that have been subject to human rights reviews or impact assessments

We use our Social Performance Report to annually review compliance with the provisions of our Social Charter. All 111 fully consolidated companies participate in this assessment.

- Strategy and management > Human rights > Revised Social Charter applies worldwide
- Performance indicators > Economic performance indicators > Suppliers > Sustainable Procurement KPI
- Performance indicators > Economic performance indicators > Suppliers > Supplier relationships

Aspect: Supplier human rights assessment

G4-DMA Management approach



- Suppliers > Sustainable procurement strategy (management approach)
- Suppliers > Supply chain management (management approach)
- Suppliers > Supply chain management > 2014 audit results
- Suppliers > Resource scarcity and raw materials sourcing (management approach)

G4-HR10 Percentage of new suppliers that were screened using human rights criteria

We do not currently have information regarding the percentage of new suppliers that have been evaluated based on sustainability criteria (e.g., though voluntary information, the EcoVadis platform or social audits). This information will be available once the supplier portal has been introduced throughout the Group. Rollout is scheduled to be completed by the end of 2016. The general requirement for any supplier relationship is passing a pre-qualification process, which includes 16 questions regarding sustainability.

- Performance indicators > Economic performance indicators > Suppliers > Sustainable Procurement KPI
- Performance indicators > Economic performance indicators > Suppliers > Supplier relationships

G4-HR11 Significant actual and potential negative human rights impacts in the supply chain and actions taken



- Suppliers > Supply chain management > 2014 audit results

Improvement measures regarding working conditions, human rights or environmental protection were implemented at the facilities of at least 34 out of 45 audited suppliers.

Indicator Reference Checked

Aspect: Human rights grievance mechanisms

G4-DMA Management approach

- Strategy and management > Human rights (management approach)
- Strategy and management > Human rights > Revised Social Charter applies worldwide

G4-HR12 Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms

- Strategy and management > Human rights > Revised Social Charter applies worldwide

SPECIFIC STANDARD DISCLOSURES

Category: Social
 Sub-category: Society

Indicator Reference Checked

Aspect: Anti-corruption

G4-DMA Management approach

➤ Strategy and management > Compliance (management approach)

G4-S03 Total number and percentage of operations assessed for risks related to corruption and the significant risks identified

The following risks of corruption were identified as the most likely within the scope of the risk analysis:

1. Favoring an employee or business partner's employee or agent in terms of a specific future business decision resulting in unfair favoritism in competition.
2. Employee formulates selection criteria in favor of a supplier/consultant so that the buyer does not have a choice. Employee influences an auction/bid in favor of a bidder and receives a benefit in return.
3. Acceptance of a benefit aimed at securing a specific business decision.
4. Employee/buyer agrees terms to the disadvantage of the company when awarding contracts for services. In return, he/she receives money or other benefits from the contractor/consultant.
5. Granting a benefit to a public sector employee in order to cause him/her to act in a specific way.

Each year, we carry out a Group-wide compliance risk assessment (CRA) to determine compliance risks and develop tailored compliance measures. 94 Group companies conducted the CRA within a period of two years. In 2013, the CRA included 81 companies and thus covered around 95 percent (based on the number of employees).

G4-S04 Communication and training on anti-corruption policies and procedures

Classroom training sessions were conducted on anti-corruption in 2012/2013. All members of the Group Board of Management and the first reporting level attended the training. We also conducted risk-specific classroom training sessions at the IT, Sales, Procurement, Services, Production, Technical Services, Marketing, Technology and Finance departments. More than 3,400 employees attended the training. Members of the Managing Boards and members of risk groups were trained internationally (3,800 participants). Almost 16,000 employees participated in an e-learning offer in Germany. This e-learning offer was rolled out at 26 companies internationally. Additional topic and risk-specific trainings were conducted in 2014. In the Delivery unit at T-Systems International, for example, 1,221 employees in Germany and 1,120 employees internationally attended 72 classroom training sessions.

Business partners: Our business partners are required to accept the

Indicator Reference Checked

Deutsche Telekom General Terms and Conditions for Purchasing before entering into a business relationship with us. These include an anti-corruption clause. In addition, we ask our business partners questions regarding their compliance management systems as part of supplier self-assessment. Deutsche Telekom has been offering compliance training to external business partners and suppliers since September 2014. The training offer particularly focuses on small and medium-sized German business partners and suppliers. With classroom training offers and an online training program, Deutsche Telekom encourages its partners to conduct their business ethically and in compliance with relevant laws and regulations. The training addresses specific compliance-relevant topics such as corruption prevention, antitrust law and sustainability and introduces Deutsche Telekom's compliance management system.

G4-S05 Confirmed incidents of corruption and actions taken

Deutsche Telekom engages in extensive compliance management activities to prevent and fight corruption. Any violations we uncover during our investigation are punished appropriately. In some cases employment relationships have even been terminated for good cause. The total number of punished cases of corruption is confidential.

Aspect: Public policy

G4-DMA Management approach

➤ Strategy and management > Stakeholder involvement > Lobbying

G4-S06 Total value of political contributions by country and recipient/beneficiary

It is of paramount concern to Deutsche Telekom that its relationships with political decision-makers should be characterized by transparency and trust. This also extends to our refusal to support the work of any political party with donations.

Aspect: Anti-competitive behavior

G4-DMA Management approach

➤ Strategy and management > Compliance (management approach)

G4-S07 Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes

➤ Strategy and management > Compliance > Major ongoing litigation

Aspect: Compliance

G4-DMA Management approach

➤ Strategy and management > Compliance (management approach)

Indicator Reference Checked

G4-S08 Fines for non-compliance with laws and regulations

> Strategy and management > Compliance > Major ongoing litigation

Aspect: Grievance mechanisms for impacts on society

G4-DMA Management approach

- > Suppliers > Sustainable procurement strategy > Management approach
- > Suppliers > Supply chain management > Management approach
- > Suppliers > Resource scarcity and raw materials sourcing > Management approach
- > Performance indicators > Economic performance indicators > Suppliers

G4-S09 Percentage of new suppliers that were screened using criteria for impacts on society

We do not currently have information regarding the percentage of new suppliers that have been evaluated based on sustainability criteria (e.g., though voluntary information, the EcoVadis platform or social audits). This information will be available once the supplier portal has been introduced throughout the Group. Rollout is scheduled to be completed by the end of 2016. The general requirement for any supplier relationship is passing a pre-qualification process, which includes 16 questions regarding sustainability.

G4-S010 Significant actual and potential negative impacts on society in the supply chain

> Suppliers > Supply chain management > 2014 audit results

SPECIFIC STANDARD DISCLOSURES

Category: Social
Sub-category: Product responsibility

Indicator Reference Checked

Aspect: Customer health and safety

G4-DMA Management approach

- > Networks > Mobile communications and health > EMF (management approach)
- > Customers > Sustainable products (management approach)

G4-PR2 Fines for non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services

- > Strategy and management > Compliance > Major ongoing litigation

Aspect: Product and service labeling

G4-DMA Management approach ✓

- > Customers > Sustainable products (management approach)
- > Networks > Mobile communications and health > EMF (management approach)

G4-PR5 Results of surveys measuring customer satisfaction ✓

- > Customers > Customer satisfaction (management approach)
- > Customers > Customer satisfaction > Measurable success with "K1 - Kunde zuerst"

Aspect: Customer privacy

G4-DMA Management approach ✓

- > Customers > Consumer and youth protection (management approach)

G4-PR8 Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data

- > Strategy and management > Compliance > Major ongoing litigation

Aspect: Compliance

G4-DMA Management approach

- > Customers > Consumer and youth protection (management approach)

G4-PR9 Fines for non-compliance with laws and regulations concerning the provision and use of products and services

- > Strategy and management > Compliance > Major ongoing litigation

GLOBAL COMPACT COMMUNICATION ON PROGRESS

Principle 1: Support and respect the protection of internationally proclaimed human rights

- Strategy and management > Values and Guiding Principles > Introduction
- Strategy and management > Compliance > Introduction
- Strategy and management > Data privacy > Introduction
- Strategy and management > Political advocacy > Introduction
- CR facts > Social Charter
- Networks > Mobile communications and health (EMF) > Introduction
- CR facts > Compensation
- Suppliers > Sustainable procurement strategy > Introduction
- Suppliers > Supply chain management > Introduction
- CR facts > Supplier audits
- Employees > Health and safety > Introduction
- Suppliers > Sustainable procurement strategy > Management approach (Sustainable procurement strategy) > Promoting sustainability with the Sustainable Procurement ESG KPI
- Human rights: About this report > GRI index > Social and HR performance indicators > Human rights
- Employees > Pioneering concepts for the workplace
- Employees > Diversity and equal opportunities
- Data privacy and data security: https://www.t-mobile.de/sar-werte/0,17595,1347-_,00.html
- 2014 Annual Report > Combined management report > Employees > HR strategy
- 2014 Annual Report > Combined management report > Group strategy
- 2014 Annual Report > Combined management report > Group management

Principle 2: No complicity in human rights abuses

- Strategy and management > Values and Guiding Principles > Introduction
- Strategy and management > Compliance > Introduction
- Strategy and management > Political advocacy > Introduction
- Networks > Mobile communications and health (EMF) > Introduction
- Suppliers > Sustainable procurement strategy > Introduction
- Suppliers > Supply chain management > Introduction
- CR facts > Supplier audits
- Suppliers > Sustainable procurement strategy > Management approach (Sustainable procurement strategy) > Promoting sustainability with the Sustainable Procurement ESG KPI

Principle 3: Uphold freedom of association and the right to collective bargaining

- Strategy and management > Values and Guiding Principles > Introduction
- Strategy and management > Compliance > Introduction
- Suppliers > Sustainable procurement strategy > Introduction
- Suppliers > Supply chain management > Introduction
- Employees > Responsible employer

Principle 4: Elimination of all forms of forced and compulsory labor

- Strategy and management > Values and Guiding Principles > Introduction
- Strategy and management > Compliance > Introduction
- Strategy and management > Political advocacy > Introduction
- Suppliers > Sustainable procurement strategy > Introduction
- Suppliers > Supply chain management > Introduction
- CR facts > Supplier audits

Principle 5: Abolition of child labor

- Strategy and management > Values and Guiding Principles > Introduction
- Strategy and management > Compliance > Introduction
- Strategy and management > Political advocacy > Introduction
- Suppliers > Sustainable procurement strategy > Introduction
- Suppliers > Supply chain management > Introduction

Principle 6: Eliminate discrimination in respect of employment and occupation

- Strategy and management > Values and Guiding Principles > Introduction
- Strategy and management > Compliance > Introduction
- About this report > GRI index > Social and HR performance indicators > Human rights
- About this report > GRI index > Social and HR performance indicators: Labor practices and decent work
- Employees > Diversity and equal opportunities
- 2014 Annual Report > Combined management report > Employees > HR strategy
- 2014 Annual Report > To our shareholders > Corporate Governance Report

Principle 7: Support a precautionary approach to environmental challenges

- Strategy and management > CR strategy > Introduction
- Strategy and management > CR strategy > ESG key performance indicators
- Strategy and management > CR governance > Introduction
- Strategy and management > Political advocacy > Introduction
- Strategy and management > Risk and opportunity management > Introduction
- Climate and environment > Climate protection strategy > Introduction
- Climate and environment > Climate protection measures > Introduction
- Climate and environment > Resource efficiency and environmental protection > Introduction
- Climate and environment > Climate protection measures > Energy efficiency in the network
- Climate and environment > Resource efficiency and environmental protection > Protecting biodiversity
- Climate and environment > Climate protection measures > Climate-friendly mobility
- Customers > Sustainable products > Introduction
- Customers > Sustainable ICT solutions > Introduction
- CR facts > Sustainability Guideline for Product Design
- CR facts > Device packaging policy
- Customers > Innovation in growth areas > E-health
- Suppliers > Sustainable procurement strategy > Introduction
- Suppliers > Supply chain management > Introduction
- CR facts > Supplier controls
- CR facts > Conflict-Free Sourcing Initiative
- Performance indicators > Environmental performance indicators > CO₂ emissions
- Performance indicators > Environmental performance indicators > Energy
- Performance indicators > Environmental performance indicators > Used cell-phone collection and waste volume
- Performance indicators > Environmental performance indicators > Other environmental data
- 2014 Annual Report > Combined management report > Risk and opportunity management

Principle 8: Undertake initiatives to promote greater environmental responsibility

- Strategy and management > Values and Guiding Principles > Introduction
- Strategy and management > CR strategy > Introduction
- Strategy and management > CR strategy > ESG key performance indicators
- Strategy and management > CR governance > Introduction
- Strategy and management > Political advocacy > Introduction
- Climate and environment > Climate protection strategy > Introduction

- Climate and environment > Climate protection measures > Introduction
- Climate and environment > Resource efficiency and environmental protection > Introduction
- Climate and environment > Climate protection measures > Energy efficiency in the network
- Climate and environment > Resource efficiency and environmental protection > Protecting biodiversity
- CR facts > Green Car Policy
- CR facts > Code of Conduct on Energy Consumption of Broadband Equipment
- CR facts > Sustainability Guideline for Product Design
- CR facts > Used cell-phone collection
- Customers > Sustainable ICT solutions > Introduction
- Customers > Innovation in growth areas > E-health
- Suppliers > Sustainable procurement strategy > Introduction
- Suppliers > Supply chain management > Introduction
- CR facts > Conflict-Free Sourcing Initiative
- SAR levels: https://www.t-mobile.de/sar-werte/0,17595,1347-_,00.html
- 2014 Annual Report > Combined management report > Risk and opportunity management

Principle 9: Encourage the development and diffusion of environmentally friendly technologies

- Strategy and management > CR strategy > Introduction
- Strategy and management > CR strategy > ESG key performance indicators
- Strategy and management > CR governance > Introduction
- CR facts > Sustainability Guideline for Product Design
- Customers > Sustainable products > Introduction
- CR facts > Used cell-phone collection
- Customers > Innovation in growth areas > E-health
- Climate and environment > Climate protection measures > Energy efficiency in the network
- Climate and environment > Climate protection measures > Introduction
- Climate and environment > Climate protection measures > Climate-friendly mobility
- Climate and environment > Resource efficiency and environmental protection > Introduction
- CR facts > Green Car Policy
- Suppliers > Sustainable procurement strategy > Introduction
- Suppliers > Supply chain management > Introduction
- CR facts > Conflict-Free Sourcing Initiative
- 2014 Annual Report > Combined management Report > Innovation and product development

Principle 10: Work against corruption in all its forms, including extortion and bribery

- [Strategy and management > CR strategy > Introduction](#)
- [Strategy and management > Compliance > Introduction](#)
- [Strategy and management > Risk and opportunity management > Introduction](#)
- [Strategy and management > Data privacy > Introduction](#)
- [Strategy and management > Political advocacy > Introduction](#)
- [Suppliers > Sustainable procurement strategy > Introduction](#)
- [CR facts > Supplier controls](#)
- [About this report > GRI index > Social and HR performance indicators](#)
- [2014 Annual Report > To our shareholders > Corporate Governance Report](#)
- [2014 Annual Report > Combined management report > Risk and opportunity management](#)