2014 CORPORATE RESPONSIBILITY REPORT

GRI INDEX

GLOBAL COMPACT COMMUNICATION ON PROGRESS
57 percent of all employees worldwide and 68 percent of all employees in Germany were covered by collective agreements in 2014.

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.

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

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.
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](http://www.telekom.com/worldwide)

**Places of operations, subsidiaries & affiliates**

Deutsche Telekom Headquarters: Bonn, Germany

<table>
<thead>
<tr>
<th>Country</th>
<th>Subsidiaries and affiliates</th>
<th>Stake held by Deutsche Telekom (directly/indirectly)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Albania</strong></td>
<td>AMC (Albanian Mobile Communications Sh.a)</td>
<td>99.79 % of shares held by OTE</td>
</tr>
<tr>
<td><strong>Belgium</strong></td>
<td>T-Systems Belgium NV</td>
<td>100.00 %</td>
</tr>
<tr>
<td><strong>Bosnia</strong></td>
<td>T-Systems d.o.o.</td>
<td>100.00 %</td>
</tr>
<tr>
<td><strong>Bulgaria</strong></td>
<td>Novatel EOOD</td>
<td>100.00 %</td>
</tr>
<tr>
<td></td>
<td>T-Systems Bulgaria EOOD (03.01.11)</td>
<td>100.00 %</td>
</tr>
<tr>
<td><strong>Denmark</strong></td>
<td>T-Systems Nordic TC A/S</td>
<td>100.00 %</td>
</tr>
<tr>
<td><strong>Germany</strong></td>
<td>Group Headquarters</td>
<td>100.00 %</td>
</tr>
<tr>
<td><strong>Former Yugoslav Republic of Macedonia</strong></td>
<td>Makedonski Telekom AD</td>
<td>51.00 % of shares held by Magyar Telekom</td>
</tr>
<tr>
<td></td>
<td>T-Mobile Macedonia AD</td>
<td>100.00 % of shares held by Makedonski Telekom</td>
</tr>
<tr>
<td><strong>France</strong></td>
<td>T-Systems France SAS</td>
<td>100.00 %</td>
</tr>
<tr>
<td><strong>Greece</strong></td>
<td>OTE (Hellenic Telecommunications Organization S.A.)</td>
<td>40.00 %</td>
</tr>
<tr>
<td></td>
<td>Cosmote (Cosmote Mobile Telecommunications S.A.)</td>
<td>100.00 % of shares held by OTE</td>
</tr>
<tr>
<td></td>
<td>T-Systems Information and Communication Technology E.P.E.</td>
<td>100.00 %</td>
</tr>
<tr>
<td><strong>United Kingdom</strong></td>
<td>Everything Everywhere Limited</td>
<td>50.00 %</td>
</tr>
<tr>
<td></td>
<td>T-Systems Limited</td>
<td>100.00 %</td>
</tr>
<tr>
<td></td>
<td>Deutsche Telekom (UK) Ltd</td>
<td>100.00 %</td>
</tr>
<tr>
<td><strong>Italy</strong></td>
<td>T-Systems Spring Italia srl</td>
<td>100.00 %</td>
</tr>
<tr>
<td><strong>Croatia</strong></td>
<td>Hrvatski Telekom d.d.</td>
<td>51.00 %</td>
</tr>
<tr>
<td><strong>Luxembourg</strong></td>
<td>T-Systems Luxembourg S.A.</td>
<td>100.00 %</td>
</tr>
<tr>
<td><strong>Montenegro</strong></td>
<td>Crnogorski Telekom A.D.</td>
<td>76.53 % of shares held by Magyar Telekom</td>
</tr>
<tr>
<td><strong>Netherlands</strong></td>
<td>T-Mobile Netherlands B.V.</td>
<td>100.00 %</td>
</tr>
<tr>
<td></td>
<td>T-Systems Nederland B.V.</td>
<td>100.00 %</td>
</tr>
<tr>
<td><strong>Austria</strong></td>
<td>T-Mobile Austria GmbH</td>
<td>100.00 %</td>
</tr>
<tr>
<td></td>
<td>Software Daten Service Gesellschaft m.b.H.</td>
<td>100.00 %</td>
</tr>
<tr>
<td><strong>Poland</strong></td>
<td>T-Mobile Polska S.A.</td>
<td>100.00 %</td>
</tr>
<tr>
<td></td>
<td>T-Systems Polska Sp.z.o.o.</td>
<td>100.00 %</td>
</tr>
<tr>
<td><strong>Romania</strong></td>
<td>Combridge S.R.L.</td>
<td>100.00 % of shares held by Magyar Telekom</td>
</tr>
<tr>
<td></td>
<td>Telekom Romania Mobile Communications S.A</td>
<td>70.00 % of shares held by Cosmote</td>
</tr>
<tr>
<td></td>
<td>Telekom Romania Communications S.A.</td>
<td>54.01 %</td>
</tr>
<tr>
<td></td>
<td>T-Systems ICT Romania S.R.L.</td>
<td>100.00 %</td>
</tr>
<tr>
<td><strong>Russia</strong></td>
<td>T-Systems CIS</td>
<td>100.00 %</td>
</tr>
<tr>
<td><strong>Sweden</strong></td>
<td>T-Systems Schweiz AG</td>
<td>100.00 %</td>
</tr>
<tr>
<td><strong>Slovakia</strong></td>
<td>Slovak Telekom, a.s.</td>
<td>51.00 %</td>
</tr>
<tr>
<td></td>
<td>T-Systems Slovakia s.r.o.</td>
<td>100.00 %</td>
</tr>
<tr>
<td><strong>Slovenia</strong></td>
<td>T-Systems, informacijski sistemi, d.o.o.</td>
<td>100.00 %</td>
</tr>
<tr>
<td><strong>Spain</strong></td>
<td>T-Systems ITC Iberia, S.A.</td>
<td>100.00 %</td>
</tr>
<tr>
<td><strong>Czech Republic</strong></td>
<td>T-Mobile Czech Republic, a.s.</td>
<td>100.00 %</td>
</tr>
<tr>
<td></td>
<td>T-Systems Czech Republic, a.s.</td>
<td>100.00 %</td>
</tr>
<tr>
<td><strong>Turkey</strong></td>
<td>T-Systems Telekomunikasyon Limited Sirketi</td>
<td>100.00 %</td>
</tr>
</tbody>
</table>
Strategy and management > Stakeholder involvement > Results of the materiality process

G4-18 Defining report content

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
- 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.

G4-19 Material aspects

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.
### Supplier labor practices assessment
- Supply chain (direct and sub-suppliers)

### Labor practices grievance mechanisms
- Group

### Human rights
- Impacts / Aspect delineation
  - Supply chain, Group

### 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

---

### Stakeholder Engagement

**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.

### G4-24 Stakeholder groups engaged by the Group

*See G4-25 Identification and selection of stakeholder groups*
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.

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.
SPECIFIC STANDARD DISCLOSURES

Category: Economic

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Reference</th>
<th>Checked</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Aspect: Economic performance</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>▶ G4-EC1 Direct economic value generated and distributed</td>
<td>Performance indicators &gt; Economic performance indicators &gt; Financial performance indicators &gt; Net added value</td>
<td></td>
</tr>
<tr>
<td>▶ G4-EC3 Coverage of the organization’s defined benefit plan obligations</td>
<td>Performance indicators &gt; Social and HR performance indicators &gt; Diversity and company pension scheme &gt; Company pension scheme</td>
<td></td>
</tr>
<tr>
<td><strong>Aspect: Indirect economic impacts</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>G4-DMA Management approach</td>
<td>Networks &gt; Network and infrastructure expansion (management approach)</td>
<td></td>
</tr>
<tr>
<td>▶ G4-EC7 Development and impact of infrastructure investments and services supported</td>
<td>Strategy and management &gt; Stakeholder involvement &gt; Lobbying</td>
<td></td>
</tr>
<tr>
<td>▶</td>
<td>Networks &gt; Network and infrastructure expansion (management approach)</td>
<td></td>
</tr>
<tr>
<td><strong>Aspect: Procurement practices</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>G4-DMA Management approach</td>
<td>Suppliers &gt; Sustainable procurement strategy (management approach)</td>
<td></td>
</tr>
<tr>
<td>▶ Suppliers &gt; Supply chain management</td>
<td>Suppliers &gt; Resource scarcity and raw materials sourcing</td>
<td></td>
</tr>
<tr>
<td>▶ G4-EC9 Proportion of spending on local suppliers at significant locations of operation</td>
<td>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.</td>
<td></td>
</tr>
</tbody>
</table>
Aspect: Energy

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-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)

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)
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 relation-
SPECIFIC STANDARD DISCLOSURES

Category: Social
Sub-category: Labor practices and decent work

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 complying with 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)

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
Aspect: Training and education

G4-DMA Management approach

Employees > Education and development > Management approach

G4-LA9

Training (Group in Germany)

<table>
<thead>
<tr>
<th>Total hours in 2014</th>
<th>Female</th>
<th>Male</th>
</tr>
</thead>
<tbody>
<tr>
<td>Azubis</td>
<td>12,139,088*</td>
<td>4,831,944*</td>
</tr>
<tr>
<td>Dual Studierende</td>
<td>2,139,810*</td>
<td>851,557*</td>
</tr>
<tr>
<td>Summe</td>
<td>14,278,898*</td>
<td>5,683,501*</td>
</tr>
</tbody>
</table>

* 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

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.
Material aspect: Equal remuneration for women and men

Employees > Diversity and equal opportunities (management approach)

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

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)

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.

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

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 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

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Reference</th>
<th>Checked</th>
</tr>
</thead>
</table>

**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.

- 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

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:
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**

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

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 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.

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

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

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: Compliance

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.
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.

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>G4-SO8</td>
<td>Fines for non-compliance with laws and regulations</td>
</tr>
<tr>
<td>G4-DMA Management approach</td>
<td></td>
</tr>
<tr>
<td>Suppliers &gt; Sustainable procurement strategy &gt; Management approach</td>
<td></td>
</tr>
<tr>
<td>Suppliers &gt; Supply chain management &gt; Management approach</td>
<td></td>
</tr>
<tr>
<td>Suppliers &gt; Resource scarcity and raw materials sourcing &gt; Management approach</td>
<td></td>
</tr>
<tr>
<td>Performance indicators &gt; Economic performance indicators &gt; Suppliers</td>
<td></td>
</tr>
</tbody>
</table>

G4-SO9 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., 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.

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>G4-SO10</td>
<td>Significant actual and potential negative impacts on society in the supply chain</td>
</tr>
<tr>
<td>Suppliers &gt; Supply chain management &gt; 2014 audit results</td>
<td></td>
</tr>
</tbody>
</table>
### SPECIFIC STANDARD DISCLOSURES

Category: Social
Sub-category: Product responsibility

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Reference</th>
<th>Checked</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Aspect: Customer health and safety</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>G4-DMA Management approach</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Networks &gt; Mobile communications and health &gt; EMF (management approach)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customers &gt; Sustainable products (management approach)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>G4-PR2 Fines for non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strategy and management &gt; Compliance &gt; Major ongoing litigation</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Aspect: Product and service labeling</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>G4-DMA Management approach</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Customers &gt; Sustainable products (management approach)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Networks &gt; Mobile communications and health &gt; EMF (management approach)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>G4-PR5 Results of surveys measuring customer satisfaction</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Customers &gt; Customer satisfaction (management approach)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customers &gt; Customer satisfaction &gt; Measurable success with &quot;K1 - Kunde zuerst&quot;</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Aspect: Customer privacy</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>G4-DMA Management approach</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Customers &gt; Consumer and youth protection (management approach)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>G4-PR8 Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strategy and management &gt; Compliance &gt; Major ongoing litigation</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Aspect: Compliance</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>G4-DMA Management approach</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customers &gt; Consumer and youth protection (management approach)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>G4-PR9 Fines for non-compliance with laws and regulations concerning the provision and use of products and services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strategy and management &gt; Compliance &gt; Major ongoing litigation</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
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
- 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 > Device packaging policy
- 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 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
- 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
- Suppliers > Sustainable procurement strategy > Introduction
- Suppliers > Supply chain management > Introduction
- CR facts > Conflict-Free Sourcing Initiative
- 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
- Suppliers > Sustainable procurement strategy > Introduction
- Suppliers > Supply chain management > Introduction
- CR facts > Conflict-Free Sourcing Initiative
- 2014 Annual Report > Combined management report > Risk and opportunity management
- 2014 Annual Report > Combined management report > Innovation and product development

GLOBAL COMPACT COMMUNICATION ON PROGRESS
Principle 10: Work against corruption in all its forms, including extortion and bribery