

# **CORPORATE RESPONSIBILITY BERICHT 2015**

**GRI-INDEX**

**GLOBAL COMPACT  
COMMUNICATION ON PROGRESS**



**LIFE IS FOR SHARING.**

# 1. GENERAL STANDARD DISCLOSURES

Indicator      Reference      Checked      Indicator      Reference      Checked

## STRATEGY AND ANALYSIS

### G4-1 Statement of the Board of Management

- Strategy & management > Statement by the Chairman of the Board of Management > Foreword by the Chairman of the Board of Management

### G4-2 Impacts, risks and opportunities

- Strategy & management > Risk and opportunity management
- Strategy & management > Added value and materiality > Impact of material aspects along the value chain

## ORGANIZATIONAL PROFILE

### G4-3 Name of the organization

- Strategy & management > Added value and materiality > Our business operations

### G4-4 Primary brands, products and services

- Strategy & management > Added value and materiality > Our business operations

### G4-5 Location of the organization's headquarters

- Imprint > Publishing information

### G4-6 Countries where the company operates

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

### G4-7 Ownership structure and legal form

- Group profile

### G4-8 Markets served

- [www.telekom.com/worldwide](http://www.telekom.com/worldwide)
- 2015 Annual Report
- Strategy & management > Added value and materiality > Our business operations

### G4-9 Scale of the organization

- Strategy & management > Added value and materiality > Our business operations
- 2015 Annual Report: Financial report [<http://www.annualreport.telekom.com/site0216/facts-and-figures/selected-financial-data-of-the-group.html>]

### G4-10 Total workforce

- Facts & figures > Social indicators > Headcount and part-time work > Number of employees & part-time employment

Distinction of employees by contract has not yet been implemented, but plans are underway. We did not break down total workforce into employees and supervised workers. 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

58 percent of all employees worldwide and 68 percent of all employees in Germany were covered by collective agreements in 2015.

### G4-12 Supply chain

- Suppliers > Supply chain management

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

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 preventive action at Deutsche Telekom.

- Strategy & management > Risk and opportunity management
- Strategy & management > Compliance
- Strategy & management > CR strategy > ESG key performance indicators

Indicator Reference Checked

Indicator Reference Checked

**G4-15 External charters, principles or other initiatives**

- > About this report > Global Compact Communication on Progress
- > About this report > The Sustainability Code
- > Strategy & management > Values and Guiding Principles
- > Strategy & management > Values and Guiding Principles > Code of Responsible Conduct for Business
- > Strategy & management > Stakeholder management > Stakeholder involvement > Overview of memberships and collaborations
- > Suppliers > Sustainable procurement strategy > Managing sustainability in procurement processes

**G4-16 Memberships in associations and advocacy organizations**

- > Strategy & management > Stakeholder management > Stakeholder involvement > 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 & management > Stakeholder management > Political advocacy

**IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES**

**G4-17 Group structure**

- > [www.telekom.com/worldwide](http://www.telekom.com/worldwide)

**G4-18 Defining report content** ✓

- > Strategy & management > Added value and materiality > Materiality process better tailored to ICT requirements
- > Strategy & management > Added value and materiality > Key issues for sustainable business development

**G4-19 Material aspects** ✓

- > Strategy & management > Added value and materiality > Key issues for sustainable business development
- > Strategy & management > Added value and materiality > Material aspects matched with GRI aspects

**G4-20 Material aspects within the organization** ✓

- > Strategy & management > Added value and materiality > Impact of material aspects along the value chain

**G4-21 Material aspects outside the organization** ✓

- > Strategy & management > Added value and materiality > Impact of material aspects along the value chain

**G4-22 Explanation of any restatements of information**

There was no cause to restate information within the reporting period.

**G4-23 Explanation of any changes in the scope and aspect boundaries**

- > Strategy & management > Added value and materiality > Impact of material aspects along the value chain

**STAKEHOLDER ENGAGEMENT**

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

- > Strategy & management > Added value and materiality > Materiality process better tailored to ICT requirements
- > Strategy & management > Stakeholder management
- > CR facts: Stakeholder engagement

**G4-25 Identification and selection of stakeholders**

- > Strategy & management > Stakeholder management
- > Strategy & management > Stakeholder management > Stakeholder involvement > Stakeholder engagement

**G4-26 Approach to stakeholder engagement**

- > CR facts: Stakeholder engagement

**G4-27 Key topics and concerns raised by stakeholders**

- > Strategy & management > Stakeholder management > Feedback from the stakeholder survey
- > Strategy & management > Stakeholder management > Petition: MagentaMobil Happy

**REPORT PROFILE**

**G4-28 Reporting period**

- > About this report

**G4-29 Date of most recent previous report**

- > About this report

**G4-30 Reporting cycle**

- > About this report

**G4-31 Contact**

- > About this report

Indicator Reference Checked Indicator Reference Checked

G4-32 "In accordance" option in GRI content index

> About this report > GRI index

G4-33 External assurance for the report

> About this report > GRI index

**GOVERNANCE**

G4-34 Governance structure

> Strategy & management > CR strategy > Current organizational structure

G4-35 Delegating authority for sustainability topics

> Strategy & management > CR strategy > Current organizational structure

G4-36 Responsibility for sustainability topics

> Strategy & management > CR strategy > 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.

**ETHICS AND INTEGRITY**

G4-56 Values, principles, standards and norms of behavior

> Strategy & management > Values and Guiding Principles

G4-57 Internal and external mechanisms for seeking advice on ethical and lawful behavior

> Strategy & management > Compliance > Ensuring integrity and compliance

G4-58 Mechanisms for reporting concerns about unethical or unlawful behavior

> Strategy & management > Compliance > Ensuring integrity and compliance

# 2. SPECIFIC STANDARD DISCLOSURES

## ECONOMIC

Indicator      Reference      Checked

### ASPECT: INDIRECT ECONOMIC IMPACTS

G4-DMA Management approach

▸ Customers & products > Responsible infrastructure expansion > Expanding our infrastructure

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

↗ Customers & products > Responsible infrastructure expansion

# 2. SPECIFIC STANDARD DISCLOSURES

## ENVIRONMENTAL

Indicator Reference Checked

### ASPECT: ENERGY

**G4-DMA Management approach** ✓

- > Climate & environment > Climate protection strategy > Protecting the climate
- > Climate & environment > Climate protection measures > Energy-efficiency in the network > Operating energy-efficient networks
- > Climate & environment > Climate protection measures > Energy-efficient buildings > Making our buildings energy-efficient
- > Climate & environment > Climate protection measures > Climate-friendly mobility > Our climate-friendly mobility efforts

**G4-EN3 Energy consumption within the organization** ✓

- > Facts & figures > Environmental 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** ✓

- > Facts & figures > Environmental indicators > Energy > Energy Consumption ESG KPI

### ASPECT: EMISSIONS

**G4-DMA Management approach** ✓

- > Climate & environment > Climate protection strategy > Protecting the climate
- > Climate & environment > Climate protection strategy > Measuring Scope 3 emissions along the value chain

**G4-EN15 Direct GHG emissions (Scope 1)** ✓

- > Facts & figures > Environmental indicators > CO<sub>2</sub> emissions (Scope 1 & 2) > CO<sub>2</sub> Emissions ESG KPI
- > Facts & figures > Environmental indicators > CO<sub>2</sub> emissions (Scope 1 & 2) > Total CO<sub>2</sub> emissions (Scope 1 & 2)

Indicator Reference Checked

**G4-EN16 Indirect GHG emissions (Scope 2)** ✓

- > Facts & figures > Environmental indicators > CO<sub>2</sub> emissions (Scope 1 & 2) > CO<sub>2</sub> Emissions ESG KPI
- > Facts & figures > Environmental indicators > CO<sub>2</sub> emissions (Scope 1 & 2) > Total CO<sub>2</sub> emissions (Scope 1 & 2)

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

- > Facts & figures > Environmental indicators > CO<sub>2</sub> EMISSIONS (SCOPE 3) > CO<sub>2</sub> emissions from business trips (Scope 3)

### ASPECT: PRODUCTS AND SERVICES

**G4-DMA Management approach** ✓

- > Customers & products > Sustainable products and services > Developing sustainable products and services

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

- > Customers & products > Consumer protection and security > Mobile communication and health > Used cell-phone collection
- > Customers & products > Sustainable products and services > Sustainable ICT solutions > Don't buy, rent
- > Facts & figures > Environmental indicators > Used cell-phone collection and waste volume > Used Cell-Phone Collection ESG KPI for the Deutsche Telekom Group (new)
- > Facts & figures > Environmental indicators > Used cell-phone collection and waste volume > Used Cell-Phone Collection ESG KPI for Deutsche Telekom AG in Germany (new)
- > Facts & figures > Environmental indicators > Used cell-phone collection and waste volume > Used Cell-Phone Collection ESG KPI for Deutsche Telekom AG in Germany (old)
- > Facts & figures > Environmental indicators > Other environmental data > Online billing

# 2. SPECIFIC STANDARD DISCLOSURES

## SOCIAL

### LABOR PRACTICES AND DECENT WORK

Indicator      Reference      Checked

#### ASPECT: EMPLOYMENT

G4-DMA Management approach ✓

- > Employees > Responsible and agile employer > Shaping employee relations as a responsible employer
- > Suppliers > Supply chain management > Improving sustainability in the supply chain

G4-LA1 New employee hires and employee turnover ✓

- > Facts & figures > Social indicators > Headcount and part-time work > Headcount development worldwide
- > Facts & figures > Social indicators > Fluctuation and workflow management > Fluctuation rate
- > Facts & figures > Social indicators > Staff reconstructing > Percentage of civil servants employed at the Deutsche Telekom Group
- > Facts & figures > Social indicators > Staff reconstructing > 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 and agile employer > Shaping employee relations as a responsible employer

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.

Indicator      Reference      Checked

#### ASPECT: OCCUPATIONAL HEALTH AND SAFETY

G4-DMA Management approach

- > Employees > Health and safety > Promoting the health of our workforce

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 in collaboration with Erholungswerk Post Postbank Telekom e.V.;
- Advice and arranging of services in connection with "caring for relatives"
- Deutsche Telekom Social Fund: provides 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 employer representatives from the Group and Group companies as well as employee representatives, occupational health and safety experts and representatives of employees with disabilities.
- 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.

Indicator Reference Checked

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 certified health, safety and environmental management system, which guarantees compliance with Group-wide standards. Around 77.5 percent of employees at an international level are already covered by this management system (as of the end of 2015).

**G4-LA6 Types of injury and rates of injury at the organization**

- > Facts & figures > Social indicators > Employee health > Health rate
- > Facts & figures > Social indicators > Employee health > Work accidents in Germany

**ASPECT: TRAINING AND EDUCATION**

**G4-DMA Management approach**

- > Employees > Education and development

**G4-LA9 Average hours of training per year per employee by gender, and by employee category**

**Training (Group in Germany)**

	Total hours in 2014	Female	Male
Apprentices	11,408,904*	4,563,562*	6,845,342*
Students in cooperative degree programs	2,292,654*	779,502*	1,513,152*
Total	13,701,558*	5,343,064*	8,358,494*

(\* Average values are used in these calculations.)

**Continuing education (Group in Germany)**

Our employees spent an average of around 21.8 hours attending continuing education events in 2015. 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.

- > Facts & figures > Social indicators > Training and development > Telekom Training continuing education program
- > Facts & figures > Social indicators > Training and development > Apprentices 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**

- > Facts & figures > Social indicators > Training and development

Indicator Reference Checked

**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.

- > Facts & figures > Social indicators > Training and development > Telekom Training continuing education program

**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. The Compass tool 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)	81,830 employees (92 percent of the target group)
Performance & Potential Review (employees not covered by collective agreements in Germany)	9,100 employees (98 percent of the target group)
Performance & Potential Review (employees at national companies)	24,000 employees (89 percent of the target group, tool is used in many National companies)
Performance Dialog (top-level managers throughout the Group)	2,500 employees (97 of the target group)

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



Indicator Reference Checked

**ASPECT: DIVERSITY AND EQUAL OPPORTUNITY**

G4-DMA Management approach ✓

➤ Employees > Diversity and equal opportunities > Supporting diversity

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 ✓

- Facts & figures > Social indicators > Diversity > Women at the Group
- Facts & figures > Social indicators > Diversity > People with disabilities
- Facts & figures > Social indicators > Demography and company pension scheme > Age structure

Deutsche Telekom is an international corporation that holds no more than a majority interest in some of its national companies. For that reason it is not possible to break down these values based on employee category.

**ASPECT: EQUAL REMUNERATION FOR WOMEN AND MEN**

G4-DMA Management approach

➤ Employees > Diversity and equal opportunities > Supporting diversity

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 locations 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 > Managing sustainability in procurement processes
- Suppliers > Supply chain management > Improving sustainability in the supply chain
- Suppliers > Supply chain management > 2015 audit results

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).

Indicator Reference Checked

This information will be available once the supplier portal has been introduced throughout the Group. Roll-out 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 > 2015 audit results

Improvement measures regarding working conditions, human rights or environmental protection were implemented at the facilities of 53 out of 62 audited suppliers.

# 2. SPECIFIC STANDARD DISCLOSURES

## HUMAN RIGHTS

Indicator Reference Checked Indicator Reference Checked

### ASPECT: NON-DISCRIMINATION

#### G4-DMA Management approach

- Strategy & management > Human rights > How we protect human rights

#### G4-HR3 Total number of incidents of discrimination and corrective actions taken

- Strategy & management > Human rights > Reports received by the Contact Point for Human Rights

### ASPECT: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

#### G4-DMA Management approach

- Strategy & management > Human rights > How we protect human rights

#### 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 > 2015 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 principles 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.

With regard to the accusations from unions about T-Mobile USA, 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 in favor of union representation. There are also several collective agreements at these two locations that T-Mobile USA 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: SUPPLIER HUMAN RIGHTS ASSESSMENT

#### G4-DMA Management approach ✓

- Suppliers > Sustainable procurement strategy > Managing sustainability in procurement processes
- Suppliers > Supply chain management > Improving sustainability in the supply chain
- Suppliers > Supply chain management > 2015 audit results

#### 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., through voluntary information, the EcoVadis platform or social audits). This information will be available once the supplier portal has been introduced throughout the Group. Roll-out 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.

- Facts & figures > Economic indicators > Suppliers > Sustainable Procurement ESG KPI
- Facts & figures > Economic 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 > 2015 audit results

Improvement measures regarding working conditions, human rights or environmental protection were implemented at the facilities of 53 out of 62 audited suppliers.

# 2. SPECIFIC STANDARD DISCLOSURES

## SOCIETY

Indicator Reference Checked Indicator Reference Checked

### ASPECT: ANTI-CORRUPTION

#### G4-DMA Management approach

➤ Strategy & management > Compliance > Management approach (Compliance)

#### 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 our 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. Acceptance of a benefit aimed at securing a specific business decision.
3. Employee develops selection criteria to be in favor of a supplier/consultant, leaving the buyer with no choice; employee influences an auction/bid in favor of a bidder and receives a benefit in return.
4. When awarding contracts for services, an employee/buyer agrees to conditions that are to the detriment of the company in return for money or other benefits from the contractor/consultant.
5. An employee makes an arrangement with a supplier to add 10 percent to a bill; the supplier pays half of the extra amount charged into a private bank account of the employee.

Each year, we carry out a Group-wide compliance risk assessment (CRA) to determine compliance risks and develop tailored compliance measures. In 2015, the CRA included 79 companies and thus covered around 96 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.

No specific training campaign on this topic was conducted in 2015 as certification is scheduled for 2016/2017 and we are planning to launch a new training campaign in this context.

#### E-learning training in Germany

In 2014 and 2015, 27,756 employees in high-risk positions (sales, procurement) in Germany completed the anti-corruption e-learning course; 20,452 employees received a certificate for completing a compliance e-learning course; 39,809 employees participated in an e-quiz on gifts and more than 2,000 employees took the e-learning course on consultant services.

#### Face-to-face training in Germany and internationally

In 2015, 870 employees (Germany) and 1,500 employees (internationally) from the T-Systems segment participated in face-to-face training on compliance and anti-corruption together with 3,600 employees from our Europe segment. 700 employees from our Germany segment participated as well, as did around 580 employees from our Service Headquarters.

#### Implementation of Group policy throughout the Group

Deutsche Telekom has introduced the Group Policy on Avoiding Corruption and Other Conflicts of Interest, which sets out the relevant responsibilities and duties and includes a list of possible conflicts of interest. We also introduced our Group Policy on Accepting and Granting of Benefits, which clearly specifies which benefits may be granted to and accepted from business partners.

Both policies have been rolled out and communicated throughout the Group and approved by the managing boards at the various companies.

#### Providing information and training to 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 process. 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 face-to-face training offers and an

Indicator Reference Checked

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, anti-trust 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 incidents of corruption is confidential.

**ASPECT: COMPLIANCE**

**G4-DMA Management approach**

- > Strategy & management > Compliance > Ensuring integrity and compliance

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

- > Strategy & management > Compliance > Major ongoing litigation

**ASPECT: CUSTOMER HEALTH AND SAFETY**

**G4-DMA Management approach**

- > Customers & products > Consumer protection and security > Customer and youth protection > Protecting consumers and young people
- > Customers & products > Consumer protection and security > Cyber Security > Protecting our infrastructure
- > Customers & products > Consumer protection and security > Mobile communication and health > Striving for secure mobile communications
- > Customers & products > Sustainable products and services > Developing sustainable products and services

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

- > Strategy & management > Compliance > Major ongoing litigation

**ASPECT: PRODUCT AND SERVICE LABELING**

**G4-DMA Management approach**

- > Customers & products > Service quality > How we guarantee excellent service quality

**G4-PR5 Results of surveys measuring customer satisfaction**

- > Customers & products > Service quality > Measurable success with "C1 – Customers first."

**ASPECT: CUSTOMER PRIVACY**

**G4-DMA Management approach**

- > Strategy & management > Data privacy and data security > Laying the foundation for effective data privacy
- > Customers & products > Consumer protection and security > Customer and youth protection > Protecting consumers and young people
- > Customers & products > Consumer protection and security > Cyber Security > Protecting our infrastructure

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

- > Strategy & management > Compliance > Major ongoing litigation

# 3. FURTHER GRI ASPECTS REPORTED

Indicator Reference Checked

## ASPECT: ECONOMIC PERFORMANCE

### G4-DMA Management approach

➤ Annual report > Group strategy

### G4-EC1 Direct economic value generated and distributed

➤ Facts & figures > Economic indicators > Financial performance indicators > Net added value

### G4-EC3 Defined benefit plan obligations

➤ Facts & figures > Social indicators > Demography and company pension scheme > Company pension scheme

## ASPECT: PROCUREMENT PRACTICES

### G4-DMA Management approach

- Suppliers > Sustainable procurement strategy > Managing sustainability in procurement processes
- Suppliers > Supply chain management > Improving sustainability in the supply chain
- Suppliers > Resource scarcity and raw materials sourcing > Supporting responsible resource extraction

### 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.

## ASPECT: EFFLUENTS AND WASTE

### G4-DMA Management approach

- Climate & environment > Resource efficiency and environmental protection > Sustainability relevance (Resource efficiency and environmental protection)
- Climate & environment > Resource efficiency and environmental protection > Saving resources and protecting the environment
- Climate & environment > Resource efficiency and environmental protection > Waste reduction and recycling

Indicator Reference Checked

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

➤ Facts & figures > Environmental indicators > Used cell-phone collection and waste volume > 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 or reused). 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: SUPPLIER ENVIRONMENTAL ASSESSMENT

### G4-DMA Management approach

- Suppliers > Sustainable procurement strategy > Managing sustainability in procurement processes
- Suppliers > Supply chain management > Improving sustainability in the supply chain
- Suppliers > Supply chain management > 2015 audit results > 2015 audit results
- Suppliers > Resource scarcity and raw materials sourcing > Supporting responsible resource extraction

### 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. Roll-out 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-EN33 Significant actual and potential negative environmental impacts in the supply chain and actions taken

➤ Suppliers > Supply chain management > 2015 audit results

Improvement measures regarding working conditions, human rights or environmental protection were implemented at the facilities of 53 out of 62 audited suppliers.

Indicator Reference Checked

**ASPECT: LABOR PRACTICES GRIEVANCE MECHANISMS**

G4-DMA Management approach

- > Strategy & management > Human rights > How we protect human rights

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 & management > Human rights > Reports received by the Contact Point for Human Rights

**ASPECT: CHILD LABOR**

G4-DMA Management approach

- > Strategy & management > Human rights > How we protect human rights
- > Suppliers > Sustainable procurement strategy > Managing sustainability in procurement processes
- > Suppliers > Supply chain management > Improving sustainability in the supply chain

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

- > Suppliers > Supply chain management > 2015 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 & management > Human rights > How we protect human rights
- > Suppliers > Sustainable procurement strategy > Managing sustainability in procurement processes
- > Suppliers > Supply chain management > Improving sustainability in the supply chain

Indicator Reference Checked

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

- > Strategy & management > Human rights > How we protect human rights
- > Suppliers > Supply chain management > 2015 audit results
- ➔ CR facts: Social Charter

We work to counter risk relating to forced labor by auditing selected strategic and particularly high-risk suppliers. No significant risk of forced or compulsory labor was identified at our direct business facilities.

**ASPECT: ASSESSMENT**

G4-DMA Management approach

- > Strategy & management > Human rights > How we protect human rights

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

- > Strategy & management > Human rights > How we protect human rights

**ASPECT: HUMAN RIGHTS GRIEVANCE MECHANISMS**

G4-DMA Management approach

- > Strategy & management > Human rights > How we protect human rights
- > Strategy & management > Human rights > Reports received by the Contact Point for Human Rights

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

- > Strategy & management > Human rights > Reports received by the Contact Point for Human Rights

**ASPECT: PUBLIC POLICY**

G4-DMA Management approach

- > Strategy & management > Stakeholder management > Political advocacy

G4-SO6 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.

# GLOBAL COMPACT COMMUNICATION ON PROGRESS

## Principle 1: Support and respect for internationally proclaimed human rights

- > Strategy & management > Values and Guiding Principles
- > Strategy & management > Compliance
- > Strategy & management > Data privacy and data security
- > Strategy & management > Stakeholder management > Political advocacy
- ↗ CR facts: Social Charter
- ↗ CR facts: Compensation
- > Suppliers > Sustainable procurement strategy
- > Suppliers > Supply chain management
- ↗ CR facts: Supplier audits
- > Customers & products > Consumer protection and security > Mobile communication and health
- > Employees > Health and safety
- > About this report > GRI index > Specific standard disclosures
- > Employees > Responsible and agile employer
- > Employees > Diversity and equal opportunities
- > Customers & products > Consumer protection and security > Customer and youth protection
- ↗ 2015 Annual Report > Management report > Employees
- ↗ 2015 Annual Report > Management report > Group strategy
- ↗ 2015 Annual Report > Management report > Management of the Group

## Principle 2: No complicity in human rights abuses

- > Strategy & management > Values and Guiding Principles
- > Strategy & management > Compliance
- > Strategy & management > Stakeholder management > Political advocacy
- > Customers & products > Consumer protection and security > Mobile communication and health
- > Suppliers > Sustainable procurement strategy
- > Suppliers > Supply chain management
- ↗ CR facts: Supplier audits
- > About this report > GRI index > Specific standard disclosures

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

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

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

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

## Principle 5: Abolition of child labor

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

## Principle 6: Elimination of discrimination in respect of employment and occupation

- > Strategy & management > Values and Guiding Principles
- > Strategy & management > Compliance
- > About this report > GRI index > Specific standard disclosures
- > About this report > GRI index > Specific standard disclosures
- > Employees > Diversity and equal opportunities
- ↗ 2015 Annual Report > Management report > Employees
- ↗ 2015 Annual Report > To our shareholders > Corporate Governance Report

### Principle 7: Support a precautionary approach to environmental challenges

- Strategy & management > CR strategy > CR program
- Strategy & management > CR strategy > ESG key performance indicators
- Strategy & management > CR strategy
- Strategy & management > Stakeholder management > Political advocacy
- Strategy & management > Risk and opportunity management
- Climate & environment > Climate protection strategy
- Climate & environment > Climate protection measures
- Climate & environment > Resource efficiency and environmental protection
- Climate & environment > Climate protection measures > Energy efficiency in the network
- Climate & environment > Resource efficiency and environmental protection
- Climate-friendly mobility
- Sustainable products
- Customers & products > Sustainable products and services > Sustainable ICT solutions
- CR facts: Sustainability Guideline for Product Design
- CR facts: Device packaging policy
- Customers & products > Sustainable products and services > Business models through innovation
- Suppliers > Sustainable procurement strategy
- Suppliers > Supply chain management
- CR facts: Supplier audits
- CR facts: Conflict-Free Sourcing Initiative
- Facts & figures > Environmental indicators > CO<sub>2</sub> emissions (Scope 1 & 2)
- Facts & figures > Environmental indicators > Energy
- Facts & figures > Environmental indicators > Used cell-phone collection and waste volume
- Facts & figures > Environmental indicators > Other environmental data
- 2015 Annual Report > Management Report > Risk and opportunity management

### Principle 8: Undertake initiatives to promote greater environmental responsibility

- Strategy & management > Values and Guiding Principles
- Strategy & management > CR strategy
- Strategy & management > CR strategy > ESG key performance indicators
- Strategy & management > CR strategy
- Strategy & management > Stakeholder management > Political advocacy
- Climate & environment > Climate protection strategy
- Climate & environment > Climate protection measures
- Climate & environment > Resource efficiency and environmental protection
- Climate & environment > Climate protection measures > Energy efficiency in the network
- Climate & environment > Resource efficiency and environmental protection
- Customers & products > Sustainable products and services > Sustainable ICT solutions

- 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 & products > Sustainable products and services > Sustainable ICT solutions
- Customers & products > Sustainable products and services > Business models through innovation
- Suppliers > Sustainable procurement strategy
- Suppliers > Supply chain management
- CR facts: Conflict-Free Sourcing Initiative
- SAR levels
- 2015 Annual Report > Management Report > Risk and opportunity management

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

- Strategy & management > CR strategy
- Strategy & management > CR strategy > ESG key performance indicators
- Strategy & management > CR strategy
- CR facts: Sustainability Guideline for Product Design
- Customers & products > Sustainable products and services > Sustainable ICT solutions
- Customers & products > Sustainable products and services > Sustainable ICT solutions
- Customers & products > Sustainable products and services > Business models through innovation
- Customers & products > Sustainable products and services > Business models through innovation
- Climate & environment > Climate protection strategy
- Climate & environment > Climate protection measures
- Climate & environment > Resource efficiency and environmental protection
- Climate & environment > Climate protection measures > Energy efficiency in the network
- CR facts: Green Car Policy
- Suppliers > Sustainable procurement strategy
- Suppliers > Supply chain management
- CR facts: Conflict-Free Sourcing Initiative
- 2015 Annual Report > Management Report > Innovation and product development

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

- Strategy & management > CR strategy
- Strategy & management > Compliance
- Strategy & management > Risk and opportunity management
- Strategy & management > Data privacy and data security
- Strategy & management > Stakeholder management > Political advocacy
- Suppliers > Sustainable procurement strategy
- CR facts: Supplier audits
- About this report > GRI index > Specific standard disclosures
- 2015 Annual Report > To our shareholders > Corporate Governance Report
- 2015 Annual Report > Management Report > Risk and opportunity management