CORPORATE RESPONSIBILITY BERICHT 2013.

GRI-INDEX.

GLOBAL COMPACT COMMUNICATION ON PROGRESS.



LIFE IS FOR SHARING.

PROFILE

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 Strat cator Abor Strat 	tegy & management > CR strategy > CR key performance	ce indi-	utilize the Board of I of specific	company's CR progra Management include c sustainability targets	em to motivate managers and am. The salaries paid to mem variable amounts based on a s, for example. In addition to fi ing customer and employee s	bers of our chievement inancial tar-
ment sys national topic are	has an internal reporting and performance indicator mastem that allows us to incorporate the entire Group, i.e., a companies and all strategic business areas, in almost e ea. arly 2010, we have been using a CR database to systema	all every	as well as ples. For s include di managem	compliance with our selected members of iversity aspects such a nent positions. Improv	company's values and Guidir our Board of Management, ta as increasing the number of v ements in work-life balance a interns at the company are al	ng Princi- argets also vomen in and increas-
collect a	nd manage relevant data for our CR reporting activities. fects of re-statement of information provided in earlie			ole for CR measures is	riable payment for our emplo based on their success in ac	
reports			4.6 Proc	esses to avoid confli	cts of interest at the board	۲
	ut this report ut this report > User help		7 2013	Annual Report > Cor	porate Governance Report	
	ation from previous reports is re-stated in the 2013 CR F lified form, this will be indicated in the relevant places.	Report			pers on sustainability topics	•
3.11 Sig ment m	gnificant changes in the scope, boundary, or measure	re- 🕒		egy & management > ements of mission, co	CR governance odes of conduct, and princi	oles
	ut this report s and figures		StrateStrate	egy & management > ' egy & management > '	Values & Guiding Principles CR program	
3.12 GF	RI Content Index		> Netwo	orks > Secure networ	Stakeholder involvement ks for people and their data	
Included	I			omers > Customer sec outh protection	curity/customer satisfaction >	Consumer
3.13 Ex	ternal assurance		> Clima	ate & environment > C	limate protection measures esource efficiency and climat	te protec-

tion

Suppliers > Sustainable procurement strategy

About this report

> About this report > Assurance engagement

4. Governance, Commitments and Engagement

4.1 Governance structure

- Strategy & management > CR governance
- 2013 Annual Report > The Board of Management
- 2013 Annual Report > Corporate Governance Report

Indicator	Reference	Status
	edures for board governance on management of bility performance	•
> Strate	gy & management > CR strategy	

As part of Corporate Communications and thanks to the Group Sustainability and Climate Protection Officer, the CR unit is firmly integrated in the Chairman's department. Sustainability performance is managed by means of targets.

4.10 Process for evaluation of the board's sustainability performance

2013 Annual Report > Corporate Governance report

The Telekom Board of Management is responsible for the operational management of the Group and strives to constantly improve the company's sustainability performance.

4.11 Precautionary approach

- > Strategy & management > Compliance
- Strategy & management > CR governance
- Strategy & management > Risk & opportunities management

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

4.12 External charters, principles, or other initiatives

- Strategy & management > Stakeholder involvement
- Networks > Network & infrastructure expansion
- Networks > CR facts > CR facts: EMF Policy
- Customers > CR facts > CR facts: Initiatives and partnerships to protect minors
- Customers > CR facts > CR facts: Voluntary commitments and codes of conduct on consumer protection
- Suppliers > CR facts > CR facts: Conflict-Free Sourcing Initiative
- Suppliers > Sustainable procurement strategy > Management approach (Sustainable procurement strategy)
- Climate & environment > CR facts > CR facts: Code of Conduct on Energy Consumption of Broadband Equipment
- Climate & environment > CR facts > CR facts: European Code of Conduct on Data Centres
- Climate & environment > Climate protection strategy > Management approach (Climate protection strategy)
- Climate & environment > Resource efficiency & environmental protection

4.13 Memberships in associations

Strategy & management > Stakeholder involvement > Involvement formats > Overview of memberships and partnerships

4.14 Stakeholder groups

Strategy & management > Stakeholder involvement

4.15 Stakeholder identification and selection

Strategy & management > Stakeholder involvement

Indicator Reference Status 4.16 Approaches to stakeholder engagement •

- Strategy & management > Stakeholder involvement > Involvement formats
- Strategy & management > Government relations & regulatory issues > Representing political interests: Sustainability relevance (introduction)
- Networks > Mobile communications & health > Management approach (Mobile communications and health)
- Networks > CR facts > CR facts: Dialog and information offered by national companies
- Society > engagement@telekom > Corporate volunteering and corporate giving in Germany
- Suppliers > Supplier management > Supplier workshops to reduce scope 3 emissions
- Suppliers > Supplier management > Workshop with Huawei and sub-suppliers in China
- Suppliers > CR facts > CR facts: Sustainable Procurement Stakeholder Dialog Day
- Customers > Sustainable products & services > Sustainable ICT solutions > Contributing to the value cycle

4.17 Topics and concerns raised by stakeholders

- Strategy & management > Stakeholder involvement
- Networks > Secure networks for people and their data > Cyber security > Summit meeting for secure Internet
- Networks > Secure networks for people and their data > Mobile communications and health (EMF) > The latest discussions and research
- > Customers > Customer security/customer satisfaction
- Suppliers > Supplier management > Workshop with Huawei and sub-suppliers in China
- Climate & environment > CR facts > CR facts: Telekom vehicle fleet rating by Deutsche Umwelthilfe
- HR-report 2013/2014 > Intensive cooperation with employee representatives: Constructive dialog at German and international levels

ECONOMIC PERFORMANCE INDICATORS.

Indicator	Reference	Status	Indicator	Reference	Status
Manage	ment approach		EC4 Fina	ancial government assistance	e 🔴
 About 2013 2013 egy 2013 	c performance t this report > Group profile Annual Report > Development of business in the Group Annual Report > Management of the Group > Finance st Annual Report > Management of the Group > Finance st Value management and performance management syste	rat-	ments The Germ EC5 Enti	Annual Report > Notes to the s > Notes to the consolidated s an Federal government holds ry level wage compared to lo pyees > CR facts: Compensati	statement of financial position shares in Deutsche Telekom. cal minimum wage
Indirect e	egy and management > Regional added value economic impacts		Despite so of our em		market level, entry-level salaries
 About Netwo 	egy & management > Regional added value t this report > Group profile orks > Network & infrastructure expansion		> Suppl	ally-based suppliers liers > Sustainable procureme pach (Sustainable procuremen	
> Perfo Finan	rect economic value generated and distributed rmance indicators > Economic performance indicators > icial performance indicators > Net added value ety > engagement@telekom > Corporate volunteering & c		As an ICT	company, Telekom relies on s do not have Group-wide polic	uppliers around the globe. That ies giving priority to local suppli-
	jiving in Germany Annual Report > Financial data of the Group		EC7 Loc	al hiring	\bullet
	ancial implications due to climate change		•		oducts, solutions and services - ture business success - is hav-
 Clima Clima Clima Clima Clima 	egy & management > CR strategy > CR action areas ate & environment > Climate protection strategy ate & environment > Climate protection measures ate & environment > CR facts: SMARTer 2020 study ate & environment > CR facts: 2020 energy concept omers > Sustainable products and services> Sustainable	ICT	nel at Tele but on the cross-bord nized HR	ekom is not based on nationali e qualifications and skills of the der transfer of expertise and sk development demanded of a g lops the necessary structures,	eason, the selection of person- ty or proximity to place of work e candidates. To enable the kills and internationally harmo- global player, Human Resources processes and measures within

solutions
 2013 Annual Report > Corporate responsibility > Responsibility - business model of the future

Climate change is a complex process. Different political players, companies and consumers in Germany and abroad affect the immediate and long-term impact of climate change on our company. We are currently unable to make a quantitative prognosis regarding the financial impacts of climate change due to the number of possible future scenarios. Within the scope of our response to the Carbon Disclosure Project (CDP), which is available to be viewed by the public, we have intensified our stance regarding our predictions on the risks and opportunities involved in global warming.

EC3 Coverage of the organization's defined benefit plan

Performance indicators > Social and HR performance indicators > Diversity and pension schemes > Company pension scheme > Networks > Network & infrastructure expansion

EC8 Infrastructure investment and services for public benefit

- Strategy & management > Regional added value
- Society > engagement@telekom
- Society > Educational commitment
- Society > Cultural and sports sponsorship

s maneet economic impacts

- Networks > Network & infrastructure expansion
- Customers > Sustainable products & services > Sustainable ICT solutions > Accessible products & services
- Strategy & management > Regional added value

ENVIRONMENTAL PERFORMANCE INDICA-TORS.

Indicator	Reference	Status	Indicator	Reference
Manager	nent approach	Overall Climate & environmen		ata & anvironmant
Materials				vorks > Network & infrastructure expansion

The amount of materials we use such as raw materials, supplies and semi-finished products is very small for Telekom as a service company and is therefore not relevant.

Energy

- Strategy & management > CR strategy
- Climate & environment > Climate protection strategy
- Climate & environment > Climate protection measures
- Climate & environment > CR facts > CR facts: Code of Conduct on Energy Consumption of Broadband Equipment
- Climate & environment > CR facts > CR facts: 2020 energy concept \geq

Water

Climate & environment > Resource efficiency & environmental protection

Biodiversity

Climate & environment > Resource efficiency & environmental protection > Protecting biodiversity

Emissions, effluents and waste

- Climate & environment > Climate protection strategy > Management approach (Climate protection strategy)
- Climate & environment > Climate protection strategy > Progress in >measuring emissions along the supply chain
- Climate & environment > CR facts > CR facts: Event Policy
- Climate & environment > CR facts > CR facts: SMARTer 2020 study
- \geq Climate & environment > CR facts > CR facts: Green Car Policy
- Climate & environment > Resource efficiency & environmental protection > Group-wide framework for waste reduction and recycling
- Climate & environment > Resource efficiency & environmental pro- \geq tection > Resource efficiency in the workplace

Products and services

- > Customers > Sustainable products & services
- Customers > CR facts > CR facts: Sustainability Guideline for Product Design
- 2013 Annual Report > Innovation and product development

Compliance

- Climate & environment > Climate protection measures
- 2013 Annual Report > Risk and opportunities management

Transport

- Climate & environment > Climate protection measures > Management approach (sustainable mobility)
- Climate & environment > CR facts > CR facts: Green business trips
- Climate & environment > CR facts > CR facts: Green Car Policy

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EN1 Volume of materials used

The amount of materials we use such as raw materials, supplies and semi-finished products is very small for Telekom as a service company and is therefore not relevant.

EN2 Recycled materials

Because the amount of materials we use is very small for Telekom as a service company and is therefore insignificant, the share of recycled material is not relevant to this report.

EN3 Direct primary energy consumption

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

EN4 Indirect primary energy consumption

- Performance indicators > Environmental performance indicators > Energy
- Performance indicators > Environmental performance indicators > Energy > Total energy consumption
- Climate & environment > Climate protection strategy > Management approach (Climate protection strategy)
- Climate & environment > Climate protection strategy > 10 percent Σ more green energy at European national companies by 2016

- Climate & environment > Climate protection measures > Energy efficiency in the network
- Climate & environment > Climate protection measures > Other action areas
- Customers > Sustainable products and services > Sustainable ICT solutions > Cloud Computing
- Performance indicators > Environmental performance indicators > Energy
- KPIs > Environmental performance indicators > Energy > Total energy consumption

Status

Indicator	Reference	Status	Indicator	Reference
EN6 Init	iatives for energy-efficiency and renewable energy		restore nat	tural habitats within the scope of legal natu s.
soluti	omers > Sustainable products and services > Sustainab ons > Cloud computing	le ICT	EN14 Str	ategies for biodiversity
	omers > CR facts: Cloud services omers > CR facts: Smart metering			e & environment > Resource efficiency & e n > Protecting biodiversity
EN7 Init		•	Legal regu	lations in Germany regulate possible impa
work	orks > Network & infrastructure expansion > Integrated strategy ate & environment > Climate protection measures > Ene y in the network		ness activi	ectromagnetic fields or laying cable. Aside ties only have an indirect impact on biodive tential to help protect biodiversity through o ies.
> Susta	inable ICT solutions > Smart traffic solutions for the small	art city	FN15 Fn	dangered species

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- Climate & environment > CR facts: Green business trips
- Climate & environment > CR facts: Green Car Policy
- EN8 Total water withdrawal
- Performance indicators > Environmental performance indicators > Other environmental data > Water consumption

Water consumption is not linked to provision of services to customers. The main source of water, which is used for sanitary facilities and the watering of outdoor areas, is the public drinking water supply system. No other sources are used.

To our knowledge our water consumption has no major impact on the environment.

Water recycling facilities are not installed in significant numbers.

EN11 Land assets in or adjacent to protected areas

We comply with local building guidelines and regulations, which vary from country to country, when erecting buildings. The time and effort associated with recording this data would exceed any benefit from the results. It is currently not possible to provide information due to the size of the Group.

EN12 Impacts on biodiversity

Climate & environment > Resource efficiency & environmental protection > Protecting biodiversity

Legal regulations in Germany regulate possible impacts on biodiversity such as electromagnetic fields or laying cable. Aside from this, our business activities only have an indirect impact on biodiversity. We have a greater potential to help protect biodiversity through our climate protection activities.

- Climate & environment > Resource efficiency & environmental protection > Protecting biodiversity
- Society > engagement@telekom > Collaborating with partners

During the reporting period we financed compensation measures to

Status

re conservation

nvironmental pro-

cts on biodiversity from this, our busiersity. We have a our climate protec-

This performance indicator is not relevant to Telekom.

EN16 Greenhouse gas emissions

- Performance indicators > Environmental performance indicators > CO₂ emissions
- Performance indicators > Environmental performance indicators > >CO₂ emissions > Total CO₂ emissions (scope 1 & 2)

EN17 Other greenhouse gas emissions

Performance indicators > Environmental performance indicators > CO_2 emissions > CO_2 emissions from business trips (scope 3)

- Customers > Sustainable products and services
- >Climate & environment > CR facts > CR facts: 2020 energy concept
- >Climate & environment > Climate protection measures
- >Climate & environment > Climate protection measures > Energy efficiency in the network
- Climate & environment > Climate protection measures > Other X action areas
- Climate & environment > CR facts: SMARTer 2020 study $\boldsymbol{\Sigma}$
- Climate & environment > CR facts: Green Car Policy >

EN19 Emissions of ozone-depleting substances

Telekom is not a manufacturing enterprise. Therefore, this indicator is not relevant to Telekom.

EN20 NOx, SOx and other air emissions

Telekom is not a manufacturing enterprise. Therefore, this indicator is not relevant to Telekom.

CO₂ emissions are calculated according to the Greenhouse Gas (GHG) Protocol. No disclosures beyond CO2 emissions (e.g., on NOx, SOx or other air emissions) are possible.

EN21 Water discharge

Performance indicators > Environmental performance indicators > Other environmental data > Water consumption

Since we participate in the public water supply, water withdrawal is nearly equal to water discharge.

Indi	cator Reference	Status
ΕN	I22 Waste by type and disposal method	•
>	Performance indicators > Environmental performance in Used cell-phone collection and waste volume > Waste volum	

- Climate & environment > Resource efficiency & environmental protection > Group-wide framework for waste reduction and recycling
 Climate & environment > Resource efficiency & environmental pro-
- tection > 11,025 metric tons of copper cable recycled

Telekom addresses the waste produced as a result of its business activities within the scope of a Group-wide framework for waste management (recycling copper) and via the Used Cell Phone Collection CR KPI (cell phones that are collected and then reused or recycled). Any additional data collection regarding disposal methods would be complex and the amount of time and work involved could not be reasonably justified based on the benefit this type of data collection would bring.

EN23 Significant spills

Since Telekom is not a manufacturing company, this indicator is not relevant.

EN24 Waste deemed hazardous under the terms of the Basel Convention

Since Telekom does not transport any waste, this indicator is not relevant.

EN25 Impacts of discharges and runoff on biodiversity

This indicator is not relevant for Telekom, as no direct discharges of water take place.

EN26 Initiatives to mitigate environmental impacts

- Customers > Sustainable products & services > Enabling sustainable innovation
- Customers > CR facts > CR facts: Sustainability Guideline for Product Design
- Customers > Sustainable products & services > Enabling sustainable innovation
- Customers > Sustainable ICT solutions > Contributing to the value cycle
- Customers > CR facts > CR facts: Used cell-phone collection
- Customers > CR facts > CR facts: Device packaging policy
- Climate & environment > Resource efficiency & environmental protection > Group-wide framework for waste reduction and recycling
- Climate & environment > Resource efficiency & environmental protection > Resource efficiency in the workplace
- Climate & environment > CR facts > CR facts: Using recycled paper
- Climate & environment > CR facts > CR facts: Green office supplies
 Performance indicators > Environmental performance indicators >
- Performance indicators > Environmental performance indicators > CO₂ emissions

EN27 Packaging materials

Energy

- Performance indicators > Environmental performance indicators > Used cell-phone collection & waste volume > Used cell-phone collection
- Customers > CR facts > CR facts: Used cell-phone collection

Indicator Reference

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Status

Customers can return all of their packaging to Telekom in Germany in accordance with the Packaging Ordinance. In its international units, the company deals with packaging materials according to the legislation in the country concerned. Accordingly, a complete description is not possible at this juncture.

EN28 Sanctions for non-compliance with environmental regulations

No violations of international, national or regional environmental protection regulations were identified within the scope of the ISO 14001 audits or our audits of our integrated health, safety and environmental management system.

EN29 Environmental impacts of transport

- Customers > Green products & services
- Climate & environment > Climate protection measures > Other action areas > Climate-friendly mobility
- Performance indicators > Environmental performance indicators > Mobility
- Performance indicators > Environmental performance indicators > Energy
- Performance indicators > Environmental performance indicators > CO₂ emissions

It can be difficult to measure emissions resulting from transport conducted by service providers, particularly when it comes to procurement/ deliveries, because each supplier is responsible for their own transport activities and these services are typically arranged via logistics service providers. In 2013, we attempted to measure the emissions generated by transport activities as part of of our scope 3 calculation for Germany. The percentage of emissions generated in the upstream value chain (scope 3, category 4 pursuant to the GHG Protocol scope 3 standard) is therefore nearly three times as high as emissions produced by transport activities in the downstream value chain (scope 3, category 9 pursuant to the GHG Protocol scope 3 standard), which we calculated based on detailed information provided by our main logistics services provider.

We also measured emissions resulting from employee commuting in Germany in 2013 (scope 3, category 7 pursuant to the GHG Protocol scope 3 standard). To do this, we applied the results of a voluntary online employee survey to the total number of employees in Germany and came up with more than 3 percent of total emissions generated (scope 1, 2 & 3).

EN30 Environmental protection expenditures

Climate & environment > Climate protection measures > Other action areas > 11,333 metric tons of CO₂ offset

Expenses for environmental protection measures and investments such as waste treatment and disposal, certification, personnel expenses and similar would exceed any benefit from the results. It is currently not possible to provide information due to the size of the Group.

SOCIAL PERFORMANCE INDICATORS.

Indicator Reference

Status

Social performance indicators: Labor practices and decent work

Management approach

Employment

- HR-report 2013/2014 > Highlight "Workforce and Structure"
- HR-report 2013/2014 > Highlight "Attractive Employer"
- HR-report 2013/2014 > Highlight "Diversity as a Strength"
- HR-report 2013/2014 > Highlight "Performance and Talent"

Labor/management relations

HR-report 2013/2014 > Highlight "Workforce and Structure"

Occupational health and safety

HR-report 2013/2014 > Highlight "Health and Safety"

Training and education

HR-report 2013/2014 > Highlight "Training and Development"
 2013 Annual Report > Employees > HR strategy

Diversity and equal opportunity

HR-report 2013/2014 > Highlight "Diversity as a Strength"

LA1 Diversity and equal opportunity

- Performance indicators > Social and HR performance indicators > Headcount
- HR-report 2013/2014 > Facts & figures

LA2 Employee turnover

> HR-report 2013/2014 > Facts & figures

The number of employees to enter retirement, which is also an important component in natural turnover, was not recorded within the scope of our annual 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.

_A3 Benefits to full-time employees

- Performance indicators > Social and HR performance indicators > Diversity and pension schemes > Company pension scheme
 2013 Annual Report > Employees
- LA4 Employees with collective bargaining agreements

In Germany Telekom has agreed most of the conditions of employment for its employees with employee representatives on the basis of collective bargaining. There are exceptions for executives and a few small subsidiaries not covered by collective agreements. At an international level, Telekom aligns its activities to the culture of co-determination existing in each country, which gives us a different landscape for collective agree-

Indicator Reference

Status

ments at each of our national companies. The responsibility for negotiating and signing collective agreements lies with the management of the relevant national company.

Out of 116,643 employees with permanent employment contracts (118,840 in 2012) around 78,245 were categorized as being subject to collective agreements in 2013 (78,894 in 2012). That is the equivalent of a relative share of 67.1 percent (66.4 percent in 2012).

LA5 Minimum notice period(s) regarding operational changes

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].

In addition, there is a regular exchange with the employee representatives, both on the national and international level. We established a Global Employee Relations Management (ERM) unit at Group level in 2010. It provides guidance and promotes an exchange of experiences for building the diverse employee relationships in various countries. It is also a central contact for all international employee and employer committees and the labor unions.

LA6 Workforce represented in joint health and safety committees

Deutsche Telekom has various committees on occupational health and safety involving both employee and employer representatives.

LA7 Occupational diseases, lost days, and number of fatalities

Performance indicators> Social and HR performance indicators > Employee health

LA8 Training on serious diseases

HR-report 2013/2014 > Highlight "Health and Safety"

We integrated the important topic of health management at our company and in our management structures as early as 2007 by introducing corporate standards and guidelines. Employees can utilize advisory and training services, as well as preventive medical check-ups, as part of our health management.

A9 Irade union agreements on health and safety

Industrial safety issues are also addressed in negotiations with the employee representatives.

LA10 Training per employee

Our employees participated an average of 24.2 hours in training (Group national – Germany) in 2013.

Indicator Reference

Status

A breakdown by employee category is not relevant for Telekom as the training and development offers are open to all employees equally.

LA11 Programs for lifelong learning

- HR-report 2013/2014 > Highlight "Diversity as a Strength"
- HR-report 2013/2014 > Highlight "Training and Development"
- HR-report 2013/2014 > Identifying special talent and providing consistent support
- Society > Educational commitment > Involvement in training & skills development > Telekom supports entry-level professionals

A12 Regular performance and career development reviews

All Deutsche Telekom AG executives and employees not covered by collective agreements, as well as employees in sales positions who are covered by collective agreements, work according to a target achievement system. This system is structured differently according to employee group. The variable component of remuneration is measured based on either individual or Group target achievement. By closely connecting variable pay for executives with Group target achievement, we make sure that managerial activities are closely in tune with our corporate targets and strategy.

We currently use the Performance & Potential (PPR) review method as a basis for assessing employee performance and conduct during a specified review period. This review applies to our executives and employees not covered by cooperative agreements. This process is used to assess the performance and potential of our employees at our companies in Germany and at most of our international companies as well.

We use the Compass review and development system to assess the performance and conduct of our employees that are covered by collective agreements and for both active civil servants and those whose civil-servant status has been suspended for an employment relationship subject to collective agreements in Deutsche Telekom units in Germany. We also use the German Ordinance on the Careers of Civil Servants (Bundeslaufbahnverordnung) to assess the service performance of civil servants in our employment.

Both the PPR and the Compass processes include mapping out an individual development plan for each employee as an integral component of dialog between managers and their employees.

One way in which we control the review process is to record several process performance indicators designed specifically to guarantee the implementation and quality of the reviews as well as completion of the individual development plan.

Regular performance reviews and development planning are conducted using local tools at companies in which the global processes are not applied.

LA13 Composition of governance bodies

- Performance indicators > Social performance indicators > Diversity and company pension scheme
- 2013 Annual Report > Members of the Supervisory Board of Deutsche Telekom AG in 2013

LA14 Gender pay disparity

We have been comparing the pay of male and female employees since 2009. We were unable to identify any significant, gender-based differ-

Indicator Reference

Status

ences in pay for executives and employees not covered by collective agreements in Germany. Among employees covered by collective agreements, we can exclude the possibility of gender-specific disadvantages, since pay is determined solely by an employee's assignment to a function group. It was not possible to record the basic pay of our male and female employees at all of our international offices due to data unavailability, relevance to competition and the time and effort involved.

Social performance indicators: Human rights

Management approach

Investment and procurement practices

- Suppliers > Sustainable procurement strategy > Management approach (sustainable procurement strategy)
- Suppliers > Sustainable procurement strategy > CR clause added
- Suppliers > CR facts > CR facts: Auditing of suppliers

Non-discrimination

- Suppliers > Supplier management > Management approach
- Suppliers > CR facts > CR facts: Supplier audits
- Strategy & management > CR facts > CR facts: Social Charter
- Strategy & management > Values & Guiding Principles
- Strategy & management > Compliance
- HR-report 2013/2014 > Highlight "Diversity as a Strength"

Freedom of association and collective bargaining

Suppliers > Supplier management > Management approach

Strategy & management > Values & Guiding Principles

Child labour

- Suppliers > Supplier management > Management approach
- Suppliers > CR facts > CR facts: Supplier audits
- Strategy & management > Values & Guiding Principles > Revised Social Charter published
- Strategy & management > CR facts > CR facts: Social Charter

Forced and compulsatory labor

- Suppliers > Supplier management > Management approach
- Suppliers > CR facts > CR facts: Supplier audits
- Strategy & management > Values & Guiding Principles > Revised Social Charter published
- Strategy & management > CR facts > CR facts: Social Charter

Security practices

- Strategy & management > Values & Guiding Principles > Revised Social Charter published
- Strategy & management > CR facts > CR facts: Social Charter

Indigenous rights

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This aspect is not relevant for Telekom.

HR1 Investment agreements

- Performance indicators > Environmental performance indicators > Sustainable procurement
- Suppliers > Sustainable procurement strategy > Management approach (Sustainable procurement strategy)
- Suppliers > Sustainable procurement strategy > CR clause added
- Suppliers > CR facts > CR facts: Sustainability management at the BuyIn joint venture



Telekom uses the Sustainable Procurement CR KPI to measure the percentage of our procurement volume purchased from suppliers that have undergone a self-assessment or social audit process for human rights issues.

HR3 Training on human rights

We offer training for buyers and conduct joint workshops with suppliers within the scope of our sustainable procurement strategy. The new CR e-learning tool will also raise awareness of CR and the associated human rights issues to a wide range of employees.

Intranet-based e-learning programs are also available to all employees in Compliance Management. These are supplemented by risk-specific on-site training. Quantitative information on this indicator is not available at present as the majority of training programs are completed on a selfstudy basis on the intranet.

HR4 Incidents of discrimination

There was no confirmed incident of discrimination in the reporting period.

The Code of Conduct and the Group-wide Diversity Policy ban discrimination on the basis of gender, age, disability, ethnic origin, religious beliefs and sexual orientation. The "Tell me!" portal was set up as an inbox to submit information regarding violations of the codex, in case discrimination occurs despite the standardized processes.

HR5 Freedom of association and collective bargaining

We are not aware of any incidents of this nature.

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

- Suppliers > Supplier management > 2013 audit results
- Suppliers > CR facts > CR facts: Supplier audits
- Strategy & management > CR facts > CR facts: Social Charter

HR6 Child labor

- Strategy & management > CR facts > CR facts: Social Charter
- Suppliers > Supplier management > 2013 audit results
- Suppliers > Supplier management > Supplier development through monitoring and advice
- Suppliers > CR facts > CR facts: Supplier audits

We address child labor risks by auditing selected strategic and particularly high-risk suppliers.

HR7 Forced labor.

- > Strategy & management > CR facts > CR facts: Social Charter
- Suppliers > Supplier management > 2013 audit results
- Suppliers > Supplier management > Supplier development through

Indicator Reference

monitoring and advice

Status

Suppliers > CR facts > CR facts: Supplier audits

We address forced labor risks by auditing selected strategic and particularly high-risk suppliers.

HR8 Training for security personnel

As a global player, we insist that all our companies and all our suppliers around the world comply with internationally accepted social standards.

We have committed ourselves to this policy in our Social Charter, which is a constituent of the Telekom Code of Conduct. We check for compliance on an annual basis, holding audits in the form of declarations of compliance issued by the management of individual Group units.

HR9 Violations of rights of indigenous people

This performance indicator is not relevant to Telekom.

Social Performance Indicators: Society

Management approach

Community

- Strategy & management > Stakeholder involvement
- 2013 Annual Report > Risk and opportunity management

As part of its risk management, Telekom aims to allay concerns in the general public by means of an objective, scientifically sound and transparent information policy, both at the beginning and at the end of a business initiative.

Corruption

Strategy & management > Compliance

Public policy

Strategy & management > Government relations & regulatory issues

Anti-competitive behavior

Strategy & management > Compliance

Compliance

- Strategy & management > Compliance
- Strategy & management > Data privacy

SO1 Impacts on communities

- Networks > Secure networks for people and their data > Mobile communications and health (EMF)
- 2013 Annual Report > Risk & opportunity management

Telekom uses a comprehensive risk and opportunity management system to enable the company to effectively take advantage of opportunities without losing sight of associated risks. This system not only considers legal and financial aspects, but also social and environmental risks.

As part of its risk management, Telekom aims to allay concerns in the general public by means of an objective, scientifically sound and transparent information policy, both at the beginning and at the end of a business initiative.

Telekom is the only company in the world that has an international policy on electromagnetic fields (EMF) for its mobile communications segment, which sets out minimum standards for information campaigns, transparency, participation and the promotion of research.

Status

Indicator Reference

SO2 Corruption risks

Strategy & management > Compliance > Investigating suspected cases of corruption

3 Anti-corruption trainin

Strategy & management > Compliance > Investigating suspected cases of corruption

SO4 Actions taken in response to incidents of corruption

- Strategy & management > Compliance > Investigating suspected cases of corruption
- Suppliers > Supply chain management2013 > audit results

Telekom has been practicing a comprehensive compliance management to prevent and fight corruption. Any violations we uncover during our investigation are punished appropriately, to the point of termination of the employment relationships for good cause. The total number of confirmed incidents of corruption is considered to be confidential.

SO5 Lobbying

- Strategy & management > Political representation of interests
- Networks > Secure networks for people and their data > Mobile communications and health (EMF)

O6 Donations to political parties and politicians

It is of paramount concern to 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.

SO7 Legal actions for anticompetitive behavior

2013 Annual Report > Risk and opportunity management > Risks

SO8 Sanctions for non-compliance with laws and regulations

2013 Annual Report > Risk and opportunity management > Risks

Social performance indicators: Product responsibility

Management approach

Customer health and safety

- Customers > Customer security/customer satisfaction > Management approach (Customer security/customer satisfaction)
- Customers > CR facts > CR facts: Sustainability Guideline for Product Design

Product and service labelling

- Networks > Secure networks for people and their data > Mobile communications & health > Mobile communications and health (EMF)
- Customers > Customer security/customer satisfaction > Consumer and youth protection
- Customers > CR facts > CR facts: Protection of children and young people integrated into product development

Indicator Reference

Status

Marketing communications

Standards for advertising are devised at the national level, in particular by means of self-regulation by the advertising industry, and therefore vary greatly from country to country. Telekom complies fully with all the legal and self-regulatory rules in the telecommunications industry in all company units. This concerns in particular the protection of children and young people and compliance with data protection.

Customer privacy

- Strategy & management > Compliance
- Strategy & management > Data privacy
- 2013 Data Privacy and Data Security Report

Compliance

- Strategy & management > Compliance
- Strategy & management > Data privacy

PR1 Health and safety impacts along product life cycle

- Networks > Secure networks for people and their data > Mobile communications and health (EMF)
- > Networks > CR facts > CR facts: EMF Policy
- Customers > Sustainable products & services > Innovation in growth areas > E-health

PR2 Non-compliance with health and safety standards

2013 Annual Report > Risk and opportunity management

Currently, Group Headquarters is not aware of any significant violation of health standards.

PR3 Product information

- Networks > Secure networks for people and their data
- Customers > Customer security/customer satisfaction> Consumer and youth protection >
- Customers > CR facts > CR facts: Protection of children and young people integrated into product development
- ✓ SAR levels

'R4 Non-compliance with product information standards

2013 Annual Report > Risk and opportunity management

Currently, Group Headquarters is not aware of any significant violations.

PR5 Customer satisfaction

2013 Annual Report > Risk and opportunity management

PR6 Marketing communication standards

- Networks > Secure networks for people and their data > Mobile communications and health (EMF)
- Customers > Customer security/customer satisfaction > Consumer and youth protection
- Customers > Innovation in growth areas > E-health
- Customers > CR facts > CR facts: Voluntary commitments and codes of conduct on consumer protection

Our Code of Conduct, which was passed in 2007, forms the basis for our consumer protection activities. It also applies to all of Telekom's sales partners.

Indicator	Reference

Status

Indicator Reference Status

Standards for advertising are devised at the national level, in particular by means of self-regulation by the advertising industry, and therefore vary greatly from country to country. Telekom complies fully with all the legal and self-regulatory rules in the telecommunications industry in all company units. This concerns in particular the protection of children and young people and compliance with data protection.

- Strategy & management > Compliance > Investigating suspected cases of corruption
- 2013 Annual Report > Risk and opportunity management

- Strategy & management > Compliance
- Strategy & management > Data privacy
 2013 Data Privacy and Data Security Report

PR9 Sanctions for non-compliance with product and service related regulations

2013 Annual Report > Risk and opportunity management

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Indicator Reference Internal Operations	Status Indicator Reference St Infrastructure
Investments	IO 7 Actions with regard to siting of transmission masts
IO 1 Capital investment in infrastructure broken down by region	 Networks > Network & infrastructure expansion Z EMF Policy
> Networks > Network & infrastructure expansion	IO 8 Number of stand-alone and shared sites
IO 2 Costs for extending non-profitable services to remote areas and low-income groups; description of statutory provisions	Telekom records the number of radio sites used individually or share In future the number of shared locations is to be further increased.
This performance indicator is not relevant to Telekom.	Providing Access
Health and Safety	Access to telecommunications products and services: Bridgin the digital divide
	PA 1 Strategies and actions in low population density areas
 Strategy & management > CR governance > Integrated HSE agement system A health, safety and environmental management system will be rout agrees the Group based on the OHSAS 19001 and DINISO F 	 Networks > CR facts > CR facts: Broadband strategy Networks > CR facts > CR facts: More Broadband for Germany p ject
out across the Group based on the OHSAS 18001 and DIN ISO E 14001 standards.	PA 2 Strategies and actions to overcoming barriers to access
The direct customers are those local business units that are integ the end-to-end management system into their structures. Employ benefit from the system, as systematic occupational health and s management alongside quality and environmental management workflows easier and minimize health risks and factors that are h to the environment.	 Strategy & management > CR strategy > Action areas Networks > Network & infrastructure expansion Society > Commitment to training and development > Media skil
Communication on health, safety and the environment exists thro all levels of the company.	
 IO 4 Compliance with ICNIRP standards on handset radiation Networks > Secure networks for people and their data > Mole communications and health (EMF) Networks > CR facts > CR facts: ICNIRP Responsibility > Mobile communications & health 	 Networks > Network & infrastructure expansion Customerr > Sustainable products & convises > Innevation in
IO 5 Compliance with ICNIRP standards on base station	• PA 4 Level of availability and market shares for products and services
 Networks > Secure networks for people and their data > Mole communications and health (EMF) Networks > CR facts > CR facts: ICNIRP 	
Responsibility > Mobile communications & health IO 6 Actions with respect to SAR values of handsets	PA 5 Number and types of products and services made available to low and no income sectors of the population
 Networks > CR facts > CR facts: EMF-Policy 	Customers > Sustainable products & services > Sustainable ICT solutions > Accessible products & services

Indicator Reference	Status	Indicator	Reference	Status
PA 6 Programs and actions to provide and maintain services in emergency situations	•	TA 2 Exa municati	mples of replacing physical objects through telecom- ons	•
Society > engagement@telekom > Disaster aid Access to content		protec	te & environment > Resource efficiency and environmen tion > Resource efficiency in the workplace mers > Sustainable products & services mers > Sustainable products & services > Sustainable IC	
 PA 7 Strategies and actions to manage human rights issues relating to access and use of telecommunications products and services Customers > Customers security/customer satisfaction > Cor 	ensumer	solutio Custo growtl	ons > Accessible products & services mers > Sustainable products & services > Innovation in n areas mers > Sustainable products & services > Innovation in	
and youth protection Ensuring compliance with human rights is an integral part of Deut Telekom's corporate policy.		TA 3 Cha	n areas > E-health nges in customer behavior caused by use of the oducts and services	•
Customer relations PA 8 Strategies and actions to publicly communicate on EMF-		> Custo	mers > Sustainable products & services mers > Sustainable products & services > Innovation in n areas > E-health	
 related issues Networks > Secure networks for people and their data > Mob communications and health (EMF) > Management approach (Mobile communications and health) Responsibility > Mobile communications & health 	ile	lessons l	acts of use of the above products and services and earned for future development te & environment > CR facts: SMARTer 2020 study ctices relating to intellectual property rights	•
 PA 9 Investments in activities in electromagnetic field research Networks > Secure networks for people and their data > Mob communications and health (EMF) Networks > Secure networks for people and their data > The I discussions and research Networks > CR facts > CR facts: Voluntary commitments by m communications providers Responsibility > Mobile communications & health 	ile latest	↗ 2013	Annual Report > Innovation and product development Annual Report > Other disclosures	
 PA 10 Initiatives to ensure clarity of charges and rates Networks > CR facts > CR facts: IZMF Information Center for I Communications Networks > Secure networks for people and their data > The I discussions and research 				
PA 11 Initiatives to inform customers about responsible, ef- ficient and environmentally preferable product use	•			
 Customers > Customer security/Customer satisfaction > Cust relationship management Customers > Sustainable products & services 	tomer			
Technical applications Resource efficiency				

IA 1 Examples of resource efficiency of telecommunications products and services

- Customers > Sustainable products & services
- Customers > Sustainable products & services > Innovation in growth areas
- Climate & environment > Climate protection measures > Energy-efficient networks

GLOBAL COMPACT COMMUNICATION ON PROGRESS

Indicator	Reference	Status	Indicator	Reference	Status
ally proc	e 1: Support and respect the protection of internation- laimed human rights. egy & management > Values & Guiding Principles		➢ Suppl✓ HR-re		
StrateStrate	egy & management > Compliance egy & management > Data privacy egy & management > Political representation of interests		Principle labor.	e 4: Elimination of all forms	of forced and compulsory
 Network comm Employ Supp Supp 	egy & management > CR facts > CR facts: Social Charter orks > Secure networks for people and their data > Mobin nunications and health (EMF) oyees > CR facts > CR facts: Compensation liers > Sustainable procurement strategy liers > Supplier management liers > CR facts > CR facts: Supplier audits		StrateStrateSupplSuppl	gy & management > Values gy & management > Compli gy & management > Govern liers > Sustainable procuren liers > Supplier managemen liers > CR facts > CR facts: S	iance iment relations & regulatory issues nent strategy it
> Perfo	rmance indicators > Social and HR performance indicat oyee health	ors >	Principle	5: Abolition of child labor	:
tainal Abou tors: I HR-re	mance indicators > Economic performance indicators > ole procurement t this report > GRI index > Social and HR performance ir Human rights port 2013/2014 > Total Workforce Management: Efficie syment of personnel, increased productivity	ndica-	StrateStrateStrateSuppl	gy & management > Values gy & management > Compli gy & management > Govern liers > Sustainable procuren liers > Supplier managemen	iance iment relations & regulatory issues nent strategy
↗ HR-re	port 2013/2014 > Highlight "Health and Safety"		Principle	e 6: Eliminate discrimination	n in respect of employment

- HR-report 2013/2014 > Leadership development: Promoting a new leadership and performance culture
- HR-report 2013/2014 > Highlight "Diversity as a Strength" 7
- Data privacy & data security
- 2013 Annual Report > Employees > HR strategy
- 2013 Annual Report > Group strategy
- 2013 Annual Report > Group strategy

Principle 2: No complicity in human rights abuses.

- Strategy & management > Values & Guiding Principles
- > Strategy & management > Compliance
- Strategy & management > Government relations & regulatory issues Σ
- Networks > Secure networks for people and their data > Mobile Σ communications and health (EMF)
- Suppliers > Sustainable procurement strategy
- Suppliers > Supplier management \geq
- Suppliers > CR facts > CR facts: Supplier audits
- Performance indicators > Economic performance indicators > Sustainable procurement
- About this report > GRI index > Social and HR performance indicators: Human rights

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

- Strategy & management > Values & Guiding Principles
- Strategy & management > Compliance

- S

and occupation.

- Strategy & management > Values & Guiding Principles
- Strategy & management > Compliance >
- About this report > GRI index > Social and HR performance indica-X tors: Human rights
- About this report > GGRI index > Social and HR performance indicators: Labor practices and decent working conditions
- 2013/2014 Human Resources Report > Highlight "Diversity as a Strenath"
- 2013 Annual Report > Implementation of the HR strategy
- 2013 Annual Report > Corporate Governance report

Principle 7: Support a precautionary approach to environmental challenges.

- Strategy & management > CR strategy
- Strategy & management > CR strategy > Key performance indica->tors
- >Strategy & management > Governance
- >Strategy & management > Political representation of interests
- >Strategy & management > Risk & opportunity management
- Σ Climate & environment > Climate protection strategy
- >Climate & environment > Climate protection measures
- Climate & environment > Resource efficiency and environmental Σ protection
- Climate & environment > Climate protection measures > Energy effi->ciency in the network

Indicator Reference

Status

- Climate & environment > Resource efficiency and environmental protection > Protecting biodiversity
- Climate & environment > Resource efficiency and environmental protection > Water consumption
- Climate & environment > Climate protection measures > Other action areas > Climate-friendly mobility
- Customers > Sustainable products & services
- Customers > Sustainable products & services > Sustainable ICT solutions
- Customers > CR facts > CR facts: Sustainability Guideline for Product Design
- Customers > CR facts > CR facts: Device packaging policy
- Customers > Sustainable products & services > CR communication
- Customers > Sustainable products & services > Innovation in growth areas
- Suppliers > Sustainable procurement strategy
- Suppliers > Supplier management
- Suppliers > CR facts > CR facts: Supplier audits
- Suppliers > CR facts > CR facts: Conflict-Free Sourcing Initiative
- Performance indicators > Environmental performance indicators > CO₂ emissions
- Performance indicators > Environmental performance indicators > Energy
- Performance indicators > Environmental performance indicators > Used cell-phone collection and waste volume
- Performance indicators > Environmental performance indicators > Other environmental data
- 2013 Annual Report > Risk & opportunity management

Principle 8: Undertake initiatives to promote greater environmental responsibility.

- Strategy & management > Values & Guiding Principles
- Strategy & management > CR strategy
- Strategy & management > CR strategy > Key performance indicators
- Strategy & management > Governance
- Strategy & management > Political representation of interests
- 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 > Protecting biodiversity
- Climate & environment > CR facts > CR facts: Green Car Policy
- Climate & environment > CR facts > CR facts: Code of Conduct on Energy Consumption of Broadband Equipment
- Customers > CR facts > CR facts: Sustainability Guideline for Product Design
- Customers > CR facts > CR facts: Used cell-phone collection
- Customers > Green products & services > CR communication
 Customers > Sustainable products & services > Sustainable ICT solutions
- Customers > Sustainable products & services > Innovation in growth areas
- Suppliers > Sustainable procurement strategy
- Suppliers > Supplier management
- Suppliers > CR facts > CR facts: Conflict-Free Sourcing Initiative
- SAR levels

Indicator Reference

Status

2013 Annual Report > Risk and opportunity management

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

- Strategy & management > CR strategy
- Strategy & management > CR strategy > Key performance indicators
- > Strategy & management > Governance
- Customers > CR facts > CR facts: Sustainability Guideline for Product Design
- Customers > Sustainable products & services
- Customers > Sustainable products & services > CR communication
- Customers > CR facts > CR facts: Used cell-phone collection
- Customers > Sustainable products & services > Innovation in growth areas
- Climate & environment > Climate protection measures > Energy efficiency in the network
- Climate & environment > Climate protection measures
- Climate & environment > Climate protection measures > Other action areas > Climate-friendly mobility
- Climate & environment > Resource efficiency and environmental protection
- Climate & environment > CR facts > CR facts: Green Car Policy
- Suppliers > Sustainable procurement strategy
- Suppliers > Supplier management
- Suppliers > CR facts > CR facts: Conflict-Free Sourcing Initiative
- 2013 Annual Report > Innovation and product development

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

- Strategy & management > CR strategy
- Strategy & management > Compliance
- Strategy & management > Risk & opportunity management
- Strategy & management > Data privacy
- Strategy & management > Government relations & regulatory issues
- Suppliers > Sustainable procurement strategy
- Suppliers > CR facts > CR facts: Supplier audits
- About this report > GR index > Social and HR performance indicators: Society
- 2013 Annual Report > Corporate Governance report
- 2013 Annual Report > Risk and opportunity management