

# **CORPORATE RESPONSIBILITY REPORT 2016**

**GRI-INDEX**

**GLOBAL COMPACT  
COMMUNICATION ON PROGRESS**



**LIFE IS FOR SHARING.**



Indicator Reference Checked

**G4-16 Memberships of 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 Organizational structure**

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

**G4-18 Definition of report content** ✓

- Strategy & management > Added value and materiality > Results of the materiality analysis
- Strategy & management > Added value and materiality > Consistent materiality process

**G4-19 Material aspects** ✓

- Strategy & management > Added value and materiality > Results of the materiality analysis
- Strategy & management > Added value and materiality > Material aspects matched with GRI aspects

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

**Impact and delimitation of material aspects along the value chain**

Topics that are relevant for Deutsche Telekom were identified in the course of the materiality analysis. The following is a simplified illustration of where we primarily see environmental, social and economic impact – at the Group as well as in the upstream and downstream supply chain.

#	Material aspects	Impact				
		Raw materials extraction	Manufacturing	Processes at Deutsche Telekom	Use of services and products	Disposal and recycling
1	Data security			++	++	
2	Privacy			++	++	
3	Cyber safety			++	++	
4	ICT solutions for a low-carbon economy		++	++	++	++
5	Employee involvement			++		

Indicator Reference Checked

6	Service quality			++	++	
7	ICT and child safety				++	
8	Talent acquisition, retention, development and staff reduction			++		
9	Transparency and reporting	++	++	++	++	++
10	Climate change mitigation	++	++	++	++	++
11	Socially relevant application of ICT products and services				++	
12	Network expansion			++	++	
13	Ethical business practices and compliance	++	++	++	++	++
14	Stakeholder engagement	++	++	++	++	++
15	Supply chain labor standards	++	++	++		++
16	Sustainable product design	++	++	++	++	++
17	Employee health, safety and wellness	++	++	++		
18	Employee diversity and anti-discrimination	++	++	++	++	

Indicator Reference Checked

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

**Impact and delimitation of material aspects along the value chain**

Topics that are relevant for Deutsche Telekom were identified in the course of the materiality analysis. The following is a simplified illustration of where we primarily see environmental, social and economic impact – at the Group as well as in the upstream and downstream supply chain.

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3	Cyber safety			++	++	
4	Service quality			++	++	
5	ICT solutions for a low-carbon economy		++	++	++	++
6	Employee involvement			++		
7	Talent acquisition, retention, development and staff reduction			++		
8	Climate change mitigation	++	++	++	++	++
9	ICT and child safety				++	
10	Socially relevant application of ICT products and services				++	
11	Transparency and reporting	++	++	++	++	++
12	Network expansion			++	++	
13	Ethical business practices and compliance	++	++	++	++	++
14	Supply chain labor standards	++	++	++		++
15	Stakeholder engagement	++	++	++	++	++

Indicator Reference Checked

16	Employee health, safety and wellness	++	++	++		
17	Sustainable product design	++	++	++	++	++
18	Employee diversity and anti-discrimination	++	++	++	++	

**G4-22 Reasons for any restatements of information**

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

**G4-23 Changes in the scope and aspect boundaries**

Contrary to the 2015 CR Report (reporting period March 1, 2015 to February 29, 2016), the present CR Report refers to the full calendar year 2016. We report all relevant events and activities that took place between January 1, 2016, and December 31, 2016. All quantitative data and indicators also refer to the 2016 calendar year. Any deviations are marked accordingly.

**STAKEHOLDER ENGAGEMENT**

**G4-24 Stakeholder groups engaged**

- Strategy & management > Added value and materiality > Consistent materiality process
- Strategy & management > Stakeholder management > Stakeholder involvement > Stakeholder engagement
- 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**

- Strategy & management > Stakeholder management > Stakeholder involvement > Overview of memberships and collaborations
- CR facts: Stakeholder engagement

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

- Strategy & management > Stakeholder management > Feedback from the stakeholder survey

**REPORT PROFILE**

**G4-28 Reporting period**

- About this report

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

- About this report

Indicator	Reference	Checked
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**G4-30 Reporting cycle**

> About this report

**G4-31 Contact**

> About this report

**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

### INDIRECT ECONOMIC IMPACTS

G4-DMA

> Customers & products > 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

### ENERGY

- G4-DMA** ✓
- Climate & environment > Climate strategy > CO<sub>2</sub> emissions > Protecting the climate
  - Climate & environment > Climate strategy > Energy efficiency > Operating energy-efficient networks
  - Climate & environment > Climate strategy > Energy efficiency > Making our buildings energy-efficient
  - Climate & environment > Climate strategy > CO<sub>2</sub> emissions > Our climate-friendly mobility efforts

- G4-EN3 Energy consumption within the organization** ✓
- Facts & figures > Environmental indicators > Energy > Total energy consumption indicator

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

### EMISSIONS

- G4-DMA** ✓
- Climate & environment > Climate strategy > CO<sub>2</sub> emissions > Protecting the climate
  - Climate & environment > Climate strategy > CO<sub>2</sub> emissions > Measuring Scope 3 emissions along the value chain

- G4-EN15 Direct GHG emissions (Scope 1)** ✓
- Facts & figures > Environmental indicators > CO<sub>2</sub> emissions > CO<sub>2</sub> Emissions ESG KPI
  - Facts & figures > Environmental indicators > CO<sub>2</sub> emissions > Total CO<sub>2</sub> emissions (Scope 1 & 2)

- G4-EN16 Indirect GHG emissions (Scope 2)** ✓
- Facts & figures > Environmental indicators > CO<sub>2</sub> emissions > CO<sub>2</sub> Emissions ESG KPI
  - Facts & figures > Environmental indicators > CO<sub>2</sub> emissions > Total CO<sub>2</sub> emissions (Scope 1 & 2)

Indicator Reference Checked

- G4-EN17 Other indirect GHG emissions (Scope 3)** ✓
- Facts & figures > Environmental indicators > CO<sub>2</sub> emissions > CO<sub>2</sub> emissions from business trips (Scope 3)

### PRODUCTS AND SERVICES

- G4-DMA** ✓
- 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 > Sustainable products and services > Used cell-phone collection
  - Customers & products > Sustainable products and services > 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 > Other environmental data > Online billing

# SPECIFIC STANDARD DISCLOSURES

## SOCIAL SUB-CATEGORY: LABOR PRACTICES AND DECENT WORK

Indicator Reference Checked

### EMPLOYMENT

G4-DMA ✓

- 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.

### LABOR/MANAGEMENT RELATIONS

G4-DMA ✓

- 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.

### OCCUPATIONAL HEALTH AND SAFETY

G4-DMA

- Employees > Occupational health and safety > Health and Safety Management Approach

Indicator Reference Checked

Deutsche Telekom supports its employees or their family members with special programs in case of need, for example during a serious illness. These include:

- Individual counseling in case of professional and private issues or conflicts offered by psychosocial experts of the Employee and Executive Advisory Service by external service provider B.A.D.
- Assistance for low-income families: The Post/Postbank/Telekom welfare service provides support in case of emergencies, such as natural disasters.
- 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. The Family Fund provides support to families in need.
- Dance therapy for women with cancer in collaboration with the Post Postbank Telekom e.V. recreation service.
- Offers in cooperation with the AWO service for families and parents: consulting on and arranging childcare, care of relatives, home help for the elderly and other personal and household services, nursing and care seminars and emergency childcare.
- We enable flexible working models for an improved work-life balance. Deutsche Telekom offers various models for working schedules. These enable flexible working hours, part-time work, phased retirement, parental leave, family care leave and leave of absence without pay.

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.

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.

Indicator Reference Checked

Around 77.5 percent of employees at an international level are already covered by this management system (as of the end of 2016).

Occupational health and safety management across all German Group companies was audited in 2016 in order to ensure complete certification of the collaborating companies.

All audited units were awarded the certificate, increasing coverage in Germany from 2 percent to 62 percent.

**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

**TRAINING AND DEVELOPMENT**

**G4-DMA**

- Employees > Training and development > Investing in training 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 2016	Female	Male
Apprentices	10,911,200*	4,364,480*	6,546,720*
Students in cooperative degree programs	3,125,424*	1,062,644*	2,062,780*
Sum	14,036,624*	5,427,124*	8,609,500*

(\* Average values were used to calculate the figures.)

**Continuing education (Group in Germany)**

Our employees spent an average of around 21.7 hours attending continuing education events in 2016. 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 life-long learning**

- Employees > Training and development

**Managing career endings**

Depending on the situation, we use different tools to make it easier for employees to manage ending their career at the Group in a socially compatible way. This includes options such as outplacement consulting and severance payments. Vivento, the service provider for Deutsche Telekom's personnel restructuring in Germany, also provides our employees with a wide range of new perspectives within and outside Deutsche Telekom. They receive support and individual consulting on every

Indicator Reference Checked

aspect of career changes, including suitable job vacancies from federal, state or local authorities and via the www.interamt.de job portal operated by Vivento as well as job application training, targeted skills development and information on financial change incentives and offers 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.

- Employees > 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)	77,000 employees (81 percent of the target group)
Performance & Potential Review (employees not covered by collective agreements in Germany)	9,000 employees (96 percent of the target group)
Performance & Potential Review (employees at national companies)	21,000 employees (tool is used in many National companies)
Performance Dialog (top-level managers throughout the Group)	2,500 employees (93 percent of the target group; June 2016)

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

**EMPLOYEE DIVERSITY AND EQUAL OPPORTUNITIES**

**G4-DMA** ✓

- Employees > Diversity and equal opportunities > Supporting diversity

Indicator	Reference	Checked
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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		✓
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- 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.

**EQUAL REMUNERATION FOR WOMEN AND MEN**

G4-DMA		✓
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- Employees > Diversity and equal opportunities > Supporting diversity

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

**SUPPLIER ASSESSMENT FOR LABOR PRACTICES**

G4-DMA		✓
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- Suppliers > Sustainable procurement strategy > Managing sustainability in procurement processes
- Suppliers > Supply chain management > Improving sustainability in the supply chain
- Suppliers > Supply chain management > 2016 audit results

G4-LA14 Percentage of new suppliers that were screened using labor practices criteria	
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We are currently unable to provide information regarding the percentage of new suppliers that have been evaluated based on sustainability criteria (e.g., through self-assessments, the EcoVadis platform or social audits). Group-wide roll out of our supplier portal is scheduled for 2017 and we expect to be able to provide exact data in 2018. The general requirement for any supplier relationship with Deutsche Telekom is passing a pre-qualification process, which includes 18 questions regarding sustainability.

G4-LA15 Significant actual and potential negative impacts for labor practices in the supply chain and actions taken		✓
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- Suppliers > Supply chain management > 2016 audit results

# 2. SPECIFIC STANDARD DISCLOSURES

## SOCIAL: HUMAN RIGHTS

Indicator	Reference	Checked	Indicator	Reference	Checked
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### NON-DISCRIMINATION

G4-DMA

➤ Strategy & management > Human rights > Protecting human rights

G4-HR2 Total hours of employee training on human rights policies or procedures

Multiple specific training sessions took place focused exclusively on human rights. Participants involved in these training sessions included employees in particular who hold strategic responsibility for the issue of 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

### FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

G4-DMA

➤ Strategy & management > Human rights > Protecting 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 > 2016 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.

### SUPPLIER HUMAN RIGHTS ASSESSMENT

G4-DMA



- Suppliers > Sustainable procurement strategy > Managing sustainability in procurement processes
- Suppliers > Supply chain management > Improving sustainability in the supply chain
- Suppliers > Supply chain management > 2016 audit results

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



We are currently unable to provide information regarding the percentage of new suppliers that have been evaluated based on sustainability criteria (e.g., through self-assessments, the EcoVadis platform or social audits). Group-wide roll out of our supplier portal is scheduled for 2017 and we expect to be able to provide exact data in 2018. The general requirement for any supplier relationship with Deutsche Telekom is passing a pre-qualification process, which includes 18 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 > 2016 audit results

## 2. SPECIFIC STANDARD DISCLOSURES

### SOCIAL: SOCIETY

Indicator Reference Checked

#### ANTI-CORRUPTION

##### G4-DMA

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

##### G4-SO3 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. Employee agrees to a 10 percent higher invoice amount with a supplier; the supplier reimburses half of the excess amount to the employee through a private account

Each year, we carry out a Group-wide compliance risk assessment (CRA) to determine compliance risks and develop tailored compliance measures. In 2016, the CRA included 79 companies and thus covered around 97 percent (based on the number of employees).

##### G4-SO4 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 attended 72 classroom training sessions; internationally 1,120 employees attended such training sessions. A training campaign was completed as part of preparations for certification in 2015/2016.

#### E-learning training in Germany

In 2015 and 2016, 17,480 employees in high-risk positions (sales, procurement) in Germany and 18,302 other employees completed the anti-corruption e-learning course; 17,818 employees received a certificate

Indicator Reference Checked

for completing a compliance e-learning course; 40,560 employees participated in an e-quiz on gifts and 1,138 employees took the e-learning course on consultant services. 7,977 employees completed the e-learning training on anti-trust law.

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

In 2016, approx. 1,600 employees (Germany) and approx. 3,000 employees (internationally) from the T-Systems segment participated in face-to-face training on compliance and anti-corruption. In the Europe segment approx. 1,000 employees were trained, along with approx. 200 employees in the Germany segment and roughly 100 employees in GHS.

#### 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.

#### 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 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-SO5 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.

#### COMPLIANCE

##### G4-DMA

➤ Strategy & management > Compliance > Ensuring integrity and compliance

##### G4-SO8 Fines for non-compliance with laws and regulations

➤ Strategy & management > Compliance > Major ongoing litigation

# SPECIFIC STANDARD DISCLOSURES

## SOCIAL: PRODUCT RESPONSIBILITY

Indicator      Reference      Checked

### CUSTOMER HEALTH AND SAFETY

G4-DMA ✓

- 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

### PRODUCT AND SERVICE LABELING

G4-DMA ✓

- Customers & products > Service quality > Ensuring excellent service quality

G4-PR5 Results of surveys measuring customer satisfaction

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

### CUSTOMER PRIVACY

G4-DMA ✓

- 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

# FURTHER GRI ASPECTS REPORTED

## ECONOMIC

Indicator      Reference      Checked

### ECONOMIC PERFORMANCE

G4-DMA

➤ Group profile

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

### PROCUREMENT

G4-DMA



- 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 works with suppliers worldwide. That is why we do not have Group-wide policies giving priority to local suppliers at our locations.

# FURTHER GRI ASPECTS REPORTED

## ENVIRONMENTAL

Indicator      Reference      Checked

### EFFLUENTS AND WASTE

#### G4-DMA

- Climate & environment > Circular economy > Sustainability relevance (Circular economy)
- Climate & environment > Circular economy > Saving resources and protecting the environment
- Climate & environment > Circular economy > Sustainability relevance (Other environmental topics)
- Climate & environment > Circular economy > Waste reduction and recycling

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

- Facts & figures > Environmental indicators > Used cell-phone collection and waste volume > Waste Volume performance indicator

Deutsche Telekom has a Group-wide waste management policy in place (e.g., for recycling copper) to handle the major types of waste produced by its business activities. We also use our Used Cell-Phone Collection ESG KPI to determine the relationship between the number of cell phones brought to market and the number returned to us (returned cell-phones in k / number of cell-phones brought to market in m). When customers use the devices for longer periods of time, the environment benefits from this decision and, as a result, this has a positive impact on the KPI.

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.

### SUPPLIER ENVIRONMENTAL ASSESSMENT

#### G4-DMA



- Suppliers > Sustainable procurement strategy > Managing sustainability in procurement processes
- Suppliers > Supply chain management > Improving sustainability in the supply chain
- Suppliers > Supply chain management > 2016 audit results

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



- Suppliers > Supply chain management > 2016 audit results

# FURTHER GRI ASPECTS REPORTED

## SOCIAL: LABOR PRACTICES AND DECENT WORK

Indicator      Reference      Checked

### LABOR PRACTICES GRIEVANCE MECHANISMS

#### G4-DMA

➤ Strategy & management > Human rights > Protecting human rights

Employees can use a central e-mail address under the Employee Relations Policy (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

# FURTHER GRI ASPECTS REPORTED

## SOCIAL: HUMAN RIGHTS

Indicator Reference Checked

### CHILD LABOR

G4-DMA ✓

- Strategy & management > Human rights > Protecting 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 > 2016 audit results
- No significant risk of child labor was identified at our direct business facilities.

### FORCED OR COMPULSORY LABOR

G4-DMA ✓

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

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

- Strategy & management > Human rights > Protecting human rights
  - Suppliers > Supply chain management > 2016 audit results
  - CR facts: Social Charter
- No significant risk of forced or compulsory labor was identified at our direct business facilities.

### ASSESSMENT

G4-DMA

- Strategy & management > Human rights > Protecting 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 > Protecting human rights

Indicator Reference Checked

### HUMAN RIGHTS GRIEVANCE MECHANISMS

G4-DMA

- Strategy & management > Human rights > Protecting 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

# FURTHER GRI ASPECTS REPORTED

## SOCIAL: SOCIETY

Indicator      Reference      Checked

### PUBLIC POLICY

G4-DMA

➤ 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 communications and health (EMF)
- > Employees > Health and safety
- > Employees > Pioneering concepts for the workplace
- > Employees > Diversity and equal opportunities
- > Customers & products > Consumer protection and security > Protecting personal data
- ↗ 2016 Annual Report > Management report > Employees
- ↗ 2016 Annual Report > Management report > Group strategy
- ↗ 2016 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 communications and health (EMF)
- > Suppliers > Sustainable procurement strategy
- > Suppliers > Supply chain management
- ↗ CR facts: Supplier audits
- > About this report > GRI index > Further GRI aspects reported > Social indicators: Human rights

## 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 > Pioneering concepts for the workplace

## 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
- ↗ 2016 Annual Report > Management report > Employees
- ↗ 2016 Annual Report > To our shareholders > Corporate Governance Report

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

- > Strategy & management > CR strategy
- > Strategy & management > CR strategy > ESG key performance indicators
- > Strategy & management > CR strategy > Governance
- > Strategy & management > Stakeholder management > Political advocacy
- > Strategy & management > Risk and opportunity management
- > Climate & environment > Climate protection strategy
- > Climate & environment > Resource efficiency and environmental protection
- > Climate & environment > Climate strategy > Energy efficiency in the network
- > Climate & environment > Other environmental topics > Protecting biodiversity
- > Climate & environment > Climate strategy > Climate-friendly mobility
- > Customers & products > Sustainable products and services > Sustainable products
- ↗ CR facts: Sustainability Guideline for Product Design
- ↗ CR facts: Device packaging policy
- > 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
- > Facts & figures > Environmental indicators > Energy
- > Facts & figures > Environmental indicators > Used cell-phone collection and waste volume
- > Facts & figures > Environmental indicators > Other environmental data
- ↗ 2016 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 > Governance
- > Strategy & management > Stakeholder management > Political advocacy
- > Climate & environment > Climate protection strategy
- > Climate & environment > Resource efficiency and environmental protection
- > Climate & environment > Climate strategy > Energy efficiency in the network
- > Climate & environment > Other environmental topics > Protecting biodiversity
- > Customers & products > Sustainable products and services > Used cell-phone collection
- ↗ 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
- > Suppliers > Sustainable procurement strategy
- > Suppliers > Supply chain management

- ↗ CR facts: Conflict-Free Sourcing Initiative
- ↗ SAR levels
- ↗ 2016 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 > Governance
- ↗ CR facts: Sustainability Guideline for Product Design
- > Customers & products > Sustainable products and services > Used cell-phone collection
- > Climate & environment > Climate protection strategy
- > Climate & environment > Resource efficiency and environmental protection
- > Climate & environment > Climate strategy > Energy efficiency in the network
- ↗ CR facts: Green Car Policy
- > Suppliers > Sustainable procurement strategy
- > Suppliers > Supply chain management
- ↗ CR facts: Conflict-Free Sourcing Initiative
- ↗ 2016 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 protection
- > Strategy & management > Stakeholder management > Political advocacy
- > Suppliers > Sustainable procurement strategy
- ↗ CR facts: Supplier audits
- ↗ 2016 Annual Report > To our shareholders > Corporate Governance Report
- ↗ 2016 Annual Report > Management Report > Risk and opportunity management