We take responsibility.

The 2009 Corporate Responsibility Report.

Life is for sharing.

A quick glance at the year.

2008 March April May June July August

Quick recap of the most important events in the period under review.

March 2008:
Deutsche Telekom and T-City Friedrichshafen unveil the Internet-based learning platform Education Next Generation (Edunex) at CeBIT. The Edunex modular learning platform by T-Systems enables individual learning, group and partner work, as well as project-oriented working and learning in the classroom.

April 2008:
Deutsche Telekom holds the first "Stakeholder Dialog Day" at its Headquarters in Bonn, attended by more than 40 representatives from five stakeholder groups, on the theme of sustainable procurement.

The pan-European educational project "teachtoday.eu", which Deutsche Telekom supports, is launched with the aim of promoting media competence among teachers, educators and students. The Internet platform is available in six languages and covers key issues such as online bullying, cell-phone usage, and personal safety on the Internet.

Around 4,000 schoolgirls attend the events organized by Deutsche Telekom for "Girls' Day 2008."

May 2008:
Deutsche Telekom again supports the International Charlemagne Prize of Aachen, which in 2008 is awarded to German Chancellor Dr. Angela Merkel in recognition of her outstanding commitment to the European unification process.

Deutsche Telekom sponsors Europe Day and plays host to some 100 young people from Germany and Poland at its Berlin Representative Office.

T-Systems beats international competitors in Detroit to win the "Telematics Award 2008" in the category "Best telematics service and application for commercial vehicles" for its "intelligent Tracking Management" (iTM) solution.

As part of its sponsoring activities, Deutsche Telekom supports the United Nations (UN) Conference on Biological Diversity in Bonn. At the accompanying "Biodiversity Expo," the Group has its own stand highlighting the issue of "Climate protection and sustainable development" and its contribution to species conservation.

June 2008:
Deutsche Telekom launches a pilot project to make public telephones in Dresden usable for deaf customers by equipping 25 multimedia terminals with access to the sign language interpreting service TeSS.

T-Home unveils its campaign "Deutsche Telekom scores for climate protection" at the environment festival in Berlin. Visitors to the event are invited to kick a ball at a goal wall, and can offset 100 kg of carbon for every goal scored. The carbon is offset by buying and retiring emission reduction certificates from officially recognized, international climate protection projects.

July 2008:
Under the motto "Communication – Integration – Quality of Life," Deutsche Telekom showcases some of its social commitments at the official summer party of the German President in Berlin. One of the highlights is an appearance by the Women's National Wheelchair Basketball Team, a reference to Deutsche Telekom's joint effort with Allianz to support the 2008 Paralympics in Beijing.

Telekom Shop Vertriebsgesellschaft, the operator of Telekom Shops, is awarded the grade "good" (1.74) in a representative survey on customer satisfaction carried out by TÜV Saarland.

Munich rating agency oekom research recommends Deutsche Telekom AG as a "prime invest," based on its good corporate responsibility performance.

Corporate Responsibility Prime rated by oekom research

ASPI

FTSE4Good

ETHIBEL SUSTAINABILITY INDEX EXCELLENCE

sam 2008 gold class

September October November December January 2009 February March

August 2008:
T-Home unveils the new Sinus A 201, which is scheduled for market launch in October 2008. Designed as an inter-generational family telephone, it features large keys and a clear display for easy handling. In addition, the Sinus A 201 is equipped with an energy-efficient switched-mode power supply.

September 2008:
The Deutsche Telekom Board of Management adopts the new Corporate Responsibility (CR) strategy.

The "SmartEyes" navigation system for blind and visually impaired people in the urban environment, co-developed with Greek company COSMOTE (mobile subsidiary of OTE), wins the "2008 Global Telecoms Business Innovations Award."

Greek company OTE, of which Deutsche Telekom is a shareholder, is included in the FTSE4Good Index series for the first time, in recognition of its good sustainability performance.

October 2008:
Deutsche Telekom presents a comprehensive raft of measures for improved data protection. This includes provisions for increased transparency, optimized data protection standards, and the creation of a dedicated Board department for Data Privacy, Legal Affairs and Compliance.

Deutsche Telekom launches an online training tool for its procurement team, designed to give buyers a better understanding of sustainability requirements.

November 2008:
T-Systems Austria is awarded the "Green IT Award" by International Data Corporation (IDC) for its "Green Dynamics" model. The model highlights concrete effects for cutting energy consumption when using information and communications technology (ICT).

In Hungary, Magyar Telekom stages its first "Sustainability Day" with over 300 guests, under the motto "Responsibility = Positive Energy."

December 2008:
To mark the five-year anniversary of Deutsche Telekom Foundation, Deutsche Telekom donates a further EUR 50 million to the foundation, increasing its assets to EUR 150 million.

January 2009:
T-Mobile Czech Republic is awarded the "Company of the Year: Equal Opportunities 2008 Award" in recognition of its systematic and carefully thought-out approach to Work-Life, which goes way beyond the flexitime models used by other companies.

In Germany, T-Home unveils a pilot project on "Product Carbon Footprint" to the general public. The aim is to calculate the customer's specific energy consumption and resultant carbon footprint for a Call & Surf connection and router hardware.

February 2009:
T-Mobile USA and Motorola market the world's first cell phone made from recycled plastic bottles.

The Data Privacy Advisory Board, announced by CEO René Obermann in October 2008, convenes for its first meeting. Its task is to advise the Deutsche Telekom Board of Management on data protection-related issues.

Magyar Telekom wins the "Family-friendly Workplace Award" from the Hungarian Ministry for Social Affairs and Employment.

March 2009:
Deutsche Telekom ensures a completely climate-neutral presence at CeBIT 2009, by offsetting around 1,600 metric tons of CO_2.

In a survey by Internet portal MojPosao, T-Hrvatski Telekom is named "Employer of First Choice" for the third time in a row. In this survey, 2,300 participants cited T-Hrvatski Telekom their employer of choice.

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Member 2008/09

2008

@001 Other important events during the reporting period can be found in our 2009 CR Online Report.

About this report.

Deutsche Telekom has been reporting on its social commitment for more than ten years. This is our second Corporate Responsibility Report, entitled “We take responsibility,” and outlines our endeavors and successes in the Group-wide implementation of corporate responsibility (CR) throughout the various stations in our value chain.

When arranging the main chapters of this report, we have chosen to focus on responsible corporate governance first. This section contains information on control of our CR processes, and the Group-wide anchoring of our CR strategy. It outlines our CR objectives, documents recent progress toward achieving these targets, and describes the measures we are introducing to refine the Group from a CR perspective. Subsequent chapters are structured along the lines of the value chain, and report on our specific CR achievements, from building sustainable supplier relationships, taking responsibility at our sites and during infrastructure expansion and conversion measures, through to our commitments on behalf of our customers. The report also serves as Deutsche Telekom’s Communication on Progress in the scope of the United Nations Global Compact. The index (see page 59 ff.) contains a full list of references to our contributions toward implementing the Global Compact principles.

Our CR reporting is modeled on the internationally recognized guidelines of the Global Reporting Initiative (GRI) G3 including the Telecommunications Sector Supplement (pilot version 1.0). By awarding the highest application level of “A+”, the GRI has acknowledged Deutsche Telekom’s exacting adherence to the initiative’s requirements of open and transparent reporting. When selecting topics for inclusion in this report, as well as considering the GRI recommendations, we have also incorporated the results of a materiality workshop conducted in January 2009. Allowing for the perspective of external stakeholders, this workshop identified the most important issues for Deutsche Telekom on which CR reporting should concentrate. See also page 12. The “Spotlight” sections also consider international issues affecting the telecommunications industry, and include comments by external stakeholders. Issues not covered by the printed version of the CR Report are addressed by the more comprehensive online version, which can be found at www.telekom.com/cr-report2009.

The @-symbol and a numeral indicate where additional information is available online. By entering these numerals in the search field of the CR Online Report, the reader is led directly to the Internet page containing the desired information.

In addition, our Group Portal presents constantly updated reports on our CR-related activities at www.telekom.com/corporate-responsibility.

The key indicators section at the end of the report presents an overview of selected consolidated key indicators for Deutsche Telekom. Unless otherwise specified, the information refers to the entire Deutsche Telekom Group. The principal key indicators for our German sites, together with selected key indicators for our UK affiliate, T-Mobile UK, and our Slovakian national company, Slovak Telekom, have been examined by external auditors as part of an assurance engagement. This year, the scope of the auditors’ assurance engagement has been extended to include those sections of the chapter on “Responsible corporate governance” which are relevant for CR management and the CR program 2009. The Assurance Report can be found on page 57 f.

The CR Report is a Group report and incorporates all Group subsidiaries in which Deutsche Telekom holds a majority interest. Reporting covers the period from March 2008 to March 2009. However, we have also included any relevant information which became available up until the editorial deadline. “We take responsibility.” is available in German and English. Our next CR Report is due for publication in summer 2010.

Legend:
- @ Further information in the CR Online Report
- Cross reference to related topics in the CR Report or to more detailed information in other Deutsche Telekom Group publications
- Identification of selected details that were audited as part of the assurance engagement described on page 57 f.

Content.

Dear Readers,

"We take responsibility." – the motto of this year's report takes on new meaning in the current crisis. We have already pledged our commitment to sustainable development and plan to help shape the future of our society on this basis.

One of the central issues for us here is education. Our modern knowledge society is not conceivable without a top-class educational system. Over the years, we have therefore provided support for schools and other educational institutions, above all through the Deutsche Telekom Foundation. We are giving increased backing to children and young people from difficult economic and social backgrounds. One example is our "Yes, I can!" initiative, which was launched in April 2009 and supports projects that help children and young people develop their talents so that they have greater chances of participating in the community and the world of work.

In addition to this, our products and services help us fulfill our responsibility towards society. This applies to climate protection as well as to designing connected life and work in a digital world. It is an approach that enables us to open up key future markets, with "Green ICT" as one example.

Our efforts are acknowledged by independent organizations. Numerous analysts see us in a top position in the socially responsible investment (SRI) rankings. oekom, for example, a well-known rating agency, classed us as a "prime invest" in its March 2009 rating.

This is the path we will continue to tread. For this reason, we commit our employees at all Group levels to the cause. Increasingly, we are incorporating sustainability in our day-to-day work all over the globe.

Any company that, like Deutsche Telekom, intends to take responsibility must know what society expects of it and promote an open dialog. This will include transparent reporting, which – like this document – complies with the high standards of the Global Reporting Initiative and the Global Compact, and also stands up to stringent inspection by external auditors.

We invite you to take a look at our social commitment in our 2009 CR Report. It is then completely up to you to judge the success of our efforts.

I hope you enjoy an exciting read.

Bonn, June 2009

Sincerely,

René Obermann
Chairman of the Board of Management
Deutsche Telekom AG

Group profile.

Deutsche Telekom is one of the leading integrated service companies in the global information and communications technology (ICT) sector. With our three product brands T-Home, T-Mobile, and T-Systems, we offer our customers a comprehensive range of ultramodern technologies and services in the areas of telecommunications and information technology. Our Group portfolio covers mobile networks, fixed network telephony, broadband Internet, and ICT solutions for business customers around the world.

With shareholdings in some 50 countries, Deutsche Telekom is an internationally focused company with a presence in the most important markets in Europe, Asia, and the Americas. Despite intensifying competition and pricing pressures in markets in Germany and Central and Eastern Europe, Deutsche Telekom was able to stabilize revenue and continue on its path of growth in the 2008 financial year.

Group strategy.

Deutsche Telekom's long-term objective is to become the market leader for connected life and work. With the Group strategy developed in 2007, "Focus, fix and grow," Deutsche Telekom is present in all current growth areas and focuses its business activities on the global trends of the future. The Group strategy is focused on the following four strategic fields of activity:

- Improve competitiveness in Germany, and in Central and Eastern Europe (CEE).
- Grow abroad with mobile communications.
- Mobilize the Internet.
- Roll out network-centric ICT.

Our success in the 2008 financial year shows our Group strategy had the proper focus. As a result, our strategy in 2009 will continue to focus on the above four strategic fields of activity.

Business development.

Group revenue in the 2008 financial year was EUR 61.7 billion, EUR 0.8 billion or 1.4 percent below the previous year's value of EUR 62.5 billion. Exchange rate effects from converting U.S. dollars and pound sterling had a negative impact on Group revenue in the amount of EUR 1.3 billion. Excluding exchange rate effects and changes in the composition of the Group, Group revenue in the 2008 financial year nearly matched last year's level. The proportion of recognized international revenue continued to increase, as in the previous year, by 2.3 percentage points to 53.2 percent of Group revenue in 2008. This amounts to international revenue of EUR 32.8 billion, an increase due primarily to rising numbers of customers in the Mobile Communications USA operating segment (see page 5). In contrast, revenues from the Broadband/Fixed Network operating segment in Germany fell (see page 5) in 2008.

Adjusted EBITDA increased by EUR 0.2 billion compared to the previous year, thanks to cost savings and increased efficiency, exceeding our forecast at EUR 19.5 billion. Free cash flow also rose by EUR 0.4 billion to EUR 7.0 billion, beating both the previous year's figure of EUR 6.6 billion and our forecasts. At EUR 38.2 billion, Deutsche Telekom's net debt remained largely at last year's level. The attractive dividend in the amount of EUR 0.78 for each no par value share carrying dividend rights was kept for 2008. We increased investments in future technologies and service improvements by EUR 0.7 billion compared to the previous year, to EUR 8.7 billion.

Group structure and operating segments.

The organizational and management structure of Deutsche Telekom comprises the following operating segments: Mobile Communications Europe, Mobile Communications USA, Broadband/Fixed Network, Business Customers, and Group Headquarters & Shared Services. This reporting structure corresponds to the Group structure as described in the 2008 Annual Report. The organizational changes implemented in the first and second quarters of 2009 have not been taken into account in this CR Report.

For more information, see www.telekom.com

Mobile Communications Europe and Mobile Communications USA. T-Mobile International AG is a global leader of mobile communications, with more than 128 million consumers and business customers (as of December 31, 2008). Its service portfolio includes mobile voice and data services, as well as mobile broadband services, in its key markets in Europe and the USA.

All T-Mobile International AG activities in Western, Central and Eastern European countries are consolidated in the Mobile Communications Europe operating segment. Western European countries include Austria, Germany, the Netherlands, and the United Kingdom. In the Central and Eastern European countries, T-Mobile International AG offers mobile services in Poland, the Czech Republic, Slovakia, Croatia, Macedonia, Montenegro, and Hungary.

The Mobile Communications USA operating segment provides more than 30 million customers in the U.S. market with services by T-Mobile International AG.

Broadband/Fixed Network. In the Broadband/Fixed Network segment, Deutsche Telekom offers conventional fixed network services, broadband Internet connections, and multimedia services for consumers and business customers under the T-Home brand. T-Home is taking a leading position in the German DSL market. In international markets, T-Home is present in the CEE countries Hungary, Croatia, Slovakia, Macedonia, Bulgaria, Romania, and Montenegro.

Business Customers. With our T-Systems brand in the Business Customers operating segment, the Deutsche Telekom Group has reorganized the functional structure of our business model, in particular completing the separation of production and sales. The Business Customers segment now renders sales activities for infrastructure and industry solutions for large, multinational corporations (Corporate Customers).

T-Systems offers telecommunications and information technology products, ranging from cost-effective standard products and Internet protocol (IP)-based high-performance networks to the realization of entire ICT solutions. T-Systems is represented in over 20 countries, with a particular focus on Germany, France, Spain, Italy, the United Kingdom, Austria, Switzerland, Belgium, and the Netherlands.

Group Headquarters & Shared Services. All Group units and investments that are not allocated directly to one of the segments listed above are consolidated in the Group Headquarters & Shared Services segment. Group Headquarters is responsible for steering the strategic and cross-segment processes at Deutsche Telekom. Shared Services carries out all tasks that are not related directly to our core business, including real estate management, vehicle fleet management, and mobility services, as well as the placement employees within the staff restructuring framework. These services are rendered primarily in Germany.

Internationalization.

Deutsche Telekom continued to pursue its course of internationalization in 2008 through acquisitions among other measures. A crucial milestone was our strategic investment in OTE, a Greek telecommunications company. OTE is the market leader in Greece, and its subsidiaries in several Southeastern and Eastern European countries provide services and technology in the areas of mobile networks, fixed networks, and broadband connections.

From left to right:
Andreas Kröhling, Corporate Procurement
Rahul Swaminathan, Deutsche Telekom Laboratories
Yvonne Föhrigen, Telekom Shop Vertriebsgesellschaft
Sebastian Müller, Master Service Management Center

Responsible corporate governance.

Deutsche Telekom's objective is to become an international leader in corporate responsibility (CR). The Group systematically addresses key social issues of the present day. It is committed to the principles of sustainability, and its business activities embrace not only economic but also social and ecological goals. To reinforce its position on sustainability, Deutsche Telekom drew up a comprehensive CR strategy in 2008 and launched organizational realignment measures that affect the principal Group units and national companies.

This strategic and organizational realignment is the basis for our future success as a business enterprise. We have defined three main CR fields of activity of relevance for Deutsche Telekom, placing a special strategic focus on each of them. We communicate and cooperate on a wide basis with our internal and external stakeholders, and manage the social expectations demanded of us as a company of the information and communications technology (ICT) sector in a comprehensive and systematic manner. This includes aspects ranging from full compliance with legal regulations and ethical standards to creation of value in the interests of our shareholders and also our voluntary commitments. On the basis of the dialog with our stakeholders, we create a scenario in which we can ensure that our business activities are carried out responsibly and, at the same time, improve our competitive standing. In order to retain our customers' trust, we consider it our special duty to assume responsibility on the issue of data protection.

Responsible corporate culture.

With its vision to become a global leader in connected life and work, Deutsche Telekom is subjecting the entire company to a change process. The assumption of corporate responsibility plays a key role in this change. For many years, CR has been an integral part of Deutsche Telekom's corporate activities. By further developing our corporate culture, we plan to assign even greater importance to CR in the future. Ultimately, CR will be the factor that ensures our Group stays competitive at the international level in the long term. Deutsche Telekom's readiness to assume corporate responsibility was therefore instrumental in the development of our "Guiding Principles," the five new guidelines for corporate culture at the "New Deutsche Telekom," which were introduced inside the company starting in February 2009.

Responsibility guides our actions. As part of the principles of the Group's sustainability strategy for 2006 – 2008, the Board of Management at Deutsche Telekom specifically committed itself to sustainable corporate governance, thereby emphasizing the importance of corporate responsibility for Deutsche Telekom's own entrepreneurial role. Since then, responsibility has advanced to become an integral part of the Group's business activities. In September 2008, the Board of Management described the various aspects of the Group's responsibility in detail. Under the motto of "We take responsibility.," Deutsche Telekom includes all the Group's activities, i.e. the entire value chain, in its concept of CR. This starts with sustainability in supplier relationships and all procurement channels, including the extraction of raw materials. It encompasses our local commitment to the interests of our employees and the quality of our processes, but also to society, technological advance and to a sparing use of resources that are already in short supply. Another focus of our activities is the responsible building and expansion of our network infrastructure. Last but not least, we demonstrate our sense of responsibility in the way in which we bring our products and solutions to our customers and support their sustainable usage. This approach is not just something we plan to aim for, it is already ingrained in our corporate culture.

Further issues to be dealt with in the CR Online Report:
@101 Our voluntary commitments

CR strategy and the three CR fields of activity.

With its Group-wide CR strategy, Deutsche Telekom and its Board of Management have pledged a clear commitment to sustainable corporate governance. The CR strategy applies throughout the Group and also provides our international subsidiaries with the framework for action that

is then filled out in all the different countries and markets. At the end of the day, Deutsche Telekom can only achieve its goal of becoming an international leader in CR if it succeeds in raising its employees' awareness for this issue. Deutsche Telekom's CR strategy is the result of a strategy development process initiated by the new CR department, which was established in 2008. Following inventory-taking and evaluation of a series of internal and external stakeholder interviews, CR goals, key fields of activity, program contents and organizational structures were developed successively during the reporting period. By firmly embracing the stakeholder perspective in this process, we ensured that our CR strategy takes account of the social demands made upon our company as well as Deutsche Telekom's potential as a leading ICT enterprise.

CR fields of activity. With its products and services, Deutsche Telekom is already making a considerable contribution to solving key social problems. To further promote sustainable development in the environment, in society and in business, Deutsche Telekom is utilizing the broad potential that modern ICT offers and facing up to current challenges in the world: these include large-scale climate change, the promotion of equal opportunities to participate in the information society and more connected life and work. In our CR strategy we have defined three fields of activity to be the focus of our CR activities in which Deutsche Telekom plans to set new standards internationally:

- **Connected life and work - sustainable connection of life and work.** Our contribution to connected life and work is part of our core business. We are keen to help employees, customers and other stakeholders improve their quality of life and work. Examples of this include products and services that enable mobile working, e-government solutions such as the digital city hall that bring flexible local government closer to citizens (see page 38 f.), and the Group's various diversity programs. See page 25.

- **Connect the unconnected – integration in the information and knowledge society.** Deutsche Telekom wants to enable as many people as possible to have access to ICT – regardless of where they live, their age, level of media competency or disabilities. Digital integration is an important and necessary step toward equal opportunities in our information and knowledge society. As it expands mobile broadband networks and connects rural regions to ultra-fast Internet, Deutsche Telekom is putting the conditions in place for people and businesses everywhere to benefit from digital media. See page 31 ff. Deutsche Telekom develops special products and services for people with physical disabilities or language barriers. At the same time, the Group supports projects to enhance media competence. See page 43 f. The "Yes, I can!" flagship project is aimed at opening up new opportunities specifically for disadvantaged young people, thereby promoting equal opportunities in our society. See also page 28.

- **Low carbon society – different ways to create a society with lower CO_2 emissions.** ICT processes are inextricably linked with energy consumption and CO_2 emissions. At the same time, they can also play a vital role in saving energy and reducing emissions. This is exactly where Deutsche Telekom can make a difference. We develop ICT-based solutions and products that both increase our own energy efficiency and enable our customers to make an effective contribution to protecting the climate. State-of-the-art telematics can help reduce road traffic, video conferences can replace business travel and digitization can make an enormous contribution to saving resources. See page 40 f. With energy-efficient data centers and the use of renewable energies, Deutsche Telekom ensures that its CO_2 balance is even better where ICT usage is concerned. To further reduce the Group's carbon footprint, a sustainable vehicle fleet and an efficient building management system have been introduced. See also page 27 f.

Systematic road to international CR leadership. We have been developing a broad-based CR program since 2008 with the strategic goal of making Deutsche Telekom an international leader in CR. The object of the program is to structure all CR-relevant processes along our Group's entire value chain. At the same time, it will supply binding objectives that we want to manage and implement through all aspects of our daily core business at Deutsche Telekom. We have defined clear-cut goals as part of continuing program development for the years 2009 – 2011. We also identify CR-relevant projects, measures packages and initiatives, and organize them in line with the three CR fields of activity. We set ourselves a timeframe for project implementation and develop several quantitative key performance indicators (KPIs) for CR. We plan to use them to determine the degree to which our CR objectives have been implemented throughout the company and as concrete facts to underline our claim to CR leadership. In addition, the Board of Management adopted a CR roadmap in 2008. The measures it describes are being channeled into program development.

At its constituent meeting, the CR Board (see page 10 f.) adopted a recommendation on concrete program content and goals, and also approved further development of CR-relevant KPIs. The approved CR program and its goals are due to be presented to the national companies in July 2009. The KPIs will be drawn up by the CR department by the end of 2009.

International CR strategy rollout. Another important area of work in our CR strategy is to integrate the Group's national companies. Each of their CR strategies must be brought into line with the Group CR strategy in a national context. In May 2009, we launched a series of local roadshows, where we obtain the commitments of the national companies and discuss with management and local CR managers on how they are to be embedded in the strategy.

Our path to CR leadership.

▶ Deutsche Telekom is looking to play a leading international role in corporate responsibility (CR). What does this ambitious goal mean for Group management and its business processes? What targets must the Group set itself and what tools can it use to achieve them? Luis Neves, Head of Corporate Responsibility at Deutsche Telekom, provides the answers to these questions.

How close have you already come to your goal of becoming an international leader in CR? At Deutsche Telekom we have been embracing many different aspects of our corporate responsibility for a very long time. Our achievements in this regard have been acclaimed by key sustainability rankings for many years. For example, this includes our exacting standards on sustainable procurement and the management processes we use to enforce these standards among our suppliers. We have also showcased internationally a string of pioneering solutions in the form of Green ICT and our commitment to education via the Deutsche Telekom Foundation and various independent projects. Last but by no means least, we were one of the first parties to sign the Global Compact and have joined its new leadership platform. As such, I believe we can already claim to be world leaders in a number of socially relevant areas. However, there are still some sectors where we need to step up our efforts, as reflected in our international CR benchmarks, which we evaluate on a regular basis. Our aim is to continue to set new standards in these areas as well and thereby assume a leading role.

How do you plan to reach this ambitious goal? We must meet the numerous demands made of CR in all respects, with sustainable products, energy efficiency, business ethics, compliance and sustainable procurement, for example. This impacts virtually all our management processes – from procurement, research and development, risk management, controlling and communication, all the way through to process control – and includes Group management.

How will you make sure that the many different CR tasks are implemented in practice? In order to be able to attain and continuously re-assert our leading position, it is crucial that all employees within the Group are committed to the same principles. Our team sees itself as an impetus generator and catalyst in this process. To support this aspect, we have devised a Group-wide CR program, which includes the CR fields of activity on which we want to place our strategic focus, and the CR performance areas which are relevant for the individual links in our value chain. We have defined concrete goals for these fields of activity and performance areas, and have specified the projects, initiatives and measures that will be needed to meet our ambitious global aspirations. To coordinate these processes, we have agreed on a roadmap and have started developing instruments that can be used to control success, the so-called key performance indicators (KPIs). These supply us with bare comparative figures and therefore motivate us to implement our CR goals.

Which individual KPIs do you use to get closer to your goal? I would like to give you some examples at this point: for our CR performance it is vital for us to be able to prove how successful we have been in involving our suppliers in the design of our sustainable supply chain. To do this, we use a KPI that establishes a ratio between the purchasing volume that meets sustainability criteria in relation to the total purchasing volume. Moreover, we have set ourselves the goal of reducing our CO_2 emissions by 20 percent by the year 2020. In order to measure our progress, we calculate the absolute CO_2 emission figures for our Group. In addition, we also calculate the ratio of energy consumption to revenue and thus obtain a vital performance indicator for the energy efficiency of our infrastructure, systems and logistics processes. How much closer we ultimately come to our goal of being the best employer with measures that target working conditions, health and safety, and corporate volunteering is reflected in the “Employee satisfaction” KPI.

I expect the first results of the KPIs to present us with concrete challenges. In my experience, corporate responsibility is gaining importance in these times of financial crisis, so that it is more crucial than ever before for us to make every effort to pursue these goals.

Many of these national companies have their own excellent approaches, which we plan to integrate in a suitable form. We will be involving managing directors and coordinators from CR-relevant units in our international subsidiaries in the discussions and in the new roadshow workgroups. Once each event is over, we document the status reached in discussions in order to evaluate the results. We want to have completed most of our roadshows by the time the CR Manager Meeting is held in November 2009.

To implement the CR strategy and obtain CR content from the relevant Group units, we also make use of bilateral (one-to-one) meetings. The one-to-ones are held between CR managers and representatives from the various specialist departments. In this way, we motivate our staff to identify CR issues in their everyday work, practice responsibility in the use of resources and in dealings with stakeholders, and achieve greater transparency at all levels with regard to the services that our Group provides. From August 2008 to March 2009 we held one-to-one talks with 24 Group units. To consolidate the results, a number of follow-up meetings were staged or arranged.

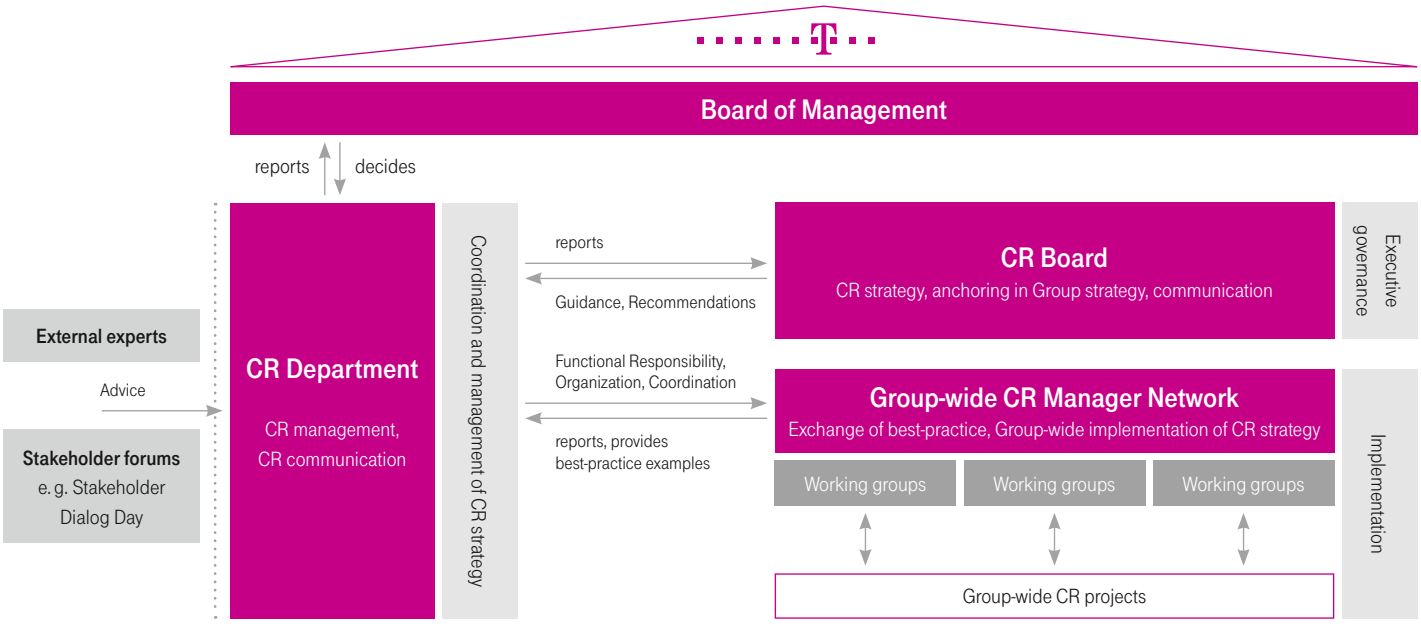
Meshing the Group and CR strategy. With its focus on the three CR fields of activity and bundling of global CR work, the CR strategy follows the principles of Group strategy in that it helps to enable Deutsche Telekom to further "focus, fix and grow" its business activities. The strength of Deutsche Telekom's CR strategy lies in its close links with the Group's core business. Thanks to the sustainability of our products, services and solutions, Deutsche Telekom can already present CR-oriented business models in many fields. Increasingly, demand is replacing external requirements on this front; what were previously seen as cost drivers are metamorphosing into drivers of value. Prime examples are Green ICT and the continuing expansion of the broadband network. Besides this, we are striving to enable our customers to make sustainable use of existing products, and we are placing even greater emphasis on sustainable usage as we develop new products.

Further issues to be dealt with in the CR Online Report:
@102 Implementation of the CR strategy

CR organizational structure.

During 2008, Deutsche Telekom further expanded the management structures in its CR department. This has resulted in the creation of an organization structure that enables us to manage CR throughout the Group. It ensures that strategic management and the operational implementation of CR at Deutsche Telekom are closely linked – from Board of Management decisions to CR projects in the international companies. The Board of Management at Deutsche Telekom not only acts as a general decision-taking body but also represents the driving force behind development of the CR organization.

CR governance.



CR Board – strategy and objectives. The CR Board, the new central governance body for CR at Deutsche Telekom, held its constituent meeting on May 6, 2009. The board meets at least three times a year to discuss present and future challenges facing the Group, society and the markets with regard to Deutsche Telekom's claim to international CR leadership. The board develops and approves recommendations on our CR program and on our CR strategy with its focal issues, and passes these on to the CR department. The members of the CR Board are the heads of the most important CR-relevant functions in the Group. As well as the CR department, they include Corporate Communications, Human Resources (HR) and Procurement, Public and Regulatory Affairs, Brand Management, the Chairman's Office, the Technology and Innovation department, and the Deutsche Telekom Foundation. The broad membership base of the CR Board ensures that CR, Group and brand strategies, as well as Group values are in accord with each other and that CR is firmly rooted throughout the Group.

Central CR department – management and coordination of operational processes. The CR department coordinates and manages implementation of the CR strategy at operational level – in all business areas and international companies. At Group level it therefore represents the interface with all other relevant units. The CR department cooperates closely with the Product & Innovation department, for example, in the development of sustainable product concepts. Via its link with Corporate Communications, it is situated at the highest level in the CEO's area of responsibility.

International CR manager network – implementation and exchange. Functioning as an international panel of experts, the CR manager network offers a platform for CR-related discussion and consultation between departments and between countries. The network includes CR managers from all business areas and international affiliated companies. They represent the respective national CR activities, objectives and challenges. All CR managers come together for the international CR Manager Meeting at least twice each year. One of the aims of this meeting is further development of the CR program. Meetings were held in August and October in 2008. In 2009, meetings are planned for July and November. In addition to this, the network has enabled CR managers to exchange experiences and ideas in regular telephone conference calls.

Climate Change Group. Numerous stakeholders, first and foremost among them our customers but also investors and rating agencies, expect our Group to perform outstandingly in the area of climate protection. In view of the vital significance of this topic, we plan to establish a Climate Change Group during the second half of 2009. As an in-house committee, the Climate Change Group will help us find new approaches to Group collaboration on reducing CO_2 emissions and saving energy, and develop universal strategies that can be applied throughout the Group in the long term. The group's central duty will be to bring Deutsche Telekom closer to its goal of leading the way to a low carbon society. See page 8. Other focuses of its work will be on further reduction of our own carbon footprint and pushing development of products and services that help our customers improve their own climate balance. We anticipate that this will also involve major benefits for our Group, including cost savings, support for Sales, the possibility to leverage new market opportunities and early minimization of risk.

The members of the Climate Change Group, the climate experts in our corporate Group, will meet at least four times a year under the chairmanship of Deutsche Telekom's Board Representative for Sustainability and Climate Protection. The Climate Change Group will also invite external specialists to participate in group work.

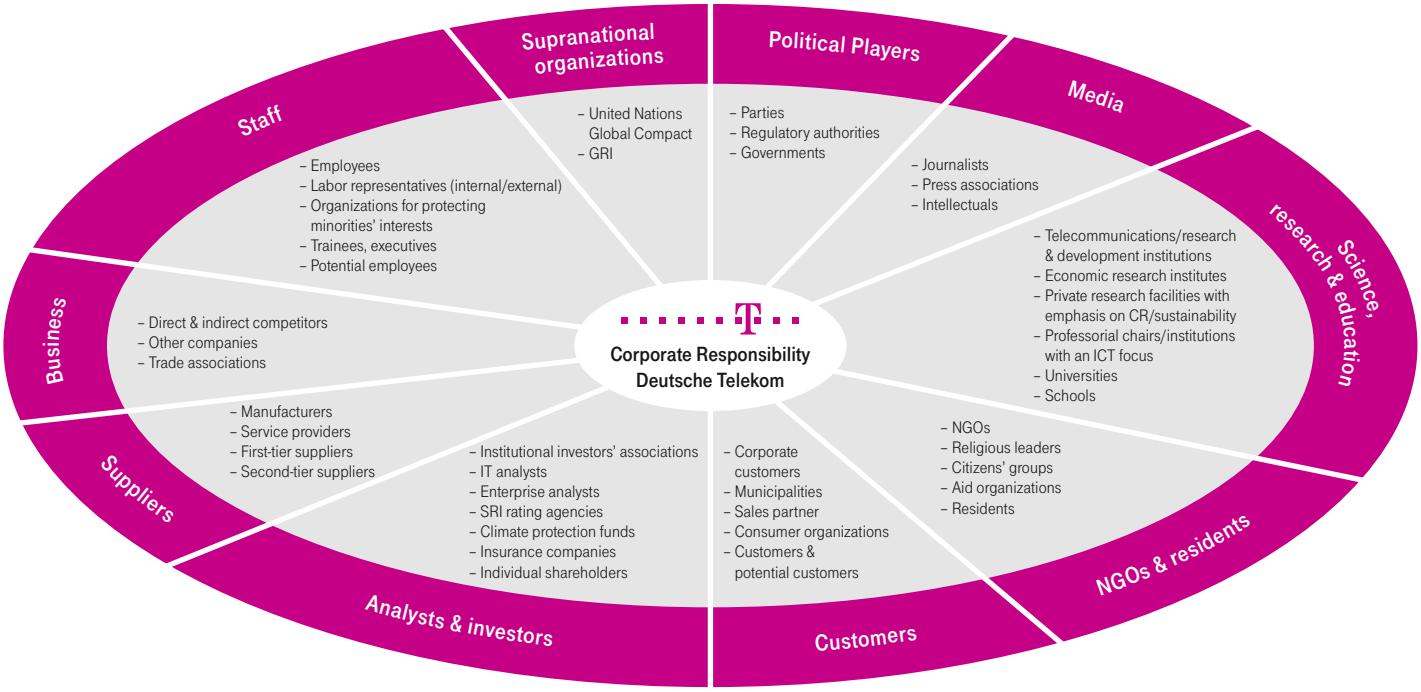
CR organization at employee level. A vital prerequisite for implementing our CR strategy successfully is voluntary participation by our employees over a broad base. Here again, we are currently making important organizational changes. We plan, for instance, to roll out a CR e-learning tool in the fourth quarter of 2009. It will be available in German and English for our national and international workforces, will explain what we associate with the term CR and provide an overview of the broad range of CR issues. One important aspect will be to stress the crucial role that CR plays for Deutsche Telekom and its employees as well as for development in society as a whole.

Further issues to be dealt with in the CR Online Report:
@103 CR governance structure

Stakeholder dialog.

Holding responsible dialogs with our various stakeholder groups – including our customers, shareholders, suppliers and employees as well as non-governmental organizations (NGOs), associations and scientific and political institutions – is an important instrument within our CR management. It helps us to evaluate corporate risks more efficiently and optimize our CR commitment. These dialogs also show us where we ought to intensify our commitment and how we can further improve our processes and products. We use the insights gained from these dialogs for the continual improvement of our CR strategy. To this end, stakeholder expectations are systematically registered and assessed according to their relevance. In return, we seek to promote understanding among our stakeholders for our company's business activities and their acceptance of the steps we need to take. In areas in which we consider Deutsche Telekom to bear major responsibility, we additionally initiate dialogs and actively ask stakeholders about their expectations.

Stakeholder universe at Deutsche Telekom. Our stakeholders – an overview.



End-to-end dialog concept. In 2008, in order to coordinate our vast range of dialog activities, we defined responsibilities at central as well as at international level, assigned specialists to specific CR topic areas and integrated the stakeholder dialog within our CR management. In December 2008, we joined forces with other specialist departments to begin structuring of our dialog activities, drawing up a CR communication and a dialog concept. This will help us give our CR performance a more distinctive profile and raise public awareness for it.

During our appraisal of the situation, we identified ten main stakeholder segments, including suppliers, employees, residents, customers and numerous sub-groups, to which we assigned different success factors and communication channels. Following this, we evaluated existed dialog activities pursued to date in the individual segments. We did so by interviewing internal and external stakeholders and evaluating relevant market research studies. The CR communication and dialog concept that we subsequently drew up described formal and contentual requirement profiles for the three core instruments of our CR communication (printed CR Report, CR Online Report and the Group's "Corporate Responsibility" Portal) and other CR media.

Focus on the essentials. During annual CR reporting, we perform a regular materiality assessment to get the topics focused. We interview internal and external stakeholders and collect the results at a materiality workshop. As we do so, we define the themes that are of central importance for our Group and our stakeholders, taking the issues and needs of both sides into account. We do this by rating them from low to very high in four relevance categories, once from a company and once from a stakeholder perspective, and enter the results in a materiality matrix. The materiality workshop staged to define the topics for this report was held at the end of January 2009 with support from an external provider.

Listen – discuss – understand. Dialog with stakeholders in Deutsche Telekom is conducted on all kinds of different levels. We take our customers' questions on board and hold discussions with representatives from the worlds of business and politics. We talk with municipal governments in the key regions, with our shareholders and with our employees.

Active stakeholder dialog is a key element in Deutsche Telekom's CR strategy. We therefore take account of our stakeholders' needs and wishes as we develop new products and services. Stakeholder demands are also channeled into our strategic considerations, since this open dialog enables Deutsche Telekom to identify improvement potential and avoid taking risks. Dialogs play an important role at various Deutsche Telekom levels – from Group Headquarters and the operating segments to our national companies.

Corporate Responsibility Day. "Corporate Responsibility Day" ("CR Day") offers internal and external stakeholders in Deutsche Telekom a forum for the critical discussion of aspects of corporate responsibility. This multi-stakeholder forum addresses changing focal topics and promotes the exchange of opinions with and among the relevant stakeholders. The CR strategy forms the thematic framework for "CR Day" 2009, with the fields of activity "Connected life and work," "Connect the unconnected" and "Low carbon society." "CR Day" is being held on July 1, 2009 at Deutsche Telekom's Berlin Representative Office. More than 300 stakeholders are invited to the event, including representatives from business and politics, trade associations, NGOs, churches, suppliers and investors.

Stakeholder Dialog Day. Deutsche Telekom has held its "Stakeholder Dialog Day" each year since 2008. The object of the event is to bring several stakeholder groups together to discuss one overlying topic. In 2008, the motto was "Sustainable procurement as a global challenge." Over 40 participants from groups that included suppliers, analysts and employees,

NGOs and universities discussed elements of a responsible purchasing policy at our Bonn Headquarters. Scientists and professionals took this opportunity to exchange their different views. In May 2009, the second "Stakeholder Dialog Day" again focuses on the challenges involved in sustainable procurement. This time we address such hot topics as "Raw materials extraction and ICT," "Product innovations for a low carbon society" and "Managing electronic waste" in parallel working groups.

Dialog at CeBIT. Deutsche Telekom used its appearance at the CeBIT computer fair in Hanover to present its CR activities and, in doing so, sent out a strong message to the industry. Its aim was to make CR and sustainability issues transparent for customers and to concretize the role played by our products and customer solutions. In its position at the center of Deutsche Telekom's fair booth, the topic received great attention from prominent representatives of important stakeholder groups. A CR film and a "guided tour" of the Group's "Corporate Responsibility" Portal supplied background information to the discussions.

Climate-neutral shareholders' meeting. Deutsche Telekom maintains a regular dialog with its investors and shareholders. At the shareholders' meeting on April 30, 2009, the CR department presented itself to our shareholders. The event itself was held on a climate-neutral basis. The green-house gas emissions that it generated were offset by procurement of emission reduction certificates for 677 metric tons of CO_2. The equivalent sum of EUR 7,000 went to a sustainable fuel change project in Brazil. A separate CR stand drew the attention of 6,500 visitors to our CR strategy, the successes we have already gained with it and our future CR projects. We also showcased the "Cargobike," a load-carrying service bicycle driven by fuel cells, along with fuel cell technology as a forward-looking solution for a decentralized, long-term supply of energy to mobile base stations, data centers and multimedia terminals. A CR film was shown to present additional information on Deutsche Telekom's CR performance. Besides this, we also used the shareholders' meeting to point out to our shareholders the growing relevance of socially responsible investment (SRI).

Dialog among our national companies. Our national companies and subsidiaries stage numerous stakeholder dialogs of their own. With its round-table conference on environmental protection, Hungary has set an excellent example: each year, Magyar Telekom hosts a round-table conference on sustainability issues for representatives from the worlds of politics, NGOs, suppliers, science, subsidiaries and from within its own company. This way, the company has been promoting open dialog and mutual understanding since 1997.

Dialog initiatives for climate protection.

One of the most important topics discussed in our dialogs is climate protection. The climate dialog is one element of our work in the CR field of activity "Low carbon society – different ways to create a society with lower CO_2 emissions" (see page 8) and is therefore one that we are making special efforts to promote. As a company that is acknowledged to be a sustainability performer, we contribute to many discussions with our know-how and, as a member of the Climate Change Working Group (CCWG) at the Global e-Sustainability Initiative (GeSI), support the current negotiations to reach global climate protection agreement. Our goal is to make people aware of the climate protection potential inherent in the ICT industry, and to boost the introduction of climate-friendly technologies.

At international conferences, on committees and in various international organizations, Deutsche Telekom takes a resolute stance in favor of a policy that will protect the world's climate. The company is one of around 100 signatories to the joint declaration issued by the Global Roundtable on Climate Change (GROCC). We are also a member of the "European Union Corporate Leaders Group on Climate Change" initiative. As part of it, in December 2008 executive managers from more than 140 global businesses signed the "Poznan Declaration," which was directed at the EU parliament, and thus pledged their support for a joint strategy on climate protection. In Germany, Deutsche Telekom is a founding member of the "2° – German entrepreneurs for climate protection" initiative, which actively promotes a forceful strategy to protect the world's climate, with members volunteering to deploy their companies' skills and know-how in the interests of climate protection.

Professional dialog management. In connection with its goal of becoming an international leader in CR, Deutsche Telekom considers it its duty to further optimize its stakeholder dialogs. To achieve this, we have embarked on the development of a stakeholder management system. It is designed to facilitate a proactive exchange with internal and external stakeholders and to help us maintain systematic stakeholder dialogs and bring our external and internal CR communication into line with them. We anticipate that the management system will provide greater transparency in stakeholder communication and important information on successful dialogs and their prioritization.

Further issues to be dealt with in the CR Online Report:
@104 Our numerous dialog forums

Socially responsible investment.

Deutsche Telekom traditionally holds in-depth talks on CR-relevant topics with its investor stakeholder group. We host regular roadshows with a CR focus in the key international finance marketplaces. At investor fairs, we invite and answer questions from financial analysts and funds managers, and participate in expert workshops. Since the third quarter of 2008, we have experienced a growing interest in CR topics in discussions we have held with many investors, not only from socially responsible investment (SRI) analysts and managers of sustainable investment funds.

SRI is becoming respectable. The upheavals on the world's finance markets seem to be leading to a growing acceptance of SRI as a reliable investment strategy. According to the Sustainable Business Institute (SBI, Oestrich-Winkel), the number of sustainable funds in Germany, Austria and Switzerland continued to increase up to the end of 2008. In 2008 alone, 50 new sustainable funds were authorized. As of December 31, 2008, 274 funds in the countries named above had included sustainable investments in their activities. Even if this figure is far lower than in the Anglo-Saxon countries, SRI still offers major development potential in both areas: SRI criteria from the environmental, social and governance (ESG) fields are included as "intangibles" in enterprise analysis by rating agencies and subsequently requested from us. At the same time, several major banks have now started to take SRI into greater consideration in their business activities. Against the backdrop of this development and in view of the Group's solid financial basis, Deutsche Telekom sees the crisis on the finance markets as an opportunity and is stepping up its contacts with investors and analysts.

SRI roadshows.

We focus our SRI strategy on an intensive dialog with analysts and investors. The SRI roadshows are an instrument that has proved very effective in this area. In the period from March 2008 to March 2009, we held four large-scale roadshows in Europe and the USA. Within the framework of these roadshows, we arranged over 30 meetings with investors. In the second quarter of 2008 and in September 2008, we presented SRI-relevant CR topics in Frankfurt, London and Paris. In November 2008, another roadshow took us to Boston, New York and Washington. In addition to this, we attended a workshop on SRI in New York in April 2008, which was organized by the National Investor Relations Institute (NIRI).

We have had our CR performance measured by leading German and international rating agencies for many years. The results, for example in SAM/DJSI World & DJSI STOXX, confirm that the Group is among the best in the industry in an international comparison. Since 2007, Deutsche Telekom has also complied fully with the criteria of the prime indexes of oekom, Vigeo, imug/EIRIS, Sarasin and scoris. See also page 50. We use the results of meetings with analysts and ratings as the basis for performing GAP analyses, and evolve measures that we propose to use to improve the Group's CR performance.

SRI topics at Deutsche Telekom. The topics for the first roadshows were originally chosen by Deutsche Telekom. Since then, the focal issues for discussion have evolved in a dialog. Great interest was shown in our Group's internal development and strategic CR orientation. Personnel restructuring and continuing education head the list of popular topics, along with climate protection. In addition, analysts see the return and recycling of used devices as very important criteria along with innovation and sustainability. Our supply chain is subjected to scrutiny, in particular with regard to human rights issues. As far as competitiveness is concerned, topics such as customer churn and service quality are both on the agenda. Last but not least, the events of 2008 have also led our discussion partners to require high standards in the protection of customer data at Deutsche Telekom.

Renewing Deutsche Telekom's SRI strategy. Deutsche Telekom takes the changing state of finance markets and the increasing weight of CR issues into consideration in the further development of its SRI strategy. The object is to mesh SRI closely with the CR strategy and use the KPIs developed in this field for the SRI dialog. We plan to use the KPIs alongside four other CR-relevant areas to map our performance in the CR fields of activity "Connected life and work," "Connect the unconnected" and "Low carbon society." In order to make communication as easy and as illustrative as possible, we intend to set up a portal (Dashboard), in which we will list not only these KPIs but also evaluations from relevant rating agencies and listings on SRI indexes.

Compliance.

Deutsche Telekom's business is based on integrity and compliance, the fulfilment of laws and regulations as well as of internal guidelines and codes of conduct. Compliance is the minimum requirement for good and responsible governance, and is thus the basic element of our corporate responsibility. We will only be able to avoid liability risks and other legal disadvantages for the Group and its employees if we base our activities on integrity as well as rigorous prevention of and sanctions against misconduct. Moreover, the activities of our Group's entire workforce are governed by a binding code of conduct. This not only guarantees conformity with law and legal systems but, as a code of ethics, also promotes integrity and loyalty to the company and its stakeholders among our employees.

Group-wide compliance organization. As early as 2005, Deutsche Telekom created a central organization for all compliance issues. Its mandate is to support corporate activities in the area of value and compliance management as well as in specific governance tasks. It creates compliance standards that are valid throughout the Group. The unit's tasks also include the further development of our whistleblower process and coordination of our anti-fraud management.

Establishment of the Board of Management department for Data Privacy, Legal Affairs and Compliance in October 2008 has rooted the Compliance department even more firmly in Deutsche Telekom's management structure. This step has also enhanced the status of the Compliance Committee, which was founded in 2005 and helps the Board of Management fulfill its task of establishing the structures that are needed for value and compliance management to function. The members of the Compliance Committee are experienced managers in the areas of compliance, legal affairs, corporate auditing, corporate security, and human resources. The Chief Compliance Officer, appointed by the Board of Management, is the chairman of the Compliance Committee. He reports to the Group's Board of Management and directly to the Audit Committee and the Supervisory Board. A Compliance Officer has been appointed in each of the strategic business areas.

Group Code of Conduct. A Code of Conduct binding for all Deutsche Telekom employees was drawn up in 2006. It, too, is due to be revised and extended as part of restructured compliance management and during the rollout process for the "Guiding Principles for corporate culture at the 'New Deutsche Telekom'" in 2009. In this way, the new guiding principles of our corporate culture will assume a concrete form for our employees. Examples of how the standards can be applied will augment the theoretical section and give them greater clarity.

Compliance Days. In December 2008 and March 2009, Deutsche Telekom staged two "Compliance Days" with participants from all its international affiliates. The object of the meetings was to do greater justice to the changing demands of compliance that go hand in hand with increasing globalization, and to develop a common feeling for the role it will play within the Group's compliance organization. The organizational structure and corresponding management processes, building of topic-related networks and training programs, and best practice exchange were among the focus topics discussed at the meetings.

Raising awareness for compliance. Deutsche Telekom works continually on improving its compliance management system. This includes external analyses as well as further awareness measures and training for the Group's employees. Its present compliance management work focuses on anti-fraud management and provision of discreet communication channels for persons reporting violations all the way through to extended education and training programs. The agenda also includes internationalization of compliance management within the framework of campaigns and training courses. Greater consideration is to be given to the aspect of risk prevention.

During its compliance management activities, Deutsche Telekom is placing greater emphasis on awareness building. We want to entrench compliance and integrity more firmly in our corporate and leadership culture. To support this intention, we launched a campaign under the motto "Compliance in plain German" in October 2008. Besides this, we also initiated a number of international training programs. Their focuses include tailored on-site trainings and e-learning offers that address anti-corruption issues. So far, 15,000 employees have attended the e-learning unit entitled "Raise awareness and avoid corruption." On top of this, we plan to implement the anti-corruption training program currently running at national level in an international scenario.

Flanking this step, on-site training has already commenced for Board of Management members, top management and selected departments in Germany. A total of 51 of these training units had been completed by March 2009. Since February 2009, international training has also been provided on site.

In October 2008, implementation of a Compliance Consultation Desk established a central point of contact for all employees who have questions on issues relevant to compliance.

Data protection and data security. In Germany alone, Deutsche Telekom manages the personal data of millions of people. It needs this data to operate its business and offer its customers good service. This also means that the company bears huge responsibility for the data's safety. We have always made prodigious efforts to ensure that our customers' data is safe. When the news leaked out in October 2008 that 17 million sets of customer data had nonetheless been stolen from T-Mobile in the year 2006, we took major steps to achieve a notable improvement in the level of our data protection and data security over the long term.

We introduced the Board of Management department for Data Privacy, Legal Affairs and Compliance in October 2008, a step that gave data protection higher priority throughout the Group. Further details of data protection are available in Deutsche Telekom's data privacy report for 2008 (German).

Further issues to be dealt with in the CR Online Report:
@105 Code of Conduct
@106 Anti-fraud management
@107 Violations portals
@108 Data privacy

Progress in supplier development.
Andreas Kröhling from Corporate Procurement is happy about suppliers who understand that compliance with sustainable procurement criteria benefits customers, suppliers, employees and the environment.

Supplier relationships.

As one of the largest enterprises in the information and communications technology (ICT) sector and one that plays a leading role in corporate responsibility (CR) at international level, we believe that our company bears special accountability in view of the processes involved in our supply chain. We exercise this responsibility not only within our company, but also through our own environmental and social requirements, in collaborations with our suppliers. A procurement volume of EUR 21.1 billion in 2008 gives us the chance to exert major influence on our direct suppliers as well as, indirectly, on the firms that supply to them.

With a volume of almost EUR 3 billion, around 14 percent of the goods and services that we procure via direct channels come from developing and threshold countries. This figure is far higher if we include our indirect procurement channels. Many of our European and North American suppliers and their suppliers also have their goods manufactured in developing and threshold countries. The fact that social and ecological standards in many of these countries do not yet live up to our requirements means that these structures may also conceal individual CR risks. One area that should be emphasized in this context is the mining of specific raw materials that are positioned right at the start of the supply chain for the entire ICT sector, e.g., coltan and platinum.

The immediate influence that we can exert on our suppliers, for instance through audits, is not usually sufficient to enforce higher social and ecological standards on a broad scale. We therefore see collaboration with other companies in our industry as a key opportunity for building greater overall expertise in the interest of sustainable economic practices in business, politics and administration and, in doing so, for placing their development on a broader foundation. Deutsche Telekom therefore participates in initiatives and projects that support this objective.

Sustainable procurement strategy.

Deutsche Telekom has launched a comprehensive sustainable procurement strategy, designed to ensure that minimum social and ecological standards are complied with along the entire supply chain. We take the Deutsche Telekom Code of Conduct and our fraud policy into account during all our purchasing activities. Additionally, we require our suppliers to sign and comply with the standards of the Social Charter we adopted in 2003. It lays down compulsory rules relating to human rights, the environment, equal opportunities, occupational health and safety and the right to set up and join a labor union, and is based on the principles of the United Nations Global Compact as well as on the conventions of the International Labor Organization (ILO) and the Organization for Economic Cooperation and Development (OECD). We demand that our suppliers, for their part, apply these standards to their own sub-suppliers.

Group-wide organization. The most important body dealing with sustainable procurement issues in the Deutsche Telekom Group is the international Sustainable Procurement Working Group (SPWG). Its members include employees from CR as well as representatives from all functional Procurement units, from Terminal Equipment to Networks, IT and Marketing & Indirect. The jobs handled by the SPWG include developing standards for sustainable procurement, monitoring the relevant processes, holding regular workshops with key suppliers and organizing continuing education and training measures. Besides this, it establishes its own key performance indicators (KPIs), which it uses to manage sustainable procurement processes. However, direct responsibility for collaboration with suppliers lies with the Procurement department itself.

In 2008, the SPWG worked closely with Procurement experts to integrate sustainability criteria even more effectively in the buying process. The objective of the SPWG is to install sustainability alongside commercial conditions and quality as key elements in the evaluation of concrete purchasing transactions.

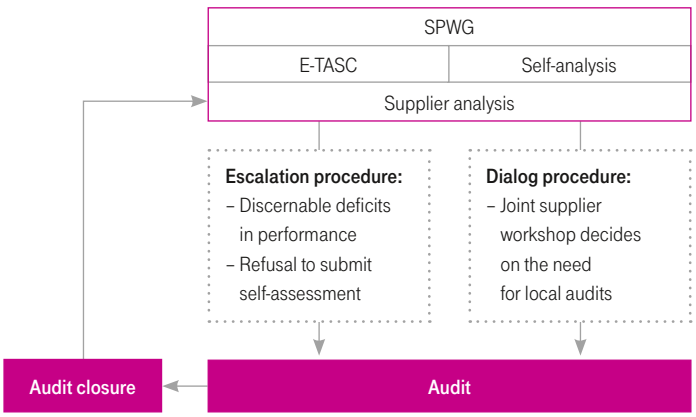
Sustainability criteria also play a role in supplier assessment on the Supplier Scorecard, which we introduced at the start of 2009 and which supports our overall supplier selection and development process. The scorecard contains a total of 25 performance criteria, such as price level, quality, logistics and technology. The area of Sustainability Management is covered by the KPIs “CR Compliance”, “CR Commitment” and “Sustainability Risk Assessment”, with most of the information required being obtained via a questionnaire. These three indicators are not yet included in overall supplier assessment. Nonetheless, below-average results in these sections mean

that suppliers have far lower chances than their competitors. Suppliers also have to fulfill specific individual criteria such as desisting from using child and forced labor if they want to work with us.

In order to enhance our buyers' sustainability awareness, we introduced an online training tool in October 2008. The 90-minute course comprises 18 questions that participants have to answer once they have worked through the detailed comprehension and information section. By the end of March 2009, some 450 buyers had achieved a certificate on completing the course. In 2009 we plan to further extend the group of users in Procurement. In future, the training tool will be updated each year to refresh the know-how of our Procurement staff in the area of sustainability. We also plan to systematically expand the information pool on the Group's Procurement portal.

Comprehensive supplier assessment and auditing. As part of our risk evaluation process and following an up-front check, we require suppliers that are strategically relevant for us to provide details of their social and ecological work conditions and management systems. To make it easier for us to identify the potential risks involved in working with new suppliers, we added several sustainability issues to the questionnaire for supplier pre-qualification in May 2009.

The Social Audit process at Deutsche Telekom.



The results from suppliers' self-assessments are channeled into E-TASC (Electronics Tool for Accountable Supply Chain), an online information tool for which Deutsche Telekom, a member of the Global e-Sustainability Initiative (GeSI), played a key role in its development as a solution for the entire sector. E-TASC supports speedy, standardized sustainability assessment of our suppliers and detection of potential risks.

Having asked our 40 key suppliers to provide us with information on their social and ecological manufacturing conditions via E-TASC at the end of 2007, our present plans envisage extending it to cover our top-100 suppliers by the end of 2009. The top 40 cover around 52 percent of our procurement volume, the top 100 over 60 percent. Magyar Telekom and T-Mobile UK also use the system to validate their suppliers for CR risks at present. Our objective is to further increase the number of international subsidiaries using E-TASC.

On-site supplier audits. The supplier self-assessment and reports, conceivably from reputable non-governmental organizations (NGOs) or the press, and information from local observations could be used as indicators of special sustainability risks among our suppliers or the firms that supply to them. In these cases, we check the situation locally within the framework of Social Audits. This approach is valid for our current suppliers as well as for companies with whom we hope to build a supplier relationship.

During these audits, experts from Deutsche Telekom maintain a constructive and trustful dialog with suppliers, talking to company management, specialist units as well as employees. The audits include inspections of the entire company premises. Firms are subsequently expected to draw up action plans showing how they intend to eliminate any deficiencies and problems found within a specific period; at a later date, their implementation is also verified. The SPWG, which supports the entire process, forwards the results of these audits to Procurement. The table in the CR Online Report contains details of the audits held in 2008. It shows the deficiencies identified in the different fields of activity, recommended actions resulting from them and further information on their concrete implementation.

In 2008, we performed on-site supplier audits at three companies in Taiwan, the People's Republic of China and Mexico. Two of these are currently Deutsche Telekom suppliers, one a potential supplier that manufactures and recycles communications handsets. The main deficiencies revealed by the audits held in Mexico and Taiwan occurred in the area of health and safety at work, and improvements were discussed on the spot with the people responsible. In Taiwan, problems relating to working conditions, in particular too long working hours, were a major concern.

The biggest deficiencies were revealed in the People's Republic of China. In particular, management of one of the companies visited there showed little awareness or open-mindedness with regard to sustainability issues. The auditors therefore issued an urgent recommendation that greater sensitivity should be developed in this area. However, the company is not yet a Deutsche Telekom supplier.

Further issues to be dealt with in the CR Online Report:
@201 Table showing the most significant findings and improvements from audits performed in 2008

Building sustainability expertise in China.

The on-site audits we hold in local companies and the ideas and measures associated with them usually have very little impact on the supplier sector overall. Further measures are necessary if widespread improvements are to be achieved in social and ecological conditions during the supplier development process. Deutsche Telekom is therefore committed to achieving greater overall sustainability in the countries of its suppliers. To this end, we focus on supporting initiatives that back establishment of the necessary competences and know-how in business, politics and administration, above all in developing and threshold countries.

Impetus for small and mid-sized enterprises. At present, we are the sole project partner from industry to participate in an EU-funded project in China launched by the Association of German Chambers of Industry and Commerce under the title "Switch China" and designed to improve the environmental and safety situation in China's electrical and electronics industry. The object is to improve eco-efficiency, health and safety at work, and social responsibility in over 500 small and mid-sized enterprises in the industry. The project partners are the China National Institute of Standardization (CNIS), the China Standards Certification Center (CSC) and the Chinese Institute of Electronics (CIE).

Competence for industry and administration. The "Switch China" project, which was launched in April 2009 and is scheduled to run for a period of four years, focuses on developing guidelines and case studies, performing voluntary audits and assessments, and staging training courses and regional workshops. One of its aims is to improve the management quality of Chinese suppliers to bring them into line with the sustainability requirements of their European customers and thus to consolidate partnerships with them. More importantly, the object is to improve competencies among China's politicians and the country's auditing and certification bodies for dealing with the corporate responsibility, eco-efficiency, and health and safety at work standards currently in force in Europe.

As an enterprise leading the way in corporate responsibility, Deutsche Telekom's know-how equips it to play an active role in project work. For instance, we support the dialog with leading European experts and stakeholders, and help to develop guidelines and standards governing such aspects as eco-efficiency and safety at work. In addition to this, we make training material available and help to coordinate and execute training measures for the 500 companies involved.

Workshops support cooperative dialog.

Another instrument in the cooperative dialog that Deutsche Telekom seeks on procurement are special workshops, which have been held on a regular basis by the SPWG since 2006. Here, we work with top strategic suppliers to define solutions and improvements for sustainability issues.

In 2008, we organized three workshops with companies that supply us with network equipment and mobile devices, at which Deutsche Telekom had the opportunity to present its sustainability requirements in detail. These events also served as a platform on which experiences and best practices were exchanged. In one concrete example, our discussions with suppliers focused on environmentally friendly product design, energy efficiency, measurement of CO_2 emissions and their assignment to different products, how electronics waste is handled and the introduction of joint KPIs.

Workshop discussions frequently lead to joint initiatives and projects with a broader reach. In one case, we joined with selected suppliers to work on improving the transparency of CO_2 emissions generated along the entire supply chain. We plan to use the results of this cooperation in particular to develop our own instruments for measuring carbon footprint and to create a Group-wide carbon footprint strategy that covers the whole value chain. @202

Multi-stakeholder dialog on sustainable procurement. We held our "Sustainable Procurement Stakeholder Dialog Day" for the first time in 2008 at the initiative of the SPWG. It premiered under the motto "Sustainable procurement as a global challenge." The next event is planned for May 2009 and will again bring together suppliers, socially responsible investment (SRI) analysts, employees, representatives from NGOs and scientists. Deutsche Telekom sees this meeting as a chance to gain a deeper understanding of its stakeholders' needs and interests. One of the issues that the "Sustainable Procurement Stakeholder Dialog Day" will spotlight in 2009 are the opportunities and constraints facing Procurement in developing supplier firms that operate according to sustainability rules. Topics planned for discussions in parallel workgroups include "Raw materials extraction & ICT," "Product innovations for a low CO_2 society" and "Management of electronic waste."

Human rights and social and ecological conditions in raw materials extraction.

At the start of the ICT sector's supply chain are numerous industrial metals that are needed in the manufacture of electronics products. Although mining these materials creates jobs and income in the producing countries, the "makeITfair" campaign, an initiative launched by mostly European NGOs, criticizes the serious conflicts, human rights violations and harm to the environment taking place in many developing countries. One example is the mining of coltan (tantalum ore), which is closely associated with the outbreak of civil war in the Congo. In Zambia and the Congo, people working in the cobalt mines and in the further processing of cobalt are exposed to major health and safety hazards. Cyanide, a poisonous substance, is often used in gold mining and frequently contaminates the soil and ground water in the process; this is a common occurrence especially in South Africa. In these regions, children are regularly misused as cheap labor to mine raw materials. The manufacturers of electronic products are therefore now required to accept additional responsibility for their raw materials supply chains, especially in view of the fact that, in developing countries, these are often controlled by foreign companies.

Networking for human rights. As a seller and user of electronics products, Deutsche Telekom is only indirectly involved in raw materials extraction; nonetheless, we recognize the human rights issues involved. Board of Management Chairman René Obermann acknowledged Deutsche Telekom's commitment to human rights once again in December 2008 in an official letter to Mary Robinson, President of the "Ethical Globalization Initiative," marking the 60th anniversary of the United Nations' Universal Declaration of Human Rights. Another key component of our commitment to sustainability is our pledge to the United Nations Global Compact. We pledged our allegiance to the pact and its principles on human rights, work standards, environmental protection and the fight against corruption back in the year 2000. Since then, we have also participated in the Global Compact's national and international networking activities. See also page 59 ff.

Unequivocal position on raw materials extraction. We consider the human rights, social and environmental problems that occur in conjunction with the extraction of raw materials to be highly alarming. For this reason, we issued a detailed "Statement on extractives" in 2009, which describes our role as a member of the ICT industry and looks at the measures we plan to apply in our contribution towards improving the present situation. These include getting our suppliers to sign allegiance to our Social Charter and, equally, to our requirement regarding the firms that supply to them.

We also ask our top suppliers to draw up a list of principles governing extraction of industrial metals, which make it easier for us to assess the extent to which they comply with our Social Charter. If a supplier has no such written principles, we insist that it develops and installs measures in support of our efforts to minimize the risks in raw material extraction.

An important field of activity, in our opinion, is the search for alternatives to individual materials. We therefore encourage our suppliers to use environmentally friendly resources. Our object in doing so is to reduce the demand for raw materials, where it is difficult to achieve compliance with environmental and socially compatible standards, or to replace them altogether.

Participation in industry initiatives. However, we are convinced that the problems involved in obtaining raw materials are an issue that manufacturers and network operators need to address together. Deutsche Telekom already participates in over 50 global initiatives, which are committed to greater sustainability in the ICT sector. Leading the field is the Global e-Sustainability Initiative (GeSI), which has been working on the issue of industrial metals in the ICT sector for some time. In 2008, it published a statement in which member companies undertook to cooperate with suppliers to fulfill specific social and environmental standards. At the same time, they acknowledge their ability to impact standards along the entire supply chain and their intention to actively explore opportunities to do so.

In June 2008, GeSI published a study under the title "Social and Environmental Responsibility in Metals Supply to the Electronic Industry," which looked at the environmental and social conditions under which aluminum, cobalt, copper, gold, palladium and tin are obtained and listed potential improvements in this area. The results were discussed in November 2008 with stakeholders, including in particular representatives from the mining sector.

The study's recommendations, stakeholder feedback and reactions from the GeSI member companies are channeled into the future work of the initiative's working group. In 2009, the working group plans to further evolve the stakeholder participation process and work on models for greater transparency in the tin, tantalum and cobalt supply chains, which will make it easier to assess companies' codes of conduct and CR programs in this area. Moreover, the working group plans to analyze the perspectives for metal recycling and product responsibility in greater detail. The results are to be included in discussions with other ICT companies along with representatives from the recycling sector and producers of industrial metals.

SRI ratings acknowledge our procurement policy. Our commitment to sustainability in procurement and our sustainable procurement policy put us in a leading position in our sector of industry. This is confirmed by the results of top rating agencies for socially responsible investments (SRI). In 2008, we improved on our excellent results with Switzerland's SAM and the German agencies oekom and scoris. We achieved 92 percent in the "Standards for Suppliers" criterion in the SAM Corporate Sustainability Assessment, the highest rating within our industry group. With this figure, we lay well ahead of the industry average of 60 percent. This result motivates us to continue our efforts to improve sustainability in all our supplier relationships.

Spotlight

Interview with Ling Haifeng,
Vice President of Huawei European Region

▶ Huawei Technologies is one of the world's leading telecom solutions providers focused on building long-term partnerships with telecom operators. Huawei's products and solutions are deployed in over 100 countries and serve 36 of the world's top 50 operators, as well as over one billion users worldwide. In 2008, Huawei recorded USD 23.3 billion in contract orders, 75 percent of which were generated from international markets. As a responsible corporate citizen, Huawei is fully committed to social responsibility. Huawei is a member of the Global e-Sustainability Initiative (GeSI) selective group of ICT companies dedicated to sustainability through innovation.

Please describe your cooperation with Deutsche Telekom. DT Procurement and Huawei have maintained close contacts with each other since 2005. This has improved the mutual understanding between the two companies and also promoted our entire business and cooperation. These activities include invitations to tender and bids, clarification workshops, audits and visits to production sites.

How does your company ensure that Corporate Responsibility requirements are met? We have established a complete Corporate Social Responsibility management system and assessed all our key suppliers. We are continually following up on these assessments. We have different kinds of certified management systems in place: EHS, ISO 14001, SA8000, ISO 9001. In addition, we have developed the Huawei CSR Sourcing guidance based on SA8000 and other related international standards. This guidance has been issued to all suppliers, and they are expected to meet its requirements. If not, the cooperation will be considered to be terminated. It is very important for Huawei suppliers to comply with our CSR Sourcing guidance.

Why do you support the "Switch China" project together with Deutsche Telekom? This project is a beneficial project that will help improve environmental performance and safety in the electrical and electronics industry in China. We are very pleased that Deutsche Telekom has invited us to join the project, and we are keen to share our experience on eco-efficiency, Occupational Health and Safety and CSR. This will help the Chinese SMEs (Small and Medium Enterprises) in the electrical and electronics sector improve in terms of environmental and safety issues.

These activities will help to further increase general awareness of the importance of CSR in China and also to strengthen the position of the Chinese industry. We are therefore very happy and proud to be able to support Deutsche Telekom and "Switch China" project which is funded by the European Commission.

Whatever he touches has a future.
Rahul Swaminathan from Deutsche Telekom Laboratories is one of our company's talents to whom we owe our innovative strength and pioneering solutions.

Responsibility begins at home.

Our commitment to our workforce, to a resource-efficient company infrastructure, and to the future viability of our company, represents a vital part of the value chain. We believe that responsibility begins at home – within the Group itself, at our sites worldwide, and in society in general.

The personal dedication and commitment of each individual employee is crucial to the long-term success of our Group. We are investing in providing all employees across the Group with an attractive and motivating environment in which to work. What is more, our long-term market survival also depends on our innovative strength. Our commitment to pioneering, transinternational research not only helps to ensure the future viability of our Group, but also makes a vital contribution to the future viability of today's knowledge and information society. Furthermore, in order to ensure sustainable, long-term production, the Group's value added must be based on energy and resource-efficient infrastructures and processes. We are therefore committed to making an effective contribution to climate protection and helping to shape our progression toward a low carbon society.

Our responsibilities at home also extend beyond the boundaries of the corporate value chain, since we are also part of society and committed to working on its behalf. One of our most important goals in this respect is to enable everyone to participate in the knowledge and information society through our economic strength and knowledge.

Commitment to our employees.

En route to the "New Deutsche Telekom," in 2008, Deutsche Telekom resolutely continued its transformation from traditional telephone company to international service provider for connected life and work. This is both a challenge and an opportunity in equal measure for the company and its employees, and necessitates wide-ranging education and training measures, which in turn creates new career and advancement opportunities for many employees.

We initiated the "Quality of the Workforce" project to enable us to identify the new requirements placed on our employees and plan accordingly. Thanks to the transparency this project has created, we are now able to respond promptly and selectively to shortfalls in business-critical qualifications and training requirements, and make essential qualitative, quantitative and temporal adjustments to the workforce more effectively. In this way, we can ensure that our employees always have the best possible qualifications for their role. @301

As well as training our employees, promoting high potentials, and encouraging a healthy work-life balance, we also attach high priority to reinforcing cultural diversity. More than half of our 260,000 employees (as of March 30, 2009) live and work outside of Germany. This offers plenty of opportunities for exchange across national borders. We are continuously expanding this scheme and benefiting from the knowledge and experience of all our colleagues worldwide.

Developing talents. We offer young people in Germany a first-class training program which regularly scores top marks. With currently around 11,000 trainees and students on cooperative degree courses, we train far more young people than we are legally required to, which represents a major investment on behalf of society. In 2008, Deutsche Telekom signed permanent employment contracts with more than 3,100 employees, including around 1,400 junior staff from our own training courses. A further 930 or so junior staff were offered limited-term contracts with the possibility of being made permanent later on. For 2009, we are planning to recruit up to 3,500 new staff, depending on the economic development of our business segments, including around 1,800 junior staff.

In order to secure the long-term loyalty of top talents from our training courses early on, up to a year before their training is due to end, the best trainees are offered clear career prospects and a permanent contract. For the first time, 135 trainees were recruited via this scheme in 2008. Additionally, since 2005 T-Systems has offered all junior staff the opportunity of a first job abroad after completing their training.

We have developed two attractive recruitment programs targeting university graduates to ensure that we attract the right talents. "Start up!" and "Jump in!" are tailor-made programs for graduates wishing to join our company. We feel it is important to promote young people not only in the short term, but also to develop them on a medium and long-term basis to become the experts and executives of the future. To this end, the company has devised the "talent agenda" as a long-term concept. @302

Spotlight

Czech Republic's number one for Work-Life.

Kateřina Mikesková (34), Public Affairs Manager at T-Mobile Czech Republic, and wife and mother of two children, comments:

"On Fridays I work from home. This means I can be close to my children one working day each week. The individual worktime solutions offered by my employer make it easier for me to combine the challenges of work with family life."

T-Mobile Czech Republic is a pioneer in terms of Work-Life in the Czech Republic: our subsidiary was awarded first place in the coveted "Company of the Year: Equal Opportunities 2008 Award" by Czech non-governmental organization (NGO) Gender Studies.

As well as setting new standards in the harmonization of work and private life through its products, the exemplary working conditions and benefits for employees and flexible worktime models at our Czech cell phone subsidiary go way beyond the norm. The Gender Studies jury was particularly impressed by schemes such as "job-sharing" and "career break." Under the former, employees may share one job between two people, and arrange their working hours between them. Under the latter, they also have the option of suspending their employment for up to six months in order to take a career break, and then returning to their previous position. Eight Czech colleagues have already made use of this opportunity since October 2008.

The high regard in which these flexible worktime solutions are already held by employees has now been publicly recognized by Gender Studies. The NGO has presented this award since 2004, in the hope of sensitizing employers to the creation of equal opportunities for men and women in the workplace and motivating others to follow suit by rewarding examples of good practices.

HR development for a sustainable knowledge base. Our talent and performance management systems help to ensure that our internal expert and managerial talents throughout the Group are identified early on, systematically promoted, and deployed to suitable positions. One example of individual performance promotion is the "Performance Management@ T-Home" program, which provides the 81,000 employees in the T-Home unit with a differentiated assessment of their performance and highlights suitable development opportunities within the company. As part of this program, in 2008, we created a series of advancement programs for top performers with leadership potential. During the year under review, some 350 top performers and talents in the unit have already benefited from targeted advancement under this scheme.

The Group-wide "STEP up!" program, established in 2008, is a way of systematically filling management vacancies from within. Our core project for expert development is "Go Ahead!." The program has already rolled out in the core areas both at T-Systems and T-Mobile International. In order to offer our employees optimum development prospects and promote global exchange, the "Telekom X-change" program will also be implemented across the Group in 2009, giving top performers the opportunity of spending up to six months working for a Group company abroad and acquiring valuable experience. @303

Promoting diversity and equal opportunities. Deutsche Telekom thrives on the diversity of its employees. For us, diversity means much more than just avoiding discrimination. We view the varied cultural backgrounds of our employees as an exciting opportunity. In a globalized world, our international workforce enables us to remain close to our customers at all times, and respond promptly to market needs.

In order to permanently reinforce equal opportunities within the Group, in June 2008 we launched the 18-month program "Mentoring and diversity for female managers," as well as the South Africa's Apprenticeship program that is aimed at promoting talented young persons from disadvantaged and discriminated-against groups in South Africa.

Striking a healthy balance between work and home life is another pivotal concern for us. In 2008, for example, Magyar Telekom established its "Equal Opportunities Plan." Under the auspices of this Group-wide program, young mothers are given special support to enable them to remain in close contact with the company during their parental leave and to make it easier for them to return to their jobs. In Germany, a parental and family support scheme was also introduced in May 2008, which aims to provide parents with better support during parental leave and while their children are small. This scheme is complemented by our in-house family portal, which provides access to a comprehensive range of information. As well as providing an overview of all the support available within the company, the platform also allows users to conduct a nationwide search of public child care facilities. In order to put a greater emphasis on fathers and promote dialog between them, the fathers' project "Heimspiel" ("Home match") was created at Deutsche Telekom under the patronage of CEO René Obermann. @304

Gaining a reputation as an attractive employer. Our endeavors on behalf of our employees are bearing fruit worldwide. In many countries, Deutsche Telekom already ranks as a leading company in the employment market. This is true of all business areas – for example, T-Mobile HR (Croatia) was named "Employer of the Year" for the sixth time in succession in 2008, while in Italy, T-Systems was awarded the "Top Employer Award 2009." In Germany, Deutsche Telekom's popularity as an employer is also rising, as verified by its winning the "Universum Award" for the most popular employer in the telecommunications industry in May 2009. We will be continuing our efforts on behalf of our employees in the future, and laying the foundation stones for Deutsche Telekom's financial success.

Further issues to be dealt with in the CR Online Report:
@305 Health and safety at work
@306 Service culture

Research and innovation.

Information and communications technology (ICT) is a key technology in the future-safe development of society. Deutsche Telekom sees itself as a technological innovator. Its research into new technologies and development of innovative products and services are vital in helping to shape a powerful infrastructure for today's knowledge and information society. The benefit to customers is at the heart of all our development work.

Research in a Public Private Partnership. The central research and development unit within the Group is Deutsche Telekom Laboratories, one of the world's leading research and development institutions in the field of modern ICT. It is an integral part of the company, based within the "Product & Innovation" department, as well as being an affiliated institute – organized under civil law – of the Technical University of Berlin with four endowment professorships. The Public Private Partnership concept helps to forge close links between industry and academia. Deutsche Telekom Laboratories focuses primarily on topics and new technologies that are expected to be rolled out or market-ready within eighteen months to five years. Responsibility for more short-term product developments and innovation rests with Deutsche Telekom's international Product House, founded in 2007, as well as with the individual business areas.

Successful transfer of results. The successful transfer of research results and innovations into T-Home, T-Systems and T-Mobile is the main objective of R & D work at Deutsche Telekom Laboratories. For example, the results from the research project Generation 50+ were incorporated directly into the design of the cordless, energy-efficient Sinus A 201 telephone. @307
See also page 38 ff.

The future of information and communications technology. As well as conducting its own research activities, Deutsche Telekom also supports external scientific studies, focusing primarily on areas with ground-breaking effects both for the lasting success of our core business, as well as for the viable development of society. A principal theme here is the rapidly expanding field of digitization and networking, without which modern daily life would be unthinkable. In order to stay in touch with the needs of our customers and act as their partners for connected life and work, Deutsche Telekom supports the "LIFE" series of studies designed to track the rapid transformation of the ICT industry. The first "Digital Living" study was published in February 2009, outlining the principal trends en route to a digital world.

Another project we supported in the year under review focuses on the future viability of Germany's ICT industry. The study "Zukunft und Zukunftsfähigkeit der deutschen Informations- und Kommunikationstechnologie" on the future and viability of Germany's information and communications technology, published in December 2008, assesses the current status of the German ICT industry and formulates concrete recommendations for politics and industry. The 100-page publication is the first outcome to emerge from a project by Deutsche Telekom in collaboration with Münchner Kreis, TNS Infratest and the European Center for Information and Communication Technologies (EICT) as part of the third National IT Summit.

Promoting independent research. Mobile communications technology is constantly evolving, while scientific methods and capabilities likewise continue to develop. In order to ensure that future developments in mobile communications technology can continue to be used safely, Deutsche Telekom also funds independent research into electromagnetic fields (EMF). Examples include the research programs initiated and coordinated by the German and UK governments. The British research program "Mobile Telecommunications and Health Research" (MTHR I) was successfully completed in 2007, comprising a total of 28 projects. In the year under review, the first phase of Germany's mobile communications research program (DMFP I), the biggest of its kind in the world with over 50 projects, was likewise successfully completed. In the past eight years, T-Mobile has donated more than EUR 4 million to these research programs and their follow-ups (DMFP II and MTHR II). Both programs make a significant contribution toward enhancing our knowledge of the effects of electromagnetic fields.
See also page 35 f., page 45.

T-City – Deutsche Telekom's future lab for the world to see. A cooperation arrangement between the city of Friedrichshafen and Deutsche Telekom, begun in 2007, has set itself the task of making tomorrow's world a tangible reality. Under the slogan "T-City Friedrichshafen. Living the Future," local residents, companies, schools, academia and medical experts are working together to create an urban environment to serve as a role model for the future quality of life and community amenities, using the very latest ICT, with a timeline of 2012. Deutsche Telekom has earmarked a total of EUR 80 million for projects in the six defined project fields "Learning and research," "Mobility and transport," "Tourism and culture," "Citizens and the state," "Business and work," and "Health and support."

Numerous new projects were also launched during the year under review. In the project field "Learning and research," the Pestalozzi School in Friedrichshafen has become the first educational establishment to benefit from the Internet-based learning platform Education Next Generation (Edunex). The system uses multimedia learning and teaching methods and up-to-date content, and integrates these into lessons; what is more, it can also be tailored to the individual needs and abilities of the school students. Edunex is to be further developed into a cross-generational learning platform and link all types of schools, both public and private, together in the future. The project was officially launched at CeBIT 2008.

Further projects of our future lab T-City Friedrichshafen can be found at www.t-city.de

The success of T-City Friedrichshafen has made us even more determined to push the public future lab model in our international subsidiaries. Magyar Telekom took the lead by launching the second T-City project in Hungary in early 2009. Szolnok, near the Hungarian capital Budapest, was the winner of the Hungarian T-City competition, and is already reaping the rewards from its first projects. @308

Resource-efficient processes.

Reducing harmful climate emissions is one of the most pressing tasks facing society today. Deutsche Telekom sees itself as an important contributor to a low carbon society. As Germany's leading telecommunications provider, we feel responsible for significantly reducing the CO_2 emissions caused by us, both directly and indirectly. We pursue this objective in two ways: through the development and marketing of climate-friendly products and services on behalf of our customers on the one hand (see page 40 ff.), and via the use of renewable energy sources within the Group and the resource-efficient design of all company processes on the other.

Transparent environmental management via Group-wide control. For years, all environmental activities within the Group have been based on environmental management systems in line with ISO 14001. In early 2008, Deutsche Telekom began to develop a Group-wide control mechanism which will integrate its German units T-Mobile, T-Home and T-Systems by 2010 and unite them under a central umbrella certificate according to ISO 14001. In addition to these Group units, other units with a high level of environmental relevance, such as DeTeFleetServices, responsible for fleet management, or the energy service provider PASM Power and Air Condition Solution Management GmbH & Co. KG, will also be integrated into the central environmental management system by 2010, together with any foreign subsidiaries already certified in accordance with ISO 14001, such as T-Systems Czech Republic, T-Mobile Austria and Croatia, and T-Home Hungary. By ensuring uniform Group-wide control, our aim is to obtain more transparent environmental data and thus identify further optimization and energy reduction potential. @309

Employee involvement. Effective climate and environmental protection within the company relies on the personal commitment of on-site employees. Their involvement in and sensitization to the subject of energy and resource efficiency has therefore been a Group-wide priority for many years, a fact which was underscored in 2008 by a series of campaigns, both in Germany and in the international subsidiaries. For example, on World Environment Day in June 2008, Greek network operators COSMOTE launched a campaign entitled "Ignorance can harm nature." By illustrating how everyday habits can harm or help the environment, the company has raised awareness among customers and employees and urged them to take the lead in the recycling of cell phones, batteries and filter cartridges. T-Mobile Czech Republic followed suit and launched its first internal eco campaign in 2008. Posters, flyers and an exhibition provided valuable tips on eco-friendly conduct. The campaign was also accompanied by concrete measures, such as the introduction of different colored waste baskets for at-desk waste separation. In Germany, the employee motivation campaign "E-Fit Reloaded," launched at T-Home in 2007, continued during the year under review. Some 3,100 employees in Hamburg, Gießen, Berlin, Erfurt, Regensburg, Freiburg, Heilbronn, Ulm and Cologne benefited from energy-saving tips for the home and office. @310

Sustainable energy management. Deutsche Telekom is campaigning for the use of renewable energies, since severing the link between energy consumption and CO_2 emissions represents a key milestone en route to a low carbon society. In Germany, an important target was reached in 2008: since January, all of our electricity requirements have been met from renewable sources, both directly and indirectly (via RECS (Renewable Energy Certificate System) certificates).

As well as severing the link between energy consumption and CO_2 emissions, ensuring the resource and energy-efficient design of our corporate infrastructure and core processes is our paramount objective. We naturally draw on our own in-house innovations to achieve this goal. For example, in the year under review we employed Smart Metering systems to visualize and optimize energy consumption in a Deutsche Telekom building complex in Hanover, with a special focus on the lighting of the underground garages and car parks. By replacing the conventional bulbs with innovative LED lights, energy consumption was cut by 65 percent.

Wherever we spot an opportunity, we endeavor to avoid or reduce CO_2 emissions as far as possible from the very beginning. Even where emissions are unavoidable, the eco-friendly option is to purchase suitable emission reduction certificates to compensate for the greenhouse gases created. This solution enabled us to stage a number of climate-neutral events in the year under review. These include Deutsche Telekom's appearance at CeBIT with a total of 1,590 metric tons of CO_2, and the 2009 Shareholders' Meeting with 677 metric tons of CO_2. See also page 13. T-Home also staged three climate-neutral events in 2008, including broadcasting company ZDF's energy-saving campaign "Energiesparmeister 2008" with a total of 42 tons of CO_2.

Transparency at every stage of the value chain. The Group-wide "Carbon Footprint" project was launched in early 2009, with the aim of creating a transparent representation of our carbon footprint throughout the entire value chain, both at company level, in relation to our infrastructure and core processes, and at product level for all business area-specific core products. At an initial workshop in February 2009, the project team took stock of the current situation, and defined specific targets as well as initial measures and success criteria. One of the first projects at product level is outlined in the CR Online Report. @311 Our Group subsidiary OTE in Greece is

leading by example in this field: in 2008, it calculated its carbon footprint for the second time, revealing that the emissions produced by OTE in 2008 totaled some 307,165 metric tons of CO_2.

Low emission vehicle fleet. Our mobility services provider DeTeFleetServices has adopted a raft of measures which have helped to significantly cut the CO_2 emissions generated by the Group. In order to minimize pollutant emissions, in the year under review we selectively modified the portfolio of vehicles available for ordering, to promote the selection of low consumption, low emission company cars. Generally speaking, DeTeFleetServices only buys new vehicles with maximum pollutant emissions of 130g of CO_2 per kilometer for its rental pool. Thanks to these efforts, by the end of 2008/beginning of 2009 the average pollutant emissions from the rental pool had been reduced to 133g CO_2 per kilometer.

Climate-friendly travel. To complement the optimization of our vehicle fleet, measures have also been introduced to modify individual driving practices. For example, fuel consumption is now consistently monitored. Every driver of a company car receives an individual feedback report based on the traffic light system; a red light warns users with above-average consumption levels. This is backed up by comprehensive information packs describing a variety of ways to save fuel.

In October 2008, DeTeFleetServices also launched a pilot eco-driver training project for drivers of company vehicles, comprising both theory and practice. The results were very positive, and we will now be recommending all German Group units to offer this course as standard from 2009. The fuel-saving "Fleet Energy Trophy" competition for drivers of company cars underscores the success of such measures: the 100 or so participants saved an average of 8.36 percent fuel over the period April to December 2008, compared with the same period of the previous year.

Alternative drive systems. In order to further reduce our fleet emissions, DeTeFleetServices plans to increase the number of vehicles that run on alternative power. The mobility services provider is collaborating with companies from the automotive sector on the "Clean Energy Partnership," which is conducting real-life trials of hydrogen fuel cells. In the period under review, three such vehicles joined the Deutsche Telekom fleet and will remain in use until at least 2010. DeTeFleetServices also operates one of the largest company fleets of natural gas-powered vehicles in Germany, with around 650 vehicles.

Our international subsidiaries also make use of alternative drive and motor concepts. In Hungary, employees at Magyar Telekom have been able to order hybrid vehicles as company cars since late 2007. 50 such vehicles had already entered service by October 2008. In Croatia, T-Hrvatski Telekom has replaced 274 of its vehicles with reduced-emission models. Of these, 220 run on natural gas, accounting for around 15 percent of the entire vehicle fleet.

Social commitment.

We focus our social commitment on areas where we can make a significant contribution to the sustainable, viable future development of society through our core business, knowledge and economic power. We are committed to enabling as many people as possible to access and actively participate in modern ICT.

Flagship project 2009: "Yes, I can!." As part of the drive to refocus its CR activities, in April 2009 Deutsche Telekom launched the flagship project "Yes, I can!" designed to hone the individual skills of young people from difficult economic and social backgrounds. In a nationwide competition, the Group has invited entries from projects and institutions that help 9- to 14-year-olds in deprived areas to acquire new skills. In the fall of 2009, for the first time, a jury of experts from academia and politics, as well as individuals from public life, will select up to 100 projects for financial support. The maximum amount of funding on offer is EUR 15,000 per project. The first institution to benefit from the "Yes, I can!" initiative is the "B8" youth center in Berlin-Moabit. @312

Further information about our flagship project "Yes, I can!" can be found at www.initiative-ich-kann-was.de (German)

Committed to more education. In today's knowledge and information society, improving people's understanding of research, technology and innovation is pivotal. Against this background, it is particularly important to permanently strengthen those areas that are vital to society's innovative capabilities. Promoting education is crucial in this respect, and a main focus of our social commitment at local level. @313

Deutsche Telekom Foundation – Investing in knowledge. At the heart of our commitment to education is the Deutsche Telekom Foundation, founded in 2003, as one of Germany's largest corporate foundations dedicated to improving education in the so-called MINT subjects – mathematics, information technology, natural sciences and technology. In 2008, the Foundation boasted an annual budget of around EUR 13.2 million. In the year under review, its assets were topped up from EUR 100 million to EUR 150 million. This capital increase will be used to reinforce the Foundation's educational work and expand its successful activities across the entire educational chain, from day care centers through to university.

The Foundation's projects are combined into four programs: "Early education," "Secondary education," "University" and "Innovation." Its cooperation partners include day care centers, schools and universities, as well as other educational institutions and administrative bodies. 2008 was designated the Year of Mathematics, in a project co-initiated by the Deutsche Telekom Foundation in collaboration with the Federal Ministry of Education and Research, the Wissenschaft im Dialog (Science in Dialog) initiative and Deutsche Mathematiker-Vereinigung (German Mathematical Society). Numerous activities were staged throughout Germany, with the aim of getting more people interested in math.

Integration in the information and knowledge society. Our Croatian subsidiary T-Hrvatski Telekom is making an important contribution toward overcoming the "digital divide" – a term referring to the inequality of access to ICT in society. In 2008, T-Hrvatski Telekom fitted out 29 Croatian children's homes with broadband access and Internet TV free of charge. The project is the cornerstone for long-term support that will permanently exempt the children's homes from paying for Internet services and interactive digital TV.

Another example is our subsidiary Slovak Telekom, which used its "Endowment Fund Slovak Telekom" to help 54 organizations and 63 individuals to the tune of about EUR 150,000 in 2008. The fund, created in 2007, aims to open up the world of information to as many sections of the population as possible. Four further rounds of funding are already in the pipeline for 2009. See also page 43 f.

Voluntary work by employees. Responsibility comes in many guises. Deutsche Telekom is represented in 50 countries worldwide – and for years our employees have been involved in voluntary work in their local communities. The numerous different corporate volunteering projects are living examples of a responsible corporate culture. The Group actively supports its employees' social commitment within the framework of a wide range of projects. @314

Cell-phone donation scheme. In 2008, a Christmas campaign united employee mobilization, social commitment, and resource efficiency in a corporate volunteering scheme. The campaign called on all Deutsche Telekom employees and their friends and family nationwide to donate their unused cell phones for a good cause. Employees were invited to vote on where the proceeds should go, choosing between three projects derived from our CR strategy, representing the three CR fields of activity. At the end of the campaign, a check for EUR 15,000 was presented to the children's charity Deutsches Kinderhilfswerk in January 2009. See also page 47.

Getting our junior staff involved. At the "Social Day" of the "Start up!" initiative, on March 27, 2009, almost 30 trainees rolled up their sleeves and donned paintbrushes and rollers to help with urgently-needed redecoration work at various day care centers in Bonn. The day care centers had been unable to carry out the renovations themselves at short notice. This campaign is important in helping to make the CR strategy "real," and will become a permanent feature of the "Start up!" program in the future.

"One Day for People in Need." Once again, in the year under review, employees at T-Mobile Czech Republic did their bit for people in need. The volunteering program "One Day for People in Need," created in 2005, offers all employees the opportunity to use one paid working day to help a charitable organization of their choice. 445 out of a total of 2,500 employees participated in the scheme in 2008, a rise of over 50 percent against the previous year. Since the program was launched four years ago, a total of over 1,100 employees have taken part.

Promoting staff initiatives. Corporate volunteering also has a long tradition in the UK. T-Mobile UK gives all staff two days of paid leave every year to support charities of their choice under its "Give a little" community investment program. Since the program's launch two years ago, 17 percent of employees at T-Mobile UK have taken advantage of this opportunity. If all the volunteering work carried out in 2008 were to be added together, it would total 365 days – a full year of donated time.

Further issues to be dealt with in the CR Online Report:
@315 Regional value added

Data streams in safe hands.
System specifications for networking the world are the specialty of Sebastian Müller (on the right) from the Master Service Management Center in Bonn.

Infrastructure and broadband networks.

Deutsche Telekom's modern, powerful mobile and fixed network infrastructure provides individuals and companies with access to modern information and communications technologies (ICT), both nationally and globally. We operate a diverse range of narrowband and broadband network technologies to ensure that our customers around the globe can access reliable, powerful networks that meet their varying needs, and that our products and services are of value to them.

One aspect of our social responsibility is ensuring that our networks operate efficiently. This means that we are able to pass on falling infrastructure costs to our end customers, safeguarding our future viability as a company in the face of growing competition. Deutsche Telekom is aware of the enormous social and financial significance of physical access to electronic communications networks, without which we would be unable to make telephone calls or access the Internet. The vast geographical coverage of electronic communications networks needed in order for each individual to be able to participate in the information society necessitates enormous financial investments in the construction, operation and maintenance of the existing infrastructure. Deutsche Telekom also views this as a social obligation. We therefore collaborate closely with governments and local authorities to ensure that their interests are taken into account when developing a broadband infrastructure. This approach goes hand in hand with our commitment to ensuring the social acceptability of our expansion strategy, particularly in the mobile communications sector.

As one of the world's largest ICT companies, we have a special responsibility for environmental and climate protection. The "Smart 2020" study, published in summer 2008, calculated that the ICT industry is responsible for around 2 percent of global CO_2 emissions. In order to minimize the energy consumed by our network operation and cut costs, we are working hard to boost the efficiency of our energy-intensive network components. We also purchase our electricity from renewable sources.

Connecting to broadband networks.

In today's knowledge and information society, nationwide access to broadband is an indispensable component of the basic infrastructure: growth and wealth are dependent upon how extensively and quickly we can succeed in making mobile and fixed broadband networks available to all individuals and companies. The availability of modern communications networks is a vital production factor, and an important decision-making criterion for industrial companies when choosing where to site their operations. At the same time, fast Internet access lends fresh impetus to research and education, helps to safeguard jobs in ever more complex value-added processes, and is therefore a key contributor to economic growth and international competitiveness. Broadband networks are also essential for personal and familial networking, and for an ever-growing range of services that require broadband Internet for full functionality, including digital health and education portals, as well as online information and entertainment offerings. @401

Ensuring a nationwide broadband supply. The opportunities for accessing powerful telecommunications networks vary considerably depending on where you live: whereas residents of conurbations currently have access to several broadband networks with high transmission rates, such as VDSL and UMTS, many people in rural regions still have no broadband access at all, because of existing "white spots." @402 Supplying high-speed Internet access to population groups affected by the so-called digital divide is an urgent priority. Deutsche Telekom is driving the expansion of mobile and fixed broadband networks worldwide in a bid to release the full economic and social potential of broadband communications. Our aim is to supply high-speed Internet access to as many people as possible in our markets.

See also page 8.

DSL expansion and cooperation with local authorities in Germany. During the continuous expansion of our fixed network infrastructure in recent years, we have not confined our involvement to lucrative conurbation areas, but have also forged ahead with infrastructure development in rural regions. In Germany, for example, Deutsche Telekom was responsible for the majority of investments to eliminate "white spots" with no broadband access. Moving forward, our goal is to systematically improve the supply of broadband Internet access to rural regions.

In rural regions, DSL broadband expansion is not always a financially viable option for the network provider alone – laying just one kilometer of optical fiber cable, the "backbone" of our high-speed network or DSL, can easily cost EUR 50,000 or more due to the extensive civil construction work required, yet the number of potential customers in such areas is often insufficient to recoup this expenditure, even in the long term, from connection charges and the fees charged for our services. Since 2007, we have offered a variety of cooperation models to local authorities to ensure the financing of such measures.

Under the motto "More broadband for Germany," in spring 2008 the Deutscher Städte- und Gemeindebund (German Association of Towns and Municipalities) and Deutsche Telekom jointly unveiled a pioneering model project to close supply gaps in rural regions. The local authorities can participate in various ways: for example, by making available any existing cable ducts or conduits, or performing the necessary civil engineering work. Alternatively, agreements on guaranteed minimum customer numbers or financial contributions are possible. Many state governments now support the local authorities with these projects – a development we welcome.

In 2008, Deutsche Telekom invested EUR 300 million in the expansion of the DSL network in Germany alone, EUR 100 million of which was allocated to so-called white spots, often in cooperation with local authorities. In this way, we were able to connect around 300 communities to the DSL network in 2008. A further 100 municipalities were connected without the support of the local authorities. Consequently, some 110,000 or more households are now able to surf the Net at DSL speeds, in addition to the 300,000 new households we connected by way of standard expansion. In 2008, we increased broadband coverage in Germany to 96 percent, compared with 94 percent in 2007. Cooperation agreements were concluded with a further 432 municipalities in 2008.

VDSL expansion – also in collaboration with our competitors. In order to meet the growing demand for higher bandwidths, in the period under review, Deutsche Telekom forged ahead with the modernization of its German fixed network using VDSL technology. Physically speaking, VDSL is based on a hybrid network of optical fiber and copper cables, and supports transmission rates of up to 50 megabits per second. It is the optical fibers that enable us to achieve these high speeds. Copper cables are only used for the so-called last mile to the customer. In the year under review, the total number of German cities with access to VDSL rose to 50.

In order to accelerate the expansion of VDSL, Deutsche Telekom is selectively seeking cooperation with competitors in Germany such as Vodafone, EWE TEL, M-Net, and Net-Cologne. In the period under review, we successfully forged several partnerships. For example, in December 2008 we agreed to expand VDSL in Heilbronn and Würzburg jointly with Vodafone. In early 2009 we also signed a cooperation agreement with our competitors EWE TEL on the coordinated expansion of VDSL in nine north German cities, including an agreement to grant access to one another's networks. This joint approach enables us to share the risks between operators, for cost-effective network operation.

Spotlight

▶ "Deutsche Telekom is Europe's largest telecommunications company, and by far the largest owner of communications infrastructure in Germany. At the same time, it is also the principal infrastructure partner to federal, state and local government and a key player in Germany's efforts to achieve nationwide broadband supply, as one of the key infrastructures of the 21st century. These high expectations are offset by the fact that Deutsche Telekom is a DAX-listed stock corporation, and as such is required to generate an appropriate dividend in the interests of

In the future, Deutsche Telekom will continue its endeavors to close the remaining gaps in the broadband network via such cooperation arrangements. However, in order to be able to fully exploit these cooperation opportunities, there are still a number of regulatory and cartel law issues that need to be clarified. See page 34 f.

Growing importance of wireless broadband networks. For Internet access on the move and in areas where fixed network access is not available, Deutsche Telekom offers powerful broadband mobile communications and wireless Internet access to customers worldwide, partly via its mobile communications arm, T-Mobile. By consistently expanding this form of Internet access, as well as offering a wide range of attractive terminal equipment such as the iPhone, the Google G1 and laptops with UMTS cards, we achieved very high growth rates in mobile Internet use during the period under review.

Mobile data transmission with EDGE. EDGE technology for the second-generation nationwide mobile communications network (2G or GSM) is an attractive solution for fast mobile Internet access. EDGE has significantly higher data transmission rates than conventional GSM networks, and currently achieves data rates of up to 260 kilobits per second downstream. Following a full upgrade of our mobile communications network in Germany, since May 2008 our customers have been able to access the world's most advanced GSM-based mobile communications network. In Germany, network coverage is almost nationwide. This is particularly important for companies whose employees spend a lot of time on the road and are dependent on a reliable mobile communications network. The new EDGE technology is also capable of achieving substantial energy savings. See page 37.

UMTS with turbo data. UMTS stands for third-generation mobile communications technology (3G). The new standards HSDPA for data reception and HSUPA for mobile data transmission mean that UMTS networks support significantly higher data communication rates than the 2G mobile standard, with speeds of 3.6 to 7.2 megabits per second. This is comparable with DSL, and (in most cases) applies regardless of location. Alongside further developing the GSM network, T-Mobile also forged ahead with expanding its UMTS network infrastructure in the period under review. T-Mobile is the first mobile communications operator in Germany to offer HSDPA technology throughout its entire UMTS network, with speeds of up to 3.6 megabits per second. Since early 2008, parts of the UMTS network have offered HSDPA at speeds of 7.2 megabits per second. In the future, we will be continuing to drive the targeted expansion of HSDPA 7.2.

shareholder value and with respect to its share price. In the face of these conflicting interests, nationwide broadband expansion is hindered by competition and cartel law problems, and particularly by the sector-specific regulation of the telecommunications markets."

@ 403 The full interview with Dr. Landsberg can be found in our 2009 CR Online Report.

Dr. Gerd Landsberg,
Managing Director of the Executive Committee of the Deutsche Städte- und Gemeindebund (German Association of Towns and Municipalities)

As UMTS utilizes the 2100 MHz frequency range, which has only limited geographical coverage per UMTS mast, financial considerations dictate that coverage tends to center around cities and other densely populated regions of Germany. As soon as the government frees up more efficient frequency ranges for mobile communications from the digital dividend, it will become financially viable to supply rural regions with mobile broadband Internet access. See page 35.

Broadband via satellite. In European locations where neither VDSL, DSL or UMTS is available, our customers have the option of broadband access via satellite. Since June 2008, Deutsche Telekom has also offered this service to its residential customers in Germany, enabling high transmission rates, not only for receiving data at up to 1,024 kilobits per second, but also when sending data at speeds of up to 128 kilobits per second. During 2008 OTE's subsidiary Hellas Sat, launched a new service "Hellas SATnet" which provides constant and unlimited access to the internet at 600 isolated areas in Greece. For many of the areas where there is no landline network or other telecom equipment this service represents the ideal technical and economic solution.

The biggest WLAN network in the world. Deutsche Telekom is consistently expanding its WLAN range in order to give our customers the fastest possible mobile communications connections at high-traffic public locations. We already operate the world's largest WLAN network with more than 20,000 public access points (Hot Spots). Thanks to cooperation with our international roaming partners, wireless Internet access is available to our customers at more than 40,000 Hot Spot locations worldwide. These WLAN Hot Spots offer bandwidths of up to 11 megabits per second, depending on the level of development and number of users. @404

Future technologies for the next generation of mobile communications. Since early 2005, we have teamed up with other mobile communications providers and equipment suppliers to become a driving force in the "Third Generation Partnership Project" to develop the "Next Generation Mobile Network" (NGMN). The NGMN is based on the existing UMTS infrastructure and achieves bandwidths five to ten times higher than HSDPA and HSUPA. This has been achieved via the flexible allocation of available frequency spectrums and network resources – at intervals of up to 0.5 milliseconds – coupled with a simplification of the network architecture.

Our innovative leadership in the NGMN sector was highlighted at CeBIT in March 2009, which featured the first ever live demonstration of LTE (Long Term Evolution), one of the possible NGMN technologies. A vehicle traveling on a predefined route crossing several LTE cells was used to showcase the performance capabilities of this technology using uninterrupted online gaming, Internet Protocol Television (IPTV) and videoconferencing in HD quality. It is hoped that the technology driven by this project will become commercially available in 2010. @405

High recognition for broadband services. The fact that Deutsche Telekom has won numerous awards is testimony to the outstanding network quality offered to customers in both fixed and mobile networks. One example is T-Mobile UK, which won the "Best Networks Award" from Mobile Data Association (MDA) in August 2008 for the fastest mobile broadband Internet service. In an independent survey conducted by Britain's market researcher YouGov in March 2009, T-Mobile UK's mobile broadband service took top place in nine of 13 categories. In 2008, TÜV Nord, the German technical service provider, affirmed that T-Online offers the "Best network quality in voice services in the GSM and UMTS networks" in a comparison of quality levels as perceived by the customer. The 11/2008 edition of the magazine "Connect" also awarded top marks to T-Mobile, including the accolade "best-optimized network." Finally, in November 2008 the German consumer group Stiftung Warentest named Deutsche Telekom the "Best fixed network Internet provider on the German market," based on a comparison of customer service and quality. We were the only providers to be awarded the grade "good" for our services, putting us streets ahead of our competitors. @406

Supportive framework conditions needed. In 2008, Deutsche Telekom invested extremely heavily in the expansion of its DSL, VDSL, GSM/EDGE, UMTS/HSPA and WLAN broadband networks. In 2009, we are again planning to invest heavily in the further expansion of broadband in order to increase network coverage and the available bandwidths. For this reason, we are calling for a modernized regulatory framework at both European Union and national level which will create optimum conditions for investments in mobile and fixed broadband networks.

The political and regulatory framework conditions have a decisive influence on the ability of telecommunications companies to invest billions in the broadband network. Such framework conditions include regulating access to new optical fiber networks and shared network use, the allocation of mobile communications frequencies, and public investments in information society-related services, such as education or digital health services (e-health).

Mindful of our responsibility for the financial success of our company, and given the high costs of network expansion, we also need to be certain that the investments made can be recouped. In view of the high costs involved, particularly in sparsely populated and remote regions, expansion is almost impossible to achieve cost-effectively under the current regulatory framework conditions. In particular, the transition from copper-based technology to the new world of high-speed optical fiber networks necessitates investments of billions of Euros. See page 32. Particularly outside of the metropolises, where an infrastructure solution is often the only financially viable option, investors today still bear the full risks of the infrastructure investments alone. The current regulatory policies in the European Union and its Member States are too rigid, and fail to offer adequate investment incentives.

If we are to achieve nationwide broadband coverage and high transmission rates, it is essential to create suitable regulatory framework conditions which leave sufficient scope for innovative network expansion cooperation arrangements or other models which split the investment risk between the investor and telecommunications providers that use the infrastructure. Deutsche Telekom is currently trialing a number of such models with private and public partners. See page 31 ff. Any future regulation must facilitate flexible solutions while at the same time creating legal and planning certainty by formulating binding provisions on network access by competitors ahead of any infrastructure expansion. In the interests of full-coverage broadband supply, therefore, Deutsche Telekom is calling for an equitable, long-term risk distribution concept to be adopted in both European and national law. Cooperation arrangements for the joint set-up and operation of broadband networks, both mobile and fixed, should be facilitated.

Using the digital dividend to breach the digital divide. Another decisive factor which is highly significant to broadband connectivity, particularly in rural and remote areas, is to free up the potential offered by the so-called digital dividend. Governments have a decisive influence on this issue as well. The frequencies in the 790 to 862 MHz range which became free following the digitization of radio have enormous economic significance. Unlike the frequencies previously used for GSM and UMTS, these lower frequencies support the coverage of larger areas at lower infrastructure costs. This in turn cuts the overall costs for broadband supply, so that in some rural and remote regions, broadband becomes financially viable for the first time ever. The individual states are responsible for allocating frequencies. In order to be able to supply more people with broadband, Deutsche Telekom is campaigning hard at both national and international level for digital dividend to be allocated to mobile communications.

In a unique European-wide pilot project, since 2008 Deutsche Telekom has been exploring the technical and economic conditions for use of the digital dividend in Germany. A rural region in the northern state of Brandenburg near Wittstock/Dosse was selected as the focus for this pilot project, where access was previously limited to narrow-band Internet with low data rates. Since December 2008, we have been using the digital dividend in that region in a model project to supply high-speed broadband Internet to 100 test users, with data transfer rates of up to 2.8 megabits per second. **@407**

Further issues to be dealt with in the CR Online Report:
@408 WiMAX technology

Responsible development of our networks.

The safety and environmental compatibility of our mobile communications networks and innovative products are a top priority for Deutsche Telekom and its mobile communications arm T-Mobile. We are well aware that our long-term business success is dependent on safe technology usage and its acceptance by the public. For this reason, we are actively campaigning for the prompt, well-researched clarification of outstanding issues concerning mobile communications technology. We guarantee that each and every one of our mobile communications sites complies with international limits. Deutsche Telekom firmly believes that compliance with the valid safety standards and limits guarantees the safe usage of mobile communications for all. This conviction is based on the professional judgment of independent expert committees who continuously evaluate all relevant studies and review the safety standards.

Our international EMF policy defines the cornerstones of our responsible approach to the social debate on mobile communications and safety. In this document, the European T-Mobile companies outline their commitments to greater transparency, information, participation and financial support of independent health research in the mobile communications sector; these commitments by far exceed the statutory requirements. The EMF policy has been implemented differently in different countries, in line with the local circumstances and social requirements.

Cultivating open, cooperative relationships with all parties concerned is a pivotal element of our commitment to the social debate on mobile communications and health. To this end, some of our mobile communications subsidiaries, such as those in Germany, the UK, Austria and Netherlands, together with other network operators, have also adopted farther-reaching voluntary agreements.

The aim in particular is to inform local authorities, as the representatives of the local communities, about EMF, mobile communications technology and safety, and to collaborate with them on the development of local mobile communications networks. In Germany, T-Mobile has teamed up with other network operators to submit a "voluntary commitment" to the German government, promising to undertake measures to improve consumer and health protection and to cooperate with the local authorities on the expansion of mobile communications networks. During the closing event to mark the "German mobile communications research program" in June 2008, the German government gave a positive assessment of this "voluntary commitment." See also page 26. @409

We have made it our mission to participate in the broader social debate on mobile communications throughout all our mobile communications markets, and to campaign for openness and transparency. For example, in various countries T-Mobile makes information regarding its base stations available to public databases. Every citizen can access these databases on the Internet to find out about electromagnetic fields in their neighborhood. For example, as early as 2006, our shareholding COSMOTE developed a network of 24-hour EMF measuring stations. This data is published around the clock on the Internet, and the network is continuously being enlarged. By the end of 2009, the number of measuring stations is expected to rise to 170.

Further issues to be dealt with in the CR Online Report:
@410 Our responsibility as employer

Environmentally friendly network infrastructure.

The growing energy efficiency of our network infrastructure is an important contributor to climate protection, especially as modern ICT continues to expand rapidly. Ever-rising data transmission rates and ever higher quality of services such as voice and image transmission or connection data management consumes ever greater amounts of energy. According to calculations in a study published in October 2008 by the Borderstep Institute on behalf of the industry association BITKOM, the electricity consumption of servers and data centers in Germany alone totaled 10.1 terawatt hours in 2008, corresponding to 1.8 percent of the total electricity consumption in Germany.

Mindful of our responsibility for climate protection, therefore, we have taken fundamental steps to limit the energy consumption of our network infrastructure using modern technology. When planning and optimizing the network infrastructure, we are conscious of potential energy savings from a very early stage. Old system technology is phased out and replaced with more energy-efficient units. We also offer our customers efficiency-optimized system solutions and make use of renewable energy sources. Since early 2008, all our electricity requirements in Germany, including supply of the energy needed to operate our networks, have been met from renewable sources. See also page 53.

Green ICT saves energy and CO_2. Green ICT helps to significantly raise the energy efficiency of our network operations. Green ICT is a collective term referring to all ICT solutions that lead to energy savings in the company. Alongside our efforts to make our own network infrastructure more climate-friendly, this also includes improving energy efficiency at Deutsche Telekom's offices and those of its customers. Beneficial effects for the environment are achieved not only by consciously purchasing more energy-efficient terminal equipment, but also via their energy-saving use, the more energy-efficient design of communications processes, and cooperation with employees. Green ICT can also optimize workflows in a company's core processes which were originally non-ICT related and drastically reduce CO_2 emissions throughout the entire process chain. See also page 40 ff.

"Green Dynamics" highlights potential savings. The "Green Dynamics" simulation model developed by T-Systems Austria in collaboration with St. Pölten University highlights concrete potential for boosting the energy efficiency of the ICT infrastructure. It is based on a scientific model by John D. Sterman, Professor at Massachusetts Institute of Technology, USA, which was designed to make the complex correlations governing the operation of ICT infrastructures more transparent. Based on statements regarding the interactions between individual ICT system components and their effects

on energy consumption, the "Green Dynamics" simulation elucidates ways of optimizing energy consumption by merging the ICT infrastructure of several companies or organizations into one data center. See also page 41 f.

Lean solutions for our customers. T-Systems capitalizes on the synergy effects highlighted by the "Green Dynamics" simulations, and provides its customers with lean solutions which will help to considerably improve their energy balance. These are known as "Dynamic Services". Large, energy-guzzling computer systems at the customer's premises are replaced by thin clients, which obtain the requisite memory and computing power dynamically from a central data center, only taking as much as the company needs at any particular time. Thin clients consume 75 percent less energy than conventional PCs, and the company also saves on hardware, maintenance and operating costs. Overall, the energy savings achieved exceed the increased electricity consumed by the provider's data center in order to supply the required computing power. By reducing the number of data centers worldwide and boosting the capacity utilization of those that remain, T-Systems additionally helps to ensure a positive energy and CO_2 balance. In 2008, turnover from "Dynamic Services" was up by more than 25 percent on the previous year. 411

Green data centers for superior energy efficiency. As in other sectors, Deutsche Telekom cooperates with its system technology suppliers in its endeavors to improve energy efficiency in the data center sector. For example, in a research partnership with chip manufacturers Intel, from April 2009 T-Systems is planning to research the "ideal data center" at a shared test laboratory. The aim is to develop an economically and ecologically efficient infrastructure for new and existing data centers belonging to T-Systems.

As the climate control system accounts for around 40 percent of the energy consumed by a data center, in many of our 30 data centers across Germany, we switch off the air-conditioning completely when the outside temperature drops below ten degrees. Instead, the cool exterior air is used for cooling purposes, after having first passed through a filter process. This solution has enabled us to save energy costs of EUR 45,000 per annum at the Stuttgart Stock Exchange, for example, where this technique is also used.

In 2008, T-Systems Singapore decided to launch an extensive expansion and efficiency improvement scheme to streamline its computer capacities. Planning spotlights a "green" data center, which is designed to help lower the company's energy costs by USD10 million over the next ten years. This requires an improved cooling system based on water cooling, which – an important side effect – operates without harmful cooling gases. In addition to this, the company plans to use a more efficient uninterruptible power supply system, which dissipates a minimum amount of heat into the environment.

International leaders in the use of H2 fuel cells. There are high hopes for the use of hydrogen (H2) fuel cells as a future technology to supply energy. In conjunction with renewable energy generation, as an energy carrier, hydrogen is an all-round clean solution. In order to bring this technology to general market maturity, however, major research and development work is still needed.

One area where this has already become a reality is an on-going innovation project in Munich, begun in August 2007, in which a complete data center room at T-Systems is supplied with electricity and cooling by a fuel cell. The fuel cell is in operation 24/7, impressively demonstrating the extraordinarily high availability of this technology for energy supply. It uses CO_2-neutral bio natural gas, produced nearby from renewable raw materials, as its energy source. It produces no waste gases apart from carbon dioxide and water vapor, and with an overall efficiency of around 90 percent, it is one of the most efficient ways of producing energy currently available.

Even in fields with special requirements, such as mobile autarchic energy supplies, hydrogen fuel cell technology is already proving successful. One example is a brand new system from T-Home for the mobile supply of tele-stations and multimedia terminals. In these solutions, the fuel cell has been combined with a photovoltaic plant to form a hybrid system. These stations were developed especially for fast mobile use at major events. In November 2008, T-Mobile Hungary (Magyar Telekom) began testing hydrogen fuel cells as a means of supplying a mobile transmitter with energy. At a Hungarian Energy Association forum, hosted by Magyar Telekom in March 2009 to discuss efficient technology solutions, the pilot project was commended by experts as a pioneering solution. Since then, Magyar Telekom has been considered the European pioneer of hydrogen fuel cell technology in mobile communications.

Efficiency gains from system change. In 2008, T-Mobile successfully demonstrated how considerable energy savings can be achieved using new system technology in the nationwide modernization of its GSM network. By May, the changeover to EDGE was complete after a transition period of just one year. See page 33. By then, T-Mobile had replaced the system technology of more than 20,000 mobile base stations, leading to electricity savings of between 30 and 40 percent. T-Mobile's clients are also benefiting from the upgrade and enjoying considerable cost savings, as well as an improved voice quality and fast transmission facilities for e-mails or large files.

Customer in focus.
Yvonne Föhrigen (on the left) from Telekom Shop Dessau listens to her customer, finds out her needs and wins her over with sustainable products and services.

Customer solutions.

Our customers play a key role in our value chain. Their decisions determine the success or failure of our products and services. Our corporate efforts largely depend on the needs and expectations of our customers. Positioning ourselves as a reliable partner to our customers therefore has top priority.

Especially in the Business Customer segment, we clearly perceive that our customers place increasing value on sustainability criteria when purchasing information and communication technologies (ICT). A representative survey commissioned by the industry association BITKOM in March 2009 has come up with the same result with regard to customer expectations in Germany. According to the survey, 84 percent of customers categorized low energy consumption as an important or very important purchase criterion. At least 80 percent of the participants in the survey emphasized the importance of good environmental characteristics such as efficient disposal.

With a sustainable product portfolio, environmentally friendly solutions as well as an efficient resource and disposal management concept, Deutsche Telekom plans to live up to the expectations of its customers and, at the same time, assume a pioneering role on the road to a low carbon society. Moreover, our aim is to help our customers meet the growing challenges of ever increasing networking and digitization of communication processes. Our innovative products show our users new opportunities and help them find the right balance between business and private life. We offer new prospects for participation to people who have so far had no access to the knowledge and information society, and thus help them to overcome the digital divide. We equally focus on providing both top security for ICT users and excellent service to meet the demands of our customers.

Connected life and work.

Mobility and globalization – two major megatrends that influence the economy and society as well as our work and private lives. In a complex and ever accelerating working world, expectations are on the rise, requiring people to be more flexible in terms of working hours and their workplace. To meet these demands, people should have the means and opportunity of getting in touch with one another whenever they wish and wherever they are, as well as be able to network themselves across the globe and exchange complex information of any type. To a similar extent, these opportunities are also increasingly used for personal purposes. By creating the conditions for being in touch with all people and matters at all times, ICT, against the backdrop of these developments, is bound to be the lifeline of an increasingly intertwined world. If applied intelligently, ICT can contribute significantly to improving our quality of life.

The social importance of ICT is made evident by the results of the "Digital Living" study. In this survey, sponsored by Deutsche Telekom and published in 2008, 10,545 consumers from six countries were interviewed on their experience with digital media. Around 86 percent of the Germans and 85 percent of the Hungarians who were interviewed during the study consider digital media to be an indispensable part of modern life. For the majority, the Internet and telecommunications were absolutely indispensable and the interviewees could not imagine life without these technologies, neither at a professional level nor in planning their leisure activities or maintaining relations with family and friends.

Enabling sustainable lifestyles. Deutsche Telekom knows to tap into this potential and develops products and services that create the conditions for location-independent working and networked social communication. In this way, the Group can offer ideal opportunities to its customers in both professional and private life and meet customer expectations for sustainable living. At the same time, we offer solutions for digitizing public administration services, the healthcare system and other welfare services, thereby helping to improve the service quality of the respective providers. Not least, we use the opportunities resulting from these endeavors for our own commercial progress. Deutsche Telekom aims to position itself as a global leader in connected life and work.

Products and services to improve the quality of life and work.

Connected life and work	**– Working without being bound to one location** **– Combining travel and work** **– Facilitating communication within social networks** **– Improving Work-Life**	– My Access Key – Unified Communication – Community User Interface – and other

Synergy effects for the Group and its employees. Today, ICT-aided, location-independent forms of collaboration are indispensable for many companies. To support these companies in enhancing their communication efficiency and process speed, our Group unit T-Systems developed the "Unified Communication & Collaboration" service, which was presented to the public at CeBIT 2009. The product integrates Internet Protocol-based (IP-based) communication media directly into the familiar user interface of conventional Office applications. This facilitates the convergence of voice, video and data communications as well as the integration of productivity software and process applications. Users can always log in with the same user ID from anywhere, which enables them to avoid inefficient traveling and to communicate without any constraints with colleagues and business partners in their familiar working environment. This gives companies greater flexibility in deploying their staff and organizing their business processes more efficiently.

"My Access Key," launched in 2009, is another product which facilitates location-independent access to the employee's own working environment. To have full functionality of their own workplace at every PC or notebook and without any installation effort, the only hardware the user requires for this solution is a smart card reader in the form of a USB stick. @501

Easy management of administrative processes. Modern ICT has long since found its way into the public sector. Numerous ministries, local authorities, and other public institutions have already begun digitizing their administration processes under the catchword "e-government."

T-Systems promotes, accompanies and helps materialize this sustainable process with technical infrastructure, HR resources and products and services that meet the demands of modern public administration.

Commissioned by the Federal Ministry of the Interior of the Federal Republic of Germany, T-Systems launched a universal public service number in March 2009 for citizens to contact local authorities. In Berlin, Hamburg and Oldenburg as well as in some model regions in North Rhine-Westphalia and Hesse, people can now dial 115 to get in touch with the authorities. T-Systems takes the calls from the respective networks and forwards them to regional call centers where over 50 percent of the queries are answered directly with the help of a knowledge database. @502

Social networking – even when on the road. For many people today, digital media have become the most important interface to friends and relatives. The Community user interface, developed by T-Mobile and presented at CeBIT 2009, is the ideal solution to fulfill our customers' needs for communication within social networks. With the help of a universal user interface on the cell-phone display, the PC or the T-Home e-mail center, users can conveniently organize their communication with family or different groups of friends through several media and contact them easily and quickly from anywhere – even when on the road.

Improving Work-Life. The freedom our customers experience thanks to the digitization and networking of their lives also goes a long way in making many things easier in their day-to-day life. This has also been confirmed by the "Digital Living" study, according to which 64 percent of the Germans interviewed were of the opinion that modern technological devices and Internet services were instrumental in improving their quality of life. The effects were distinctly felt when it came to combining work, leisure and family life. At our Group too, we support employees with a wide range of measures in finding a balance between their private lives and their work.
See page 24 f.

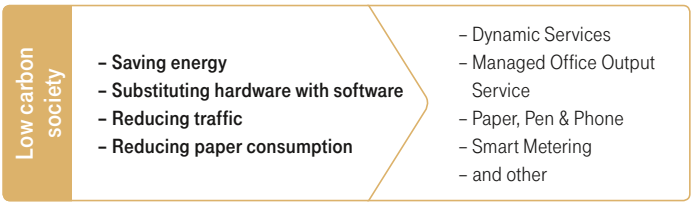
Further issues to be dealt with in the CR Online Report:
@503 Networking of the educational system
@504 Digitization of the healthcare system

Climate-friendly products and services.

One of the main challenges we face is to launch immediate measures aimed at reducing harmful greenhouse gases such as carbon dioxide (CO_2). With the realignment of our CR activities, we made it our goal in 2008 to lead the way towards a low carbon society. See page 8. Apart from the environmentally friendly design and use of our network infrastructure, (see page 36 f.) we, being one of the largest ICT companies worldwide, also bank on the application of digital technologies. Eventually, ICT can play a key role in saving power and CO_2 emissions in commercial and industrial processes, as well as among private users. According to the "Smart 2020" study of the Global e-Sustainability Initiative (GeSI) published in June 2008, the savings potential of innovative ICT solutions amounts to 7.8 gigatons by 2020.

Significant savings potential through ICT. Across the globe, Deutsche Telekom offers its customers a wide range of solutions which enables them to save valuable resources and put sustainability into practice. T-Systems in particular has been a pioneer in this field. For years, Deutsche Telekom's business unit has been conducting research, developing and using innovative solutions to replace processes that are costly in terms of energy and materials, thereby tapping into substantial savings potential. For instance, telematic solutions from T-Systems help to reduce traffic jams by 20 percent and, as a result, reduce harmful exhaust emissions from vehicles. The "Managed Office Output Service" from T-Systems enables customers to consolidate end devices such as faxes, printers, scanners and photocopiers and use them more efficiently. Thanks to this service, each individual piece of equipment can cater to the needs of up to five times more workplaces. Companies using this application are thus in a position to eliminate up to 60 percent of their hardware. And they can achieve further savings in energy and paper consumption with the use of ICT.

Products and services for a climate-friendly society.



Enhancing savings potentials through modeling. The ICT-based energy savings potential available to our customers is demonstrated by the simulation model "Green Dynamics" which has been developed by T-Systems Austria with the cooperation of the University of Applied Sciences in St. Pölten. The model calculates the effects of various technological measures such as virtualization, pooling, changing the power-usage effectiveness (PUE) value etc. and assesses their potential in helping reduce energy consumption and CO_2 emissions. Based on parameters such as the number of servers, the current price for electricity and the required storage capacity, our customers can use "Green Dynamics" to enact various scenarios and gain significant data for planning their ICT capacities. See also page 36 f. and page 42. Owing to its capability of demonstrating potential for environmental protection, "Green Dynamics" was presented the "Green IT Award" by International Data Corporation (IDC) Europe in 2008 and went on to win the environment prize presented by the city of Vienna in 2009.

Energy-efficient telephones at home and on the move. Energy-efficient solutions are also available to our customers in fixed and mobile telephony. Since the last quarter of 2007, all Sinus terminal equipment sold by our Broadband/Fixed Network business area in Germany have a switched-mode power supply (SMPS). The SMPS accounts for a 30 to 60 percent power saving compared with conventional transformer power supply units. The new DECT telephones of the Sinus series 103, 302 and 502, scheduled for 2009, feature an ECO mode that, when activated, causes the transmitters at the base stations to be switched off when there is no connection. This function works irrespective of how many mobile devices are registered at a given time and whether these devices are being recharged or not.

T-Mobile USA rolled out the world's first ever cell phone made from plastic bottles in February 2009: Motorola Moto W233 Renew, whose plastic shell has been completely manufactured with the plastic recycled from drinks bottles. This not only lowers harmful carbon dioxide emissions but also reduces energy needs by 20 percent compared with standard production processes.

Reducing paper consumption with "Paper, Pen & Phone". Thanks to innovations such as "Paper, Pen & Phone," customers can significantly reduce their own paper consumption and the resulting environmental pollution. The special pen developed by T-Systems records all the special characteristics of a signature via an integrated camera, thereby enabling digital identification and processing of documents signed by hand. Compared to the former archiving process, paper consumption is thus reduced by up to 50 percent, and costs are reduced by as much as around 70 percent. In order to exploit this savings potential in our own Group as well, we have launched "Paper, Pen & Phone" in around 800 Telekom Shops in Germany since February 2009.

Involving our customers. Despite all the innovative technology, we can only succeed in environmental protection and the battle against climate change if every individual is willing to contribute and is aware of their responsibility. Therefore, for the coming years, we have decided to give our customers the opportunity of experiencing the added value resulting from sustainability and also give them clear guidance for sustainable purchase decisions and an efficient and environmentally friendly use of our solutions.

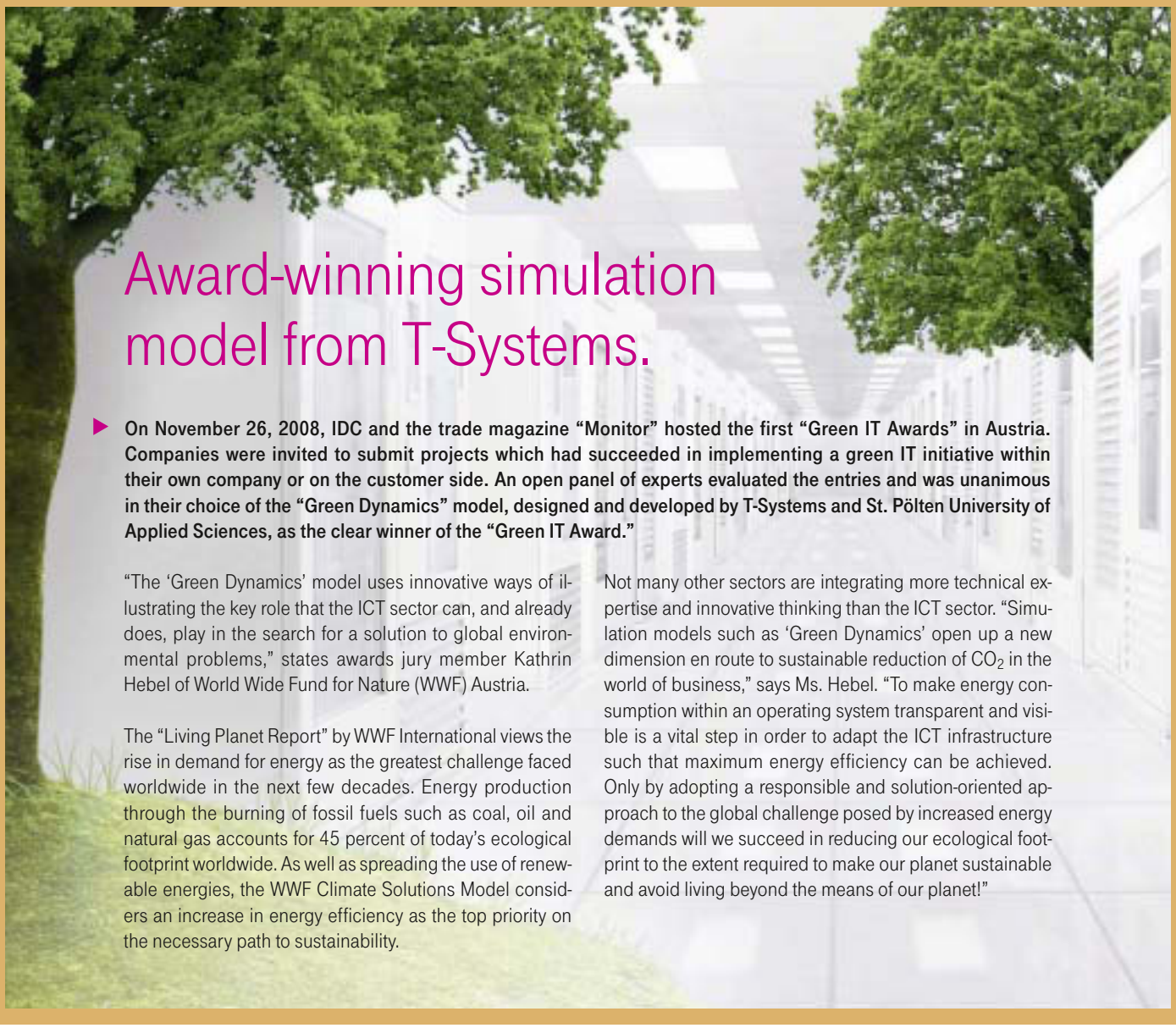
With respect to integrating CR-relevant topics in customer information, T-Mobile UK has assumed a leading position within the Group. With its customer magazine "Good Call," which is published every six months and is available in all T-Mobile Shops, T-Mobile UK informs customers, for instance, about the ecological use of products and services as well as the results of environmental protection measures launched. @505

To be able to cater to the needs and expectations of users during the product development phase more efficiently, we held a discussion in March 2009 with selected customers on their demands and expectations for sustainable products and services. The results were forwarded as a recommendation to all Group units. In the course of this discussion it became clear that issues like energy efficiency and product information were given tremendous importance. These results have also been confirmed by the BITKOM survey from March 2009. See page 39.

Further issues to be dealt with in the CR Online Report:

@506 Video conference solutions
@507 Product carbon footprint project

Spotlight



Award-winning simulation model from T-Systems.

On November 26, 2008, IDC and the trade magazine "Monitor" hosted the first "Green IT Awards" in Austria. Companies were invited to submit projects which had succeeded in implementing a green IT initiative within their own company or on the customer side. An open panel of experts evaluated the entries and was unanimous in their choice of the "Green Dynamics" model, designed and developed by T-Systems and St. Pölten University of Applied Sciences, as the clear winner of the "Green IT Award."

"The 'Green Dynamics' model uses innovative ways of illustrating the key role that the ICT sector can, and already does, play in the search for a solution to global environmental problems," states awards jury member Kathrin Hebel of World Wide Fund for Nature (WWF) Austria.

The "Living Planet Report" by WWF International views the rise in demand for energy as the greatest challenge faced worldwide in the next few decades. Energy production through the burning of fossil fuels such as coal, oil and natural gas accounts for 45 percent of today's ecological footprint worldwide. As well as spreading the use of renewable energies, the WWF Climate Solutions Model considers an increase in energy efficiency as the top priority on the necessary path to sustainability.

Not many other sectors are integrating more technical expertise and innovative thinking than the ICT sector. "Simulation models such as 'Green Dynamics' open up a new dimension en route to sustainable reduction of CO_2 in the world of business," says Ms. Hebel. "To make energy consumption within an operating system transparent and visible is a vital step in order to adapt the ICT infrastructure such that maximum energy efficiency can be achieved. Only by adopting a responsible and solution-oriented approach to the global challenge posed by increased energy demands will we succeed in reducing our ecological footprint to the extent required to make our planet sustainable and avoid living beyond the means of our planet!"

Equal opportunity for participation in the information society.

The ICT sector is developing rapidly. Today, many cell phones have quicker access to the Net compared to the average Internet access via the telephone network ten years back. And we are just at the beginning of this wave of innovation. The majority of the 56 experts who took part in the Delphi survey, which was conducted within the framework of the "Digital Living" study, forecast transmission speeds of well over 50 Megabits per second in urban areas by 2015; for connections in the premium price segment, this speed would even be over 100 Megabits per second. Compared to the number of lines at the end of 2007, the number of UMTS mobile lines would almost double by 2010, according to the experts. However, not all people are equally involved in this development. The gap between those who have access to digital infrastructure and are familiar with new technologies and those who have been cut off from the information and knowledge society – the so-called digital divide – is widening.

Building bridges over the digital divide. Being an ICT company, we consider it one of our most important tasks to create equal opportunities and unrestricted access for people who have so far been cut off from the information and knowledge society, and to make it possible for them to enjoy the related benefits of development, growth and employment. See page 8.

To this purpose, we are expanding our broadband infrastructure throughout Germany so that rural areas, too, get access to the high-speed Internet. See page 31 ff. However, there are other characteristics too, such as age, physical disabilities and insufficient education, where the digital divide is conspicuous. To overcome these, we are developing special, needs-based solutions for unrestricted access and sponsor projects aimed at imparting media skills.

Needs-based products. Owing to the demographic change – which is particularly conspicuous in Western Europe – and the growing number of senior citizens, the digital divide continues to widen. Many senior citizens – the Federal Statistical Office has predicted that in Germany alone, half the population will be over the age of 65 in 2030 – are not sufficiently familiar with modern communication technologies. According to estimates from (N)ONLINER Atlas, 91 percent of the population between 14 and 29 were Internet users in 2008. The same applies to only 40 percent of the 50+ generation although modern ICT can greatly contribute in improving the quality of life for senior citizens. Confident use of the Internet can mean greater flexibility; for instance, it can save weary traveling, ease cumbersome business with the authorities and, most importantly, facilitate contact with family members and friends.

Innovative telephones for senior citizens. With needs-based products and services, such as the Sinus A 201 which was launched in October 2008, we want to encourage senior citizens in taking an active part in the information and knowledge society. The Sinus A 201 cordless telephone has a clear and lucid product design and easy menu navigation. It also offers a range of functions which are in line with users' actual telephone habits, focusing on aspects such as simplicity, informational efficiency, fault tolerance and user flexibility. In addition to that, the Sinus A 201 stands out due to its environmentally friendly product design.

Emporia LIFEplus and Emporia TALKplus are two more innovative products we offer our customers with the aim of simplifying the use of modern telecommunications media for senior citizens. The devices, offered by T-Mobile Deutschland since November 2008, stand out because of their easy, self-explanatory operation, a large display, perfectly legible lettering and a stable casing. Thanks to these features, the telephones are also specially suited for hearing and visually impaired persons. In T-City Friedrichshafen, we tested these products over a period of three months.

Solutions for barrier-free communications. For individuals with speech, sight, and hearing disabilities, services such as SMS, video telephony, mobile e-mails and instant messaging (IM) offer needs-based communication opportunities compared to conventional voice telephony.

In Germany alone, there were around 80,000 deaf people, according to estimates for 2008 from the Ministry of Family Affairs, Senior Citizens, Women and Youth. To enable them as well as other persons suffering from speech disabilities to communicate freely in society, ten multimedia terminals equipped with the "TeSS" sign language interpreter system were tested in our future lab, T-City Friedrichshafen, in December 2008. The ten terminals are equipped with an integrated monitor and a special camera. By pressing the "Relay services" button, the person with the hearing impairment builds up a video connection with the "TeSS" sign language interpreter. "TeSS" is a joint initiative between Deutsche Telekom and Deutsche Gesellschaft der Hörgeschädigten-Selbsthilfe und Fachverbände e. V. (the German Society for the Hearing Impaired). Together, they have been offering interpreter-aided text and video relay services in Germany since June 2007.

In Greece, our local mobile communications operator COSMOTE, together with Microsoft Hellas and Geomatics, developed the "SmartEyes" navigation system. The efficient voice-driven navigation system was developed as part of a research program conducted at the Telecommunications Laboratory of the Aristotle University of Thessaloniki and serves to help the blind and visually impaired get a better orientation in urban areas. The product received the "2008 Global Telecoms Business Innovation Award" in September 2008. This has already been the fifth award "SmartEyes" has won. @508

Building media skills. ICT products and services alone are not enough to allow people to participate in new technologies. Media skills, in other words the ability to use available products and services confidently, are equally important. This was confirmed in a survey of ICT and media experts conducted in 2008 as part of the "Zukunft und Zukunftsfähigkeit der deutschen IKT" (Future and Sustainability of German ICT) study. According to this survey, lack of confidence among users of digital media is the greatest obstacle in overcoming the digital divide in Germany. This is why we have set ourselves the task of supporting society by helping to improve people's media skills.

The pioneer in building media skills within the Deutsche Telekom Group is our Hungarian subsidiary Magyar Telekom. As early as 2004, Magyar Telekom initiated the "Digital Bridge Program on Small Settlements" ("Digital Bridge"). Volunteers from Magyar Telekom are focusing on training people who live in remote regions of the country in the use of the Internet. The 100th event of the "Digital Bridge" program was held in July 2008. @509

Furthermore, Magyar Telekom is also offering Internet courses as part of its "Internet Academy" program. Due to a great demand, the company has increased the number of courses to 197 in the year under review. Correspondingly, the number of participants rose from 12,000 in 2007 to 16,478 in 2008.

Products and services for safeguarding connection to the information society.

Connect the unconnected	**– Ensuring barrier-free access** **– Giving everyone an equal opportunity to be part of the information and knowledge society** **– Ensuring access security** **– Enhancing media competency**	– Sinus A 201 – Emporia LIFEplus – TeSS Relay services – SmartEyes – and other

Protecting consumers and minors.

Information and communication technologies have long become an essential part in the day-to-day life and work of many. We consider it an essential part of our corporate responsibility to protect users against the potential risks arising from increasing data traffic and a growing number of services available across the globe. Today, e-mails and Internet surfing are everyday activities not just for adults – in fact, for children and young people, use of digital media and services is simply a matter of course. Therefore, we consider it important to accommodate the wishes of many parents and come up with solutions for cost control and appropriate content.

Deutsche Telekom also has the special responsibility of protecting the personal data of its customers. See page 15.

Further information on data privacy can be found at www.telekom.com/datenschutz (German)

Consumer protection that exceeds statutory requirements. The standing of consumer protection at Deutsche Telekom is expressed in numerous voluntary commitments that exceed statutory requirements. For instance, Deutsche Telekom is one of the founding members of Freiwillige Selbstkontrolle Telefonmehrwertdienste e. V. (Association for Voluntary Self-Monitoring of Value-Added Telephone Services) and has implemented the organization's code of conduct in the German fixed and mobile networks. In this context, the establishment and constant advancement of reliable standards of conduct help to strengthen the confidence and trust of customers in new services. The code of conduct is constantly being refined by the members of the organization. In 2008, for instance, regulations on the responsible management of prize games and competitions were included. Among other things, these regulations provide for transparency for callers in television programs with regard to fees and conditions for participation. @510

Measures to ensure cost transparency and control are the essential features of further codes of conduct as well as our own guidelines which are being implemented by many of our subsidiaries across the globe. In several countries, along with our competitors, we have developed codes of conduct regarding value added services which help our customers to effectively control their costs. When the euro was introduced in Slovakia in the beginning of 2009, our national subsidiary, Slovak Telekom, voluntarily committed itself to providing greater cost transparency for their customers. This included presenting the old and new currencies side by side, even before the euro had been introduced. As a matter of fact, however, consumer protection laws vary greatly in the different countries – even within the EU – so that a specific approach is needed in each country. @511

Youth protection in focus. Deutsche Telekom is particularly committed to ensuring extensive youth protection. At Deutsche Telekom, we consider it an important part of our corporate responsibility to enable children and young people to use modern ICT and digital media responsibly while affording them the best possible protection against the associated risks.

Standing shoulder to shoulder with business, political and social institutions, we are successful in adapting existing instruments employed for protecting young people against the backdrop of rapid developments in the ICT sector and the resulting application potentials. We consider signing voluntary commitments a reliable and effective way in implementing relevant standards across the sector and at an international level, thereby effectively promoting the protection of minors in the use of ICT. @512 Furthermore, Deutsche Telekom is involved in numerous projects and discussion forums aimed at improving youth protection. @513

Joining forces to combat child pornography. The latest example for our commitment in protecting minors is an agreement with the Federal Criminal Police Office aimed at making access to child pornography on the Internet more difficult. This agreement was signed by five leading Internet providers including Deutsche Telekom in Berlin in April 2009. For many years many years, we have been deleting such content in cooperation with the competent authorities wherever we have direct access to it – for instance, on private homepages on our servers. While the focus on combating child pornography must lie on uncompromising, even international criminal prosecution through state agencies, Deutsche Telekom can now make a significant contribution by using the instrument of making network access more difficult. We also follow this goal in the mobile communications sector. Together with other mobile communications providers, the T-Mobile Group launched the worldwide initiative "GSMA Mobile Alliance against Child Sexual Abuse Content" in 2008. This is just one among several voluntary agreements at national and international level we are involved in and which underlines our commitment towards the protection of minors.

Full cost control for children and young people. In July 2008, T-Mobile introduced enhanced features and relaunched "CombiCard Teens" in Germany, a prepaid cell-phone card for children and young people. This includes the option of fixing a monthly budget and disabling "expensive services." By means of this voluntary restriction, younger users now have full cost control. Parents, too, have the option of disabling certain services and call destinations, for instance, international calls or services from ring tone and logo providers. Compared to the previous model, "CombiCard Teens" offers additional advantages at very reasonable prices as well as a free-of-charge parents' number. Via this number, users can call their parents for free and speak to them for 30 seconds – as often as they wish and even if the call credit has been used up.

Prevention through media skills. In our opinion, the most effective preventive measures include enhancing consumer awareness of opportunities and risks in dealing with new media and elucidating offers suitable for the respective age groups. In the year under review, Deutsche Telekom actively sponsored numerous media skills initiatives at home and abroad and encouraged parents, educators, and persons of trust to give guidance to young people. @514

Integrity and transparency with respect to mobile communications and security. Strict observance of the prevailing limit values ensures the safe use of cell phones for all our customers. The limit values are based on comprehensive research findings. The expert committees of the World Health Organization (WHO) and the International Commission on Non-Ionizing Radiation Protection (ICNIRP) set the recommended limit values and regularly monitor them. In the opinion of the experts, cell phones are safe and pose no threat to health provided that the limit values are observed. We use several different communication instruments to respond to the information needs of our customers. Deutsche Telekom attaches great value to clear and transparent communication of scientific findings and on customer concerns regarding mobile communications technology and its safe use. This represents a key component of our commitment in the public discussion on mobile communications antennas, cell phones, cordless telephones or WLAN routers.

Deutsche Telekom proactively participates in an open and constructive dialog with policy makers, stakeholders as well as customers and citizens. In the past ten years, Deutsche Telekom's mobile communications companies have been active in various national initiatives on enhancing awareness and informing the general public. This has given rise to various global information centers and initiatives, for instance, in Germany, the Netherlands, UK and Austria. In the year under review, our Polish mobile subsidiary PTC launched a new webpage dedicated to informing the general public about mobile communications and health risks. Likewise, in Greece, COSMOTE joined forces with other Greek mobile communications providers to found an association in 2008 whose main aim is to provide the public with better information on the subject of electromagnetic fields (EMF). We have also improved consumer information in Germany by printing the specific absorption rate (SAR) on the packaging of the cell phones we sell. Consumers can thus compare the SAR values and use them as an important criterion when purchasing a cell phone.

Our approach and actions in the context of the general discussion on mobile communications are guided by our international EMF policy for our European mobile subsidiaries which we introduced way back in 2004.
See also page 26 and page 35 ff. @515

Sales and service.

With our broadband networks and versatile product portfolio, we offer our customers a wide range of communication options for connected life and work. It goes without saying that innovative products must go hand in hand with a service tailored to the needs of our customers and providing them with optimized solutions. After all, a growing number of customers judge telecommunication providers on the basis of the quality of service they offer. Excellent service thus becomes a distinguishing factor vis-à-vis competitors – just like sales staff who know the needs of our customers and whose business processes are designed to ensure sustainability.

Good grades for our customer service. We occupy a leading position in customer satisfaction thanks chiefly to our centralized customer care centers. For instance, Telekom Shop Vertriebsgesellschaft, the operator of Telekom Shops, was certified "TÜV Service tested" in July 2008 by TÜV Saarland, the provider of technical services. TÜV experts judged overall customer satisfaction in connection with the service provided in Telekom Shops with a rating of 1.74.

The service test published in 2008 by the trade journal "TeleTalk" also confirms that our customer service in Germany has clearly improved in 2008. With an overall grade of "good," Deutsche Telekom has bagged the no. 1 position. In all, the service quality of ten providers was tested. Six competitors were rated "satisfactory," while three only got the rating "adequate." @516

Each year, to be able to identify the satisfaction and loyalty displayed by the customers of our various national companies, we commission marketing research institute TNS Infratest to determine the TRI*M Index. The TRI*M Index is an indicator which represents the status quo of the relationship between a company and its customers. The values determined in a harmonized process confirm an increase in customer satisfaction for 2008 – especially for our international affiliates. Attaining TRI*M Indices of over 80 percent, our subsidiaries T-Mobile Slovensko and T-Mobile Hungary (Magyar Telekom) have demonstrated that, within the entire Deutsche Telekom Group, they have the best relations with their customers.

Improved customer information. With the participation of Deutsche Telekom, the "Guidelines for consumer-friendly products and services" were set within the framework of the "Service and consumer-friendly IT" working group at the IT summit in 2008. The goal of the guidelines, of which Deutsche Telekom is a signatory, is to provide consumers and companies guidance for the confident use and management of data, guarantee user-friendly access to products and services, and ensure clear and comprehensible wording of the general terms and conditions.

Bringing sustainability to our customers. We leave no stone unturned when it comes to bringing our products to our customers. Since May 2008, for instance, the Telekom Shop Truck, a mobile Telekom Shop, has been touring thinly populated regions in Germany – regions which formerly had no direct customer care centers. In these regions, we take advantage of the personal contact to show visitors the possibilities of providing broadband networks to remote areas. See also page 31 ff.

Meanwhile, T-Home's technical customer service promotes the use of environmentally-friendly transportation solutions. Since February 2008, 14 cargo bikes powered by hydrogen fuel cells are on the road in Berlin and Hanover. These bikes emit no harmful exhaust gases and, in urban areas, they are often much quicker at their destination. At CeBIT and the Hannover Messe trade fair, T-Home proved the practicality of their cargo bikes. We intend increasing the number of cargo bikes on the road by the end of 2009 and also plan to introduce them in future in Friedrichshafen, our T-City, as well as in the car-free North Sea island of Juist.

Climate and resource-friendly delivery. We ensure that our delivery of parcels and bills is carried out in a climate-friendly manner. In 2008, for instance, we delivered all standard parcels with DHL's climate-neutral parcel service to our T-Online Shop customers at no extra charge.

See also www.t-online-shop.de (German)

We compensated for transport-related emissions resulting from approximately 200,000 deliveries by co-financing an afforestation project in Costa Rica. Thanks to this measure, our T-Online Shop has compensated for emissions totaling 109 metric tons of CO_2. We succeeded in winning over almost one third of T-Home customers for our online billing. This helps us and our customers in contributing to environment protection by reducing paper consumption by over 1,500 tons. @517

Further issues to be dealt with in the CR Online Report:

@518 Multilingual service hotline
@519 Special rates

Recycling.

Whether it is used fixed network and cell phones, batteries and chargers or replaced network components and cables, the ICT sector produces large amounts of electronic waste. The United Nations estimates that 40 million tons of electronic waste are produced worldwide each year – the European Union alone being responsible for 8.7 million tons. In order to help to reduce the amount of this waste and to ensure we exploit all options of reuse, recycling and disposal in our products, services and solutions, we implement an efficient resources and waste management policy. Our guiding principle here is "Reuse over recycling." Disposal is the last choice at Deutsche Telekom.

Reusing cell phones. The declared aim of Deutsche Telekom is to reduce waste created by the ICT sector. In line with this aim, the free return of used cell phones has been a service voluntarily offered by our Group unit T-Mobile in Germany since 2003. At the end of 2008, Deutsche Telekom had approximately 39 million cell-phone customers in Germany alone. Correspondingly, the potential for reuse of the old cell phones no longer used by our customers is tremendous. To encourage the return and potential reuse of these phones, T-Mobile Deutschland operates its own return scheme, which supplements the provision of municipal collection points set up by local authorities. Special return postage bags are available at all Telekom Shops, from many T-Mobile partners and on the T-Mobile website and can be used to send old cell phones, rechargeable batteries and chargers for free to our recycling partners. In 2008, more than 69,000 old T-Mobile cell phones were returned in this way in Germany. Around two thirds of these handsets were recycled. This allowed valuable raw materials such as gold, platinum, silver or palladium to be made available for reuse. The remaining handsets were sent to Asia for reuse, in order to provide people there with used handsets that are affordable. In doing this, we prolong the useful life of handsets and help promote the development of the local economy.

Worldwide cell-phone collection initiatives. As a form of motivation for customers, interested parties and also employees of the Group to get involved, Deutsche Telekom again started several cell-phone collection initiatives in 2008. In December 2008, together with the German environmental organization Deutsche Umwelthilfe e. V. (DUH), T-Mobile promoted a large-scale initiative by "ChannelPartner," the media platform for the ICT and consumer electronics (CE) trade, to call on dealers to encourage their customers to collect discarded cell phones and to form local voluntary collection groups. For each returned cell phone, T-Mobile donated EUR 3 to DUH for regional environmental and nature protection projects.

At Christmas 2008 the Group started a cell-phone donation scheme which called on all Deutsche Telekom employees as well as their families and friends to offer their discarded cell phones for a good cause. See also page 29.

Another key activity for our international subsidiaries is taking back and recycling mobile handsets. Since July 2007, T-Mobile UK has supplied a recycling bag with every cell phone it sells so that old devices can be sent back. The sender receives up to £150 depending on the cell model, and they can either keep the money or donate it to a charity organization of their choice. By the end of 2008 a total of 43,487 cell phones had been recycled. @520

Initiative for standardized chargers worldwide. At the start of 2009 at the Mobile World Congress in Barcelona, leading cell-phone manufacturers resolved to introduce a standardized cell phone charger by 2012. This is designed to preclude the need to buy a new charging device when purchasing a cell phone by these manufacturers. Deutsche Telekom supports this proposal as it will result in a reduction of electronic waste. According to estimates by the global trade association for mobile phone operators GSMA, this initiative will see a 50 percent fall in the number of chargers produced and subsequently disposed of. Compared to the levels of power required by chargers currently in use, the standby energy consumption levels of new chargers should also be roughly halved.

End-device hire program. Our Group subsidiary T-Home is making a significant contribution to the reduction of electronic waste with its new end-device hire program. Since the first quarter of 2009, we have offered our customers the opportunity to hire end devices such as DSL routers or media receivers. After the requested hire period has expired, the devices are returned to the Group, checked and, where possible, reused. Disposal is also the last choice in this context.

Recycling of cables and old systems. Recycling also plays a major role when it comes to upgrading networks. See page 32 f. For the period under review, switching to a powerful fiber-optic network involved large amounts of cable and plastic waste. In the process, the recovered cables, including plastic-covered, lead-covered and corrugated sheath cables were disposed of in an environmentally friendly way.

CR program 2009.

Goals, measures, processes and results – Deutsche Telekom's new CR program. Deutsche Telekom's CR program is the result of a strategic process that began in 2008. It lays down binding targets that we want to achieve in our core business at Deutsche Telekom in all relevant processes Group-wide. The new CR program has a different structure than that in the previous report. Some of the CR measures whose status was listed as "Implementation underway" in the previous report are listed again in the CR program 2009 and are printed in gray– with additional information on their implementation progress.The new CR program is no longer divided into the classic topic-specific fields of activity, but instead into a strategy & management area, three selected CR fields of activity, and four CR performance areas.

The three fields of activity comprise the issues that are particularly relevant for both the Group's core business and for society as a whole. The CR performance areas are those areas that place particular demands on our corporate responsibility. The CR program sets targets for each of the eight areas, determines measures and sub-targets, and defines a time frame within which the measures are to be implemented. The CR program also indicates the status of the implementation and refers to metrics, or key performance indicators (KPIs), which we use to measure quantitative performance in each of the areas. The KPIs will not be defined completely until the end of 2009.

	Sub-targets/measures	Deadline	Status of implementation
	Target: Become an international leader in CR (KPIs: 1. Socially responsible investment (SRI), 2. CR Leadership indicator: "Social commitment")		
Strategy & management	Implementation of CR governance (CR Board, working groups, steering groups)	Fourth quarter 2009	Implementation underway. First meeting of the CR Board was held in May 2009.
	Group-wide roll-out of CR strategy and further development of the CR program in the individual countries	2009 – 2010	Implementation underway. Roadshows were held in Croatia and Slovakia in May 2009.
	Establishment of an international CR manager network	2008 – 2010	Implementation underway. Two international CR Manager Meetings have been held annually since 2008.
	Implementation and further development of CR KPIs	Fourth quarter 2009	Implementation underway.
	Expansion and further development of stakeholder dialogs and CR communication platforms	2009 – 2011	Implementation underway. A CR communication strategy was developed in the first quarter of 2009 and will serve as the foundation for expanding our stakeholder dialogs and CR communication platforms. The "Corporate Responsibility" Portal will be relaunched in the Internet in the second quarter of 2009.
	Execution of GAP analyses based on SRI ratings	2009 – 2011	Implementation underway. Implementation was begun in the second quarter of 2009.
	Talks with central Group units on the further development of CR performance	2009 – 2011	Implementation underway. Talks have already been held with five units so far in 2009.

	Sub-targets/measures	Deadline	Status of implementation
	Target: Being the driving force for sustainable life and work (KPI: Number of employees with mobile equipment [2])		
Connected life and work [1]	Increase DSL coverage throughout Germany to 96 %	2008	Target achieved.
	Equip 23 additional cities with VDSL and provide ADSL2+ in around 1,000 towns and cities in total	2008	Target achieved.
	Support to the "Year of Mathematics 2008" by the Deutsche Telekom Foundation as one of four sponsoring organizations	2008	Target achieved; – Approximately 800 events related to the "Year of Mathematics 2008" took place nationwide. – The Deutsche Telekom Foundation supported, e.g., "math boxes" for schools; of which over 4,300 were sold, as well as the "Kangaroo" math competition, in which around 750,000 pupils took part.
	Continue the "Digital Inclusion" project at Magyar Telekom	2008	Target achieved. Magyar Telekom's "Digital Inclusion" project reached its 100th village in rural areas.
	Develop flagship projects for sustainable living and working (e.g., innovation project)	2009 – 2011	Implementation underway.
	Target: Set an example in the integration of people in an information and knowledge society (KPI: Budget committed to social projects as a percentage of pre-tax profits (in %))		
Connect the unconnected	Continue to set up junior engineer academies with a proportion of female students of at least 50 %	2008 – 2011	Implementation underway. The Deutsche Telekom Foundation began collaborating with Fraunhofer Gesellschaft in 2008.
	Implement the flagship project "Yes, I can!"	2009 – 2011	Implementation underway. Some 50-100 projects and institutions are supported in 2009.
	Strengthen the potential of the Deutsche Telekom Foundation	2008	Target achieved. Deutsche Telekom increased the foundation's capital from EUR 100 million to EUR 150 million in late 2008.
	Build "Teach Today," an Internet platform for teachers	Third quarter 2009	Implementation underway. The German web page will be launched in summer 2009.
	Target: Be a leader on the way to a low carbon society (20 % reduction of CO_2 emissions by 2020) [3] (KPI: Total CO_2 emissions (in t))		
Low carbon society	Implement at least two projects in harmony with GeSI's "Smart 2020" study for the Deutsche Telekom Group	2009	Implementation underway. An initial project in 2009 estimated the business potential and developed specifications; the second project is still under development.
	Develop a Group-wide climate change strategy	2009 – 2010	Implementation underway. A Group-wide Climate Change Group will be formed in the fourth quarter of 2009.
	Execute a carbon footprint project (CFP) for a uniform Group methodology	2009 – 2010	Implementation underway. Kick-off was held in the first quarter of 2009. A draft resolution for the Board of Management will be produced in the fourth quarter; the implementation is to follow starting in 2010.
	Implement a Group-wide environmental management system compliant with ISO 14001	2008 – 2010	Implementation underway. The international kick-off took place on October 16, 2008. In the first quarter of 2009, the environmental aspects were evaluated, the legal requirements determined, and the documentation written.

	Sub-targets/measures	Deadline	Status of implementation
	Target: Reduce costs and CO_2 emissions by controlling energy efficiency in infrastructure, systems, and the delivery process (KPI: Energy consumed per unit of revenue)		
Network infrastructure, systems, and transportation	Further reduction in energy consumption in the mobile communications network through modernization of UMTS technology	2008 – 2010	Implementation underway.
	Improve CO_2 footprint from business trips by reviewing the option of replacing business trips with virtual meetings	2008	Implementation begun in 2009. In a first step towards improving the CO_2 footprint, the CO_2 emissions are displayed when business trips are booked.
	Embracing the CO_2 targets in the real estate area	2009 – 2011	Implementation underway.
	Develop a car policy that takes environmental aspects into account	2009	Implementation underway.
	Provide eco-friendly driver training through DeTeFleet as a regular offer for all vehicle users	2009 – 2011	Implementation underway. Piloting completed in the fourth quarter of 2008.
	Target: Ensure compliance with our social and environmental standards in the supply chain, to reduce CR risks and potential damage to image (KPI: Ratio of reviewed procurement volume to total procurement volume (self-declaration in E-TASC))		
Sustainable procurement and e-waste management	Develop a Group-wide e-waste strategy	2008 – 2009	Implementation underway. The take-back program (as part of life cycle management) was started in the second quarter of 2009.
	Recycling of 14,675 metric tons of copper cable in Germany as part of the switch to our Next Generation Network (NGN)	2008	Target achieved.
	Training for all procurement managers on sustainability-related topics, using an online training tool	2008 (Germany) 2009 – 2011 (International)	For Germany: target achieved. For international locations: implementation underway.
	Increase percentage of procurement volume that is reviewed and rated according to sustainability criteria to at least 62 %	2008	Merely 30 % coverage was achieved in 2008; accordingly, the measure was extended to 2009.
	Increase share of suppliers reviewed through E-TASC and other risk evaluation instruments to 70 %. Target: to avoid risks to sustainability in the supply chain	2009 – 2011	Implementation underway.
	Implement sustainability criteria in buyers' individual target agreements	2009 – 2010	Implementation underway.
	Further develop suppliers through comparison and awareness training for Deutsche Telekom's sustainability requirements, in at least four dialog rounds or workshops annually	2009 – 2011	Goal for 2009 achieved. Three dialog rounds held between January and April.
	Increase the number of supplier audits conducted (risk verifications)	2009 – 2011	Implementation underway. Four audits were performed in the first six months of 2009. Two other audits are still planned for 2009.

	Sub-targets/measures	Deadline	Status of implementation
	Target: Develop and deploy sustainable products, services, and solutions to set ourselves apart from the competition (KPI: Share of "green" products in domestic revenues)		
Sustainable products, customer solutions, and services	Significant improvement in service quality in Germany in all customer contact areas	2008	Target achieved.
	250,000 customers benefit from Deutsche Telekom's "top! Service" portfolio	2008	Target achieved.
	Support for the international "Green Mobile Devices and Accessories" initiative of the Open Mobile Terminal Platform (OMTP)	2009	Implementation underway. Deutsche Telekom supported an agreement reached among cell-phone manufacturers in February 2009 regarding the production of a standard charging device for all cell phones.
	Reduction in stand-by energy: all devices sold by the Broadband/ Fixed Network business area in Germany have a switched-mode power supply	2008	Target not yet achieved (completely): – All new Sinus devices and routers are equipped with switched-mode power supplies. – Media Receivers are delivered with an integrated switched-mode power supply. – The PABXs sold currently only have transformer power supplies.
	Increase efficiency of switched-mode power supplies to over 90 %	2009 – 2011	Implementation underway.
	Develop sustainability criteria that are relevant to customers	2009	Implementation underway. A workshop was held with customers from the LOHAS segment in the first quarter of 2009. A follow-up workshop is planned for the fourth quarter of 2009.
	Develop and implement a strategy for Products & Innovation, to embed CR in the product development cycle and innovation process	2009 – 2011	Implementation underway. Strategic development began in the second quarter of 2009 and will be submitted to the responsible Board member in the third quarter of 2009; implementation is to follow starting in 2010.
	Target: Best place to perform and grow (KPI: Employee satisfaction)		
Employees	Refocus HR work on improving internal customer focus and increasing efficiency (HR@2009)	2009	Implementation underway. Implementation is complete in many areas of the company.
	All senior executives in Germany attend the Service Academy	2008	Implementation underway. 95 % of senior executives attended the Service Academy in 2008; the remaining 5 % will do so in 2009.
	Clear improvement in the health rate and reduction in the number of accidents	2008 – 2010	Implementation underway.
	Increase the number of employees who volunteer in social projects by expanding corporate volunteering projects	2009 – 2011	Implementation underway. The first pilot projects were started on March 27, 2009; other specific projects are being prepared. The corporate volunteering program will start in late 2009.
	Broad-based communication of CR activities in the Group	2009	Implementation underway. Our CR intranet presence will be relaunched in the third quarter of 2009. An e-learning tool will be launched in the fourth quarter.
	Focused launch of expert careers	2009 – 2011	Implementation underway.
	Development of a talent pool for women	2009 – 2011	Implementation underway.
	Group-wide launch of the new Guiding Principles	2009 – 2010	Implementation underway.
	Group Diversity Management Diversity Management relaunch: Program for 2009 onwards	2009 – 2012	Implementation underway.

[1] The measures in this field of activity are refined on an ongoing basis in 2009.
[2] The KPI may be modified up to the fourth quarter of 2009 within the framework of the general revision of CR KPIs.
[3] The target can be changed or adjusted at the end of 2009 once the results of an internal review of the CO_2 footprint are available.

@601 Additional measures for "Employees" that have already been implemented can be found in our 2009 CR Online Report.

Key indicators.

The recording and reporting of key indicators in economic, social and ecological areas throughout the whole Group is an important tool that enables us to monitor the implementation of our targets, manage activities and identify the improvement potentials. The indicators enable the Group as well as the public to examine, compare and assess the progress and performance of Deutsche Telekom. New additions in 2008 are two CR leadership indicators, one for the listing of the T-Share in sustainability indices and the other for our social commitment. Using these key performance indicators (KPIs), we are able to give a quantitative representation of the extent to which Deutsche Telekom succeeds in fulfilling the expectations placed on it with respect to corporate responsibility (CR). Additional KPIs for CR were developed as part of the CR program in 2009. See page 48 f.

The data used for each of the consolidated indicators is identified. The data presented for Deutsche Telekom refers to the Group as a whole. Figures given for the Deutsche Telekom Group refer to all units in Germany, together with the principal majority-owned international subsidiaries. The Greek-based OTE group was included in Deutsche Telekom's consolidated financial statements as of February 6, 2009 for the first time. OTE is not included in the customer and financial figures reported for the 2008 financial year. The values shown in the tables for Greece in 2008 are included as supplementary information only. Data provided for the Deutsche Telekom Group in Germany refers to all sites of the Group units in Germany. Data for Deutsche Telekom AG only refers to the T-Home operating segments and Group Headquarters & Shared Services.

The areas subject to examination were extended compared to the previous year. In addition to selected indicators regarding our units in Germany, selected indicators from T-Mobile UK and Slovak Telekom from the financial year 2008 were subject to the independent assurance engagement. See also page 57 f. Elements of the assurance engagement are indicated with ✓.

CR Leadership indicators.

The new CR Leadership indicators replace the "Sustainability Excellence Key Performance Indicators" (SE KPIs) from 2006 and 2007. They make it possible to provide a transparent and comparable presentation of both the financial and social impact of Deutsche Telekom's CR commitment.

The first CR Leadership indicator shows how often Deutsche Telekom is listed in the indices of the eight most important external rating agencies. A 100 percent target achievement corresponds to the listing of the T-Share in 8 out of 11 sustainability indices. This year's evaluation provides clear proof that our sustainability activities are favorably assessed by the majority of experts.

In comparison with previous year's detailed presentation of the analysis of sustainability performance, this indicator ensures an improved and more transparent overview of Deutsche Telekom's listings.

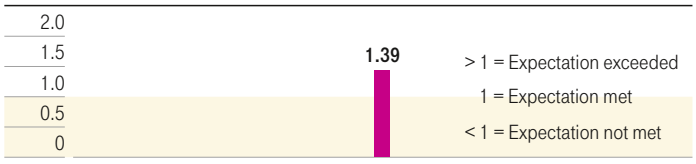
1. CR Leadership indicator: "Listing of the T-Share in sustainability indices (Social Responsible Investment – SRI)" and "prime" certificate (oekom).*

Rating agency	Indices (prime)	✓ 2008 met	2007 met	2006 met
SAM	DJSI World	x	x	x
	DJSI Stoxx	x	x	x
oekom	"prime" certificate	x	x	x
Vigeo	ASPI	x	x	x
	ESI	x	x	x
imug/EIRIS	FTSE4Good	x	x	x
CDP	Carbon Disclosure Leadership Index	no	x	x
Sarasin	DAX Global Sarasin Sustainability Germany (from 2007)	x	x	no
Innovest	Global 100 List	no	x	x
scoris	KLD Global Climate 100	x	x	x
	KLD Global Sustainability	x	x	x
Target achievement		**100 %**	**100 %**	**100 %**

* The table was simplified (listing or non-listing) in 2008 to improve readability.

In 2008, a CR Leadership indicator was recorded for the first time on the basis of a representative survey. It is based on one-to-one phone surveys conducted by an independent research company on the subject of social commitment at Deutsche Telekom. The interviewees included 1,000 members of the general public in Germany as well as 250 senior management executives from other German companies. The "Social commitment" CR Leadership indicator evaluates the extent to which Deutsche Telekom is meeting its expectations in Germany. In contrast to previous year's SE KPI "Customer perception of Deutsche Telekom's responsibility toward society," evaluation is not solely restricted to the perception level of this topic. Instead, this issue is further considered in view of the perceived importance of Deutsche Telekom's commitment. The KPI therefore serves as a vital management tool for our CR processes.

2. CR Leadership indicator: "Social commitment."



Financial indicators.

Net revenue, EBITDA/EBITDA margin (adjusted for special factors), and net profit at Deutsche Telekom.

billions of €	2008	2007	2006
Net revenue	61.7	62.5	61.3
Adjusted EBITDA*	19.5	19.3	19.4
Adjusted EBITDA margin * (%)	31.6	30.9	31.7
Net profit	1.5	0.6	3.2

A detailed explanation of these financial indicators can be found at www.telekom.com/investorrelations.

* Deutsche Telekom defines EBITDA as profit/loss from operations before depreciation, amortization and impairment losses. For a detailed explanation of the special factors affecting EBITDA, adjusted EBITDA, and the adjusted EBITDA margin, please refer to the Group management report in the 2008 Annual Report.

Further financial indicators are presented in our 2009 CR Online Report:
@602 Stock held by sustainable investors in Europe
@603 Net value added

Ecological indicators.

Energy consumption of the Deutsche Telekom Group.

	Power consumption [a]			Heating consumption [a]		
MWh	2008	2007	2006	2008	2007	2006
Austria	92,790	111,993 [b]	65,780	3,612	3,981	4,539
Croatia	116,957	97,711	96,411	32,569	31,603	36,134
Czech Republic	114,817	87,558	84,782	1,526	5,817	7,092
Germany	2,977,868	2,992,382	2,927,002	613,823	644,637 [c]	758,708
Great Britain [d]	289,358	273,635	233,474	7,329	7,529	10,644
Greece [e]	487,284	n.a.	n.a.	20,888	n.a.	n.a.
Hungary	263,683	205,042	296,205	98,665	81,641	120,964
Macedonia	34,134	26,747	36,839	9,826	13,786	14,532
Montenegro	14,158	8,400	10,942	915	1,015	3,810
Netherlands	142,023 [f]	65,534	51,536	4,057 [f,b]	n.a.	n.a.
Poland	148,783	151,685 [b]	12,322	n.a.	n.a.	123
Slovakia [d]	89,528	107,049 [g]	103,249	36,122	42,752 [g]	57,012
USA	1,197,329	1,266,276	1,174,379	75,868 [b]	27,119	44,301
Total	**5,968,711**	**5,394,013**	**5,092,921**	**905,201**	**859,879**	**1,057,861**

n.a. = not available

Individual amounts published have been rounded. When added, they may therefore vary slightly from the published totals.

[a] In some cases, instead of using the actual data, information was projected for individual consumer groups and/or the full year.
[b] The figures are not comparable with those of previous years because their respective data entry systems were still being set up.
[c] This value has been corrected since the 2008 CR Report, as the projection procedure was adjusted.
[d] Data includes PwC-certified figures from T-Mobile UK and Slovak Telekom (not including Strabag Slovakia). Note re. T-Mobile UK: The power consumption figures include an additional site at Croydon, which belongs to T-Mobile International (but for which control of consumption lies with T-Mobile UK). Note re. Slovak Telekom: The data is comprised of values from Slovak Telekom and T-Mobile Slovensko. The business audit only assessed the data at Slovak Telekom, with the following values (power consumption: 63,826 MWh, heating consumption: 33,141 MWh). No data has been included for leased or let buildings (aside from the headquarters building in Bratislava).
[e] The values for 2008 are of a purely informative nature and there are no comparable values from previous years.
[f] The values cannot be compared with the previous year's figures due to the merger of Orange NL and T-Mobile Netherlands.
[g] These figures have been corrected since the 2008 CR Report. The data contained for T-Mobile Slovensko represented estimates and has now been replaced with the calculated consumption data.

Our power consumption increased in many countries from 2007 to 2008, in line with industry trends. The main factors in the increased overall consumption were the inclusion of figures from our holdings in Greece (OTE, COSMOTE) for informative purposes and the integration of Orange Netherlands with T-Mobile Netherlands. Power consumption was reduced in Germany, thanks to energy-saving measures and increased efficiency, among other factors.

The general rise in consumption is the result of technological developments (DSL), increasing transmission volumes, and network expansion. Another reason for the increase in power consumption outside Germany is marked expansion of the infrastructure and activities in several countries. The increase in heating consumption in the USA is due mainly to improved data collection.

Emissions of the Deutsche Telekom Group.
Direct emissions from consumption from fleet and heating (scope 1).

metric tons CO_2	2008	2007	2006
Austria	1,632	1,647	2,133
Croatia	11,139	10,826	13,177
Czech Republic	3,164	3,522	5,522
Germany	257,220	281,678	309,024
Greece [a]	12,934	n.a.	n.a.
Great Britain [b]	1,496 [c]	1,537 [c]	8,568
Hungary	29,940	24,308	24,604
Macedonia	4,298	4,875	5,881
Montenegro	779	578	1,242
Netherlands	14,451	8,886	n.a.
Poland	5,080	5,392	4,895
Slovakia [b]	12,605	13,025	16,629
USA	33,623	26,576	31,469
Total	**388,361**	**382,849**	**423,145**

Emissions of the Deutsche Telekom Group.
Indirect emissions from power/district heating consumption (scope 2).

metric tons CO_2	2008	2007	2006
Austria	21,184	25,429	15,744
Croatia	39,718	33,577	33,345
Czech Republic	60,825	47,320	45,917
Germany	42,048 [d]	603,392	791,399
Greece [a]	353,281	n.a.	n.a.
Great Britain [b]	146,126	78,567	117,904
Hungary	94,847	73,920	107,348
Macedonia	21,403	16,913	23,109
Montenegro	10,137	6,014	7,834
Netherlands	8,349	3,873	4,061
Poland	98,048	99,960	8,120
Slovakia [b]	26,406	32,783	34,676
USA	669,307	707,848	656,478
Total	**1,591,724**	**1,729,597**	**1,845,937**

n.a. = not available

Individual amounts published have been rounded. When added, they may therefore vary slightly from the published totals.

All emissions were calculated based on energy consumption data. The footnotes contained in the tables for energy consumption and vehicle fleet apply accordingly.

[a] The values for 2008 are of a purely informative nature and there are no comparable values from previous years.
[b] Data includes PwC-certified figures from T-Mobile UK and Slovak Telekom (not including Strabag Slovakia). Note re. Slovak Telekom: The data is comprised of values from Slovak Telekom and T-Mobile Slovensko. The business audit only assessed the data at Slovak Telekom, with the following values (direct emissions: 10,071 metric tons CO_2, indirect emissions: 20,675 metric tons CO_2).
[c] Only heating (excl. fleet).
[d] Value corresponds to emissions from district heating. Emissions from power consumption are zero, as 100 % of power consumed has been supplied from renewable energy resources (EEG quantities in the German power market and RECS certificates) since January 2008. 99.87 % of the required RECS certificates were available during the PwC audit; the remaining 0.13 % was purchased subsequently.

Emissions of the Deutsche Telekom Group. In line with international trends, we have changed our emissions calculations and reporting, which are now based on the requirements of the Greenhouse Gas (GHG) Protocol. As such, we now use scopes to report on our emissions:

- Scope 1: Direct emissions from company sources
- Scope 2: Indirect emissions from the purchase of electricity and district heating

No reliable data is available yet for scope 3 emissions (other indirect emissions).

Emissions are calculated from the consumption of electrical power, district heating, and fossil fuels in strict CO_2 values. Emissions from our vehicle fleet have also been integrated for the first time.

The calculations were carried out using the GHG Protocol calculation tools (WBCSD/WRI) and the emissions factors published by the International Energy Agency (CO_2 Emissions from Fuel Combustion [2008 Edition], OECD/IEA 2008). All emissions for the period under review and the previous two years have been completely recalculated with this base.

As in the previous two years, we were once again able to reduce harmful CO_2 emissions in nearly all categories – with the exception of scope 1 emissions from heating. The reduction in indirect emissions from power generation in Germany was particularly strong. Aside from measures aimed at saving energy and increasing energy efficiency, this was achieved through the purchase of renewable energy certificates (RECS, Renewable Energy Certificate System) for more than 2,500 GWh. Considering the approx. 17 percent share of renewable energy in German power generation, we have covered our full power requirements in Germany either directly or indirectly from renewable energy resources since January 2008. TÜV Süd reviewed and confirmed this in May 2009.

We will continue to calculate emissions from power and heating consumption using GEMIS (Global Emissions Model for Integrated Systems) in parallel. The results are included in our 2009 CR Online Report. @ 604

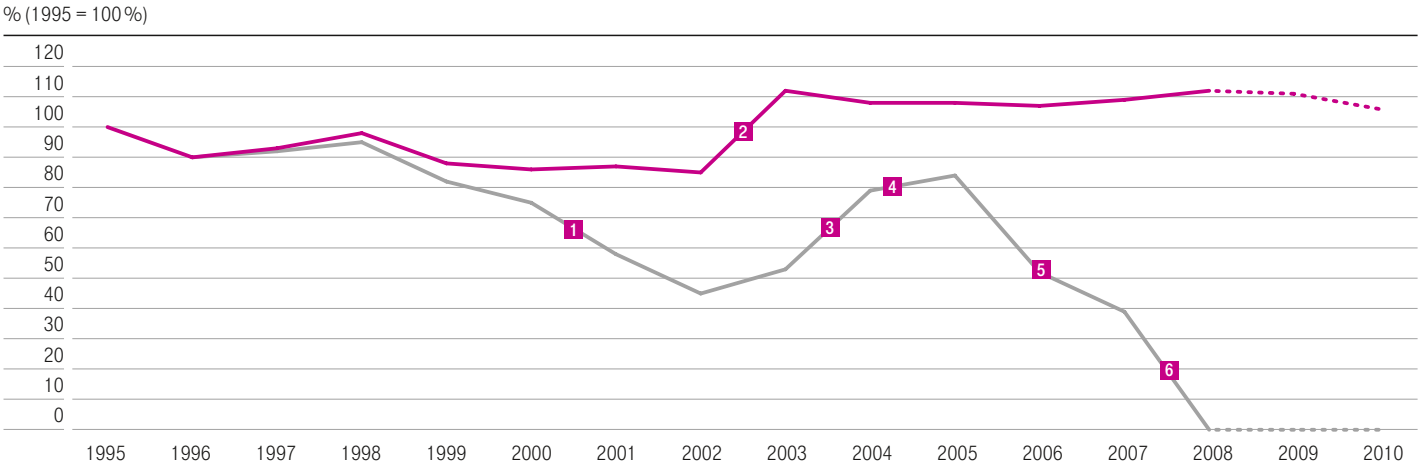
Specific emissions of the Deutsche Telekom Group.

	from power consumption			from heating consumption		
g CO_2/kWh	**2008**	2007	2006	**2008**	2007	2006
Germany	0*	187	255	226	225	230
International (excl. Germany)	513	462	476	231	244	254
Total	**257**	**309**	**349**	**227**	**230**	**237**

* Starting in 2008, 100 % of power requirements covered by renewable energy sources (EEG quantities in the German power mix and RECS certificates). 99.87 % of the required RECS certificates were available during the PwC audit; the remaining 0.13 % was purchased subsequently.

The specific emissions are a measure of the emissions intensity of the energy sources used. They provide information about the results of our efforts to reduce CO_2 emissions produced by energy consumption. This is shown in the chart below. Once again, the values here have been completely recalculated in accordance with the GHG Protocol/IEA. The previous GEMIS-based reporting scheme is continued in our 2009 CR Online Report. @605

Severing the link between power consumption and CO_2 emissions of the Deutsche Telekom Group in Germany.



Power consumption in Germany
CO_2 equivalents emissions

1 Increased purchasing of cogenerated power
2 Rise in energy consumption for technical reasons
3 Power utilities no longer provide data on share of energy otained from cogeneration
4 Power utilities no longer provide data for their power mix –> calculation based on power mix for Germany
5 Purchase of power from renewable energy sources
6 Purchasing larger shares of electrical power from renewable energy sources and measures to increase energy efficiency

With its extensive package of measures, Deutsche Telekom works continually on severing the link between its business operations and CO_2 emissions. For example, we have covered our full power requirements in Germany directly or indirectly from renewable energy since January 2008 (share in the German power market plus RECS certificates). The previous, GEMIS-based reporting scheme is continued in our 2009 CR Online Report. @606

Vehicles and mileage of the Deutsche Telekom Group.

2008 reporting period	Vehicles	Service vehicles	Company cars	Gasoline engine %	Diesel engine [a] %	Annual mileage million km	Fuel consumption Gasoline thousand liters	Fuel consumption Diesel thousand liters
Austria	261	17	244	0.4	99.6	8.0	13	598
Croatia [b]	1,725	573	1,152	0.5	99.5	30.3	7	2,255
Czech Republic	617	470	147	53.3	46.7	17.5	657	592
Greece [c]	2,912	2,776	136	88.6	11.4	23.4	2,845	312
Great Britain [d]	✓ 497	✓ 173	✓ 324	✓ 15.3	✓ 83.7	✓ 19.8	✓ n.a.	✓ n.a.
Hungary	3,316	2,159	1,157	43.5	54.7	57.2	2,933	2,460
Macedonia	541	382	159	15.2	84.8	8.4	142	613
Montenegro	167	118	49	7.8	92.2	1.7	17	185
Netherlands [e]	404	53	351	37.6	62.1	39.5	345	4,797
Poland [f]	1,177	800	377	3.3	96.7	25.3	122	1,788
Slovakia [d]	✓ 1,830	✓ 1,180	✓ 650	✓ 67.4	✓ 32.3	✓ 35.1	✓ 2,069	✓ 1,070
USA	1,436	1,436	0	99.6	0.4	46.9	7,859	4

n.a. = not available

[a] Since some national companies also use hybrid and natural-gas powered vehicles, the total shares of gasoline and diesel engines do not amount to 100 % at these national companies.
[b] Croatia: Gasoline-powered vehicles continue to be replaced by diesel vehicles, in line with fleet policy.
[c] The values for 2008 are of a purely informative nature.
[d] Data includes PwC-certified figures from T-Mobile UK and Slovak Telekom (not including Strabag Slovakia). Note re. Great Britain: The data is supplied by an external service provider and comprises T-Mobile UK. Note re. Slovakia: The data is comprised of values from Slovak Telekom and T-Mobile Slovensko. The business audit only assessed the data at Slovak Telekom, with the following values (vehicles: 1,430, service vehicles: 1,130, company vehicles: 300, share of gas engines: 75.8 %, share of diesel engines: 23.8 %, annual mileage: 27.5 million km, gasoline consumed: 1,730 thousand l, diesel fuel consumed: 644 thousand l); number of vehicles and share of gasoline/diesel engines at Slovak Telekom refers to the average vehicle.
[e] The values cannot be compared with the previous year's figures due to the merger of Orange NL and T-Mobile Netherlands.
[f] Poland: Mileage was estimated based on the reported fuel consumption, similar to the method used for Croatia.

Fleet data showed divergent trends compared to the previous year. The number of vehicles declined slightly, adjusted for special factors, as did total mileage and fuel consumption.

The Deutsche Telekom Group vehicle fleet was further reduced in 2008. Contributing factors to the reduction in numbers were the sale of business units as well as changes in conditions of use. At the same time, the total annual mileage figure for the fleet vehicles also fell during the period under review. Despite a smaller number of vehicles on hand, the mileage covered by the service vehicles was significantly increased, thanks to organization policies and efficient fleet management. The mileage covered by the company vehicles, however, fell significantly. Tables illustrating average consumption and average mileage are not included in this year's CR Report due to their lesser significance. If required, calculation in regard to the fleet is possible based on data included in the table above.

The significant reduction in CO_2 emissions compared to the previous year is a direct result of the changes in the Group's mobility requirements. As a result of the strict model policy operated by our mobility service provider DeTeFleetServices our Group procurement focuses exclusively on energy-saving, reduced-pollutant new vehicles.

Fleet services, mobility, consumption and CO_2 emissions at the Deutsche Telekom Group in Germany.

as of Dec. 31	✓ 2008	2007	2006
Vehicles (total number)	**39,034**	**42,591**	**42,260**
Service vehicles [a]	27,326	28,460	29,424
Company cars [b]	11,708	14,124	12,836
Mileage (million km)	**820.0** [c]	**922.0** [d]	**905.9**
Service vehicles [a]	432.0 [c]	416.0 [d]	446.0
Company cars [b]	387.0 [c]	506.0 [d]	459.9
Consumption (million liters)	**61.3**	**68.8**	**68.9**
Service vehicles [a]	31.6	30.8	33.2
Company cars [b]	29.8	38.0	35.7
CO_2 emissions fleet (metric tons)	**160,700**	**180,060**	**179,511**
Service vehicles [a]	82,596	80,728	86,904
Company cars [b]	78,103	99,332	92,607

[a] Including motor pool vehicles.
[b] Including service vehicles.
[c] Estimated data due to system-related inability to fully account for error corrections carried out subsequently. An estimation of the error margin for all total mileage data is, at the time of reporting, not possible due to system restrictions.
[d] Data calculated on the basis of unchanged average fuel consumption in the second half of year.

Waste volume generated by the Deutsche Telekom Group.

	Total waste			Technical waste			Hazardous waste		
metric tons	**2008**	2007	2006	**2008**	2007	2006	**2008**	2007	2006
Austria	150	181	634	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Croatia [a]	726	870	1,297	217	381	649	186	133	320
Czech Republic	657	705	586	53	59	231	7	11	11
Germany [b]	✓ 52,454	57,727	53,596	✓ 15,702	21,116	10,948	✓ 6,406	3,290	895
Greece [c]	1,834	n.a.	n.a.	1,233	n.a.	n.a.	193	n.a.	n.a.
Great Britain [d]	✓ 1,997	1,466	2,000	✓ 667	n.a.	n.a.	✓ 2	n.a.	n.a.
Hungary	4,919	6,086	8,247	478	1,385	1,892	944	1,598	541
Macedonia	133	261	2,688	n.a.	211	317	n.a.	n.a.	n.a.
Montenegro [e]	387	387	see Hungary	n.a.	n.a.	see Hungary	75	75	see Hungary
Netherlands [f]	335	551	277	28	22	92	2	4	1
Poland [g]	631	462	225	75	36	25	n.a.	n.a.	n.a.
Slovakia [d]	✓ 3,464	3,651	3,905	✓ 1,980	1,478	1,419	✓ 184	334	316
USA [h]	20,976	25,371	12,572	12,073	12,073	12,572	n.a.	n.a.	n.a.
Total	**88,664**	**97,718**	**86,027**	**32,506**	**36,761**	**28,145**	**7,998**	**5,445**	**2,084**

n.a. = not available

[a] Technical waste is managed in a waste registry with quantity information.
[b] Also see comments: Subsequent adjustment of the 2007 figures due to a shift from technical waste to hazardous waste in the amount of metric tons 4,517; data is based on estimations and projections for municipal waste.
[c] The values for 2008 are of a purely informative nature and there are no comparable values from previous years.
[d] Data includes PwC-certified figures from T-Mobile UK and Slovak Telekom (not including Strabag Slovakia). Note re. Slovakia: The data is comprised of values from Slovak Telekom and T-Mobile Slovensko. The business audit only assessed the data at Slovak Telekom, with the following values (total waste: 3,464 metric tons; technical waste: 1,980 metric tons ; hazardous waste: 184 metric tons). The value for municipal waste from Slovak Telekom is based partially on estimates.
[e] The previous year's data was used in lieu of more recent data.
[f] The values cannot be compared with the previous year's figures due to the merger of Orange NL and T-Mobile Netherlands.
[g] The value for municipal waste 2007 was adjusted subsequently (– 32 metric tons), as the value in the previous year's report was based on an estimate.
[h] The previous year's data was used in lieu of more recent data for technical waste.

A T-Home cable retrieval project produced a far higher volume of cable and plastic waste in 2007. Given the fact that no exact allocation was possible at the time of the previous year's report, all cable waste from this project was identified as technical waste. The amount of dangerous cables among the technical waste, amounting to 4,517.16 metric tons, has now been subsequently withdrawn from the technical waste category and re-categorized as hazardous waste for 2007.

During the continuation of the cable salvage project in 2008, the level of technical and hazardous waste remained high. The recycling of this waste was carried out mainly via the recycling agent Kaska, whose recycling rate stands at around 96 percent.

Waste data in our international subsidiaries is chiefly ascertained from service provider billing data or projected on the basis of information from suppliers. Concrete data is normally documented for hazardous waste.

The figure for Germany for total waste includes the data on amounts of municipal waste and waste paper. Projections are made for these types of waste based on cross-company indicators. To do this, the waste figures are converted by density into volume and weight and projected as annual totals on the basis of employee figures.

Annual waste recycling rate of the Deutsche Telekom Group in Germany.

% (partly projected)	✓ **2008**	2007	2006
Recycling rate	98	98	98

The waste recycling rate applies to all Group units headquartered in Germany and registers at a constant level of almost 100 percent. Standard disposal is carried out by certified disposal companies and through thermal utilization.

Further ecological indicators are presented in our 2009 CR Online Report:

@607 Water consumption
@608 Customers using online billing method
@609 Space usage

Human Resources indicators.

Trainee ratio at the Deutsche Telekom Group in Germany.

% *	2008	2007	2006
Trainee ratio	9.2	8.4	8.0

* Rounded values, applies to the respective Annual Report.

The Group trainee ratio was 9.2 percent of staff in Germany, excluding Vivento, at the end of 2008. As such, Deutsche Telekom takes a top rank among the major German corporations. Deutsche Telekom intends to maintain this high level of commitment to junior-staff training in future. For 2008 – 2010, Deutsche Telekom and the service industry trade union ver.di have agreed upon an above-average trainee ratio of 2.9 percent of the annual headcount of permanent employees in Germany. The Group has promised to surpass this target in 2009, to demonstrate its strong commitment to society.

Continuing education at Telekom Training at the Deutsche Telekom Group in Germany.

	2008	2007	2006
Seminars	23,428	17,071	16,061
Participants	155,457	108,943	150,533
Participant days *	611,846	459,124	393,962
Average qualification days per employee	3.9	4.2	2.6
Global Teach * accesses (an internal e-learning platform)	417,486	432,900	707,743

* This indicator is based partially on projections.

In the year 2008, Deutsche Telekom expanded its training and development program to achieve strategic human resources development. Telekom Training, the further-training provider for the Group and the external German market, coordinates and designs training programs for expert and executive staff. The number of participants in 2008 increased compared to the previous year, to 155,457. The number of seminars and the total participant days also increased during the reporting period. In addition to conventional departmental training, the service companies have also expanded their course offerings. Nearly 128,000 training days were completed in this area.

Company pension schemes at the Deutsche Telekom Group in Germany.

	As of Dec. 31, 2008	2007	2006
Telekom Pension Fund contracts (rounded figures)	39,460	39,365	39,400
Telekom Pension Fund assets (millions of €) *	241.20	213.04	158.20
Capital account obligations (Deutsche Telekom's employer-financed pension scheme)	99,267	108,509	115,690

* The volume comprises the assets of the deferred compensation from the Deutsche Telekom Pension Fund.

A slight increase in the number of plan participants for the Telekom Pension Fund was recorded in the 2008 financial year. This was accompanied by a drop in contributions and in the number of plan participants who took deferred compensation in the previous year.

As of December 31, 2008, there were 99,267 commitments in the capital account plan for active employees in the Deutsche Telekom Group. In addition to outsourcing, the transfer of accounts from the capital account plan to the Telekom Pension Fund is responsible for the significant reduction compared to 2007.

Further HR indicators are presented in our 2009 CR Online Report:

- @610 spirit@telekom pulse survey
- @611 Health rate
- @612 Accident rate
- @613 Ideas management
- @614 Patent applications
- @615 Workforce development
- @616 Employee structure
- @617 Age structure
- @618 Vivento workforce
- @619 Percentage of female employees
- @620 People with disabilities
- @621 Percentage of part-time employees
- @622 Season tickets
- @623 Key indicators for supplier relationships

Independent Assurance Report.

The audit performed by PwC relates exclusively to the German print version of the report. The following attestation is a translation of the German original produced by the customer.

PricewaterhouseCoopers AG Wirtschaftsprüfungsgesellschaft has been engaged to perform a limited assurance engagement on selected data of the Corporate Responsibility Report in German language and issued an independent assurance report in German language, which has been translated as follows: Independent Assurance Report.

To Deutsche Telekom AG, Bonn

We have been engaged to perform a limited assurance engagement on selected details of the 2009 Corporate Responsibility Report "We take responsibility." ("CR Report") for the 2008 calendar year prepared by Deutsche Telekom AG, Bonn.

Management's Responsibility. Deutsche Telekom AG's Board of Management is responsible for the preparation of the CR Report in accordance with the criteria stated in the Sustainability Reporting Guidelines Vol. 3 (pp. 7 – 17) of the Global Reporting Initiative (GRI):

- Materiality,
- Stakeholder inclusiveness,
- Sustainability Context,
- Completeness,
- Balance,
- Clarity,
- Accuracy,
- Timeliness,
- Comparability and
- Reliability.

This responsibility includes the selection and application of appropriate methods to prepare the CR Report and the use of assumptions and estimates for individual sustainability disclosures which are reasonable in the circumstances. Furthermore, the responsibility includes designing, implementing and maintaining systems and processes relevant for the preparation of the CR Report.

Practitioner's Responsibility. Our responsibility is to express a conclusion based on our work performed as to whether any matters have come to our attention that cause us to believe that the details of the CR Report marked with a check symbol (✓) have not been prepared, in all material respects, in accordance with the abovementioned criteria of the Sustainability Reporting Guidelines Vol. 3 (pp. 7 – 17) of the GRI. These selected details are contained in the "Responsible corporate governance" sub-sections (without consideration of the content of other pages of the CR Report or the CR Online Report to which reference is made in the sub-sections), in the "2009 CR Program" section, and in the "Key indicators" section of the CR Report. We have also been engaged, based on the results of our assurance engagement, to make recommendations for the further development of sustainability management and CR reporting.

We conducted our work in accordance with the International Standard on Assurance Engagements (ISAE) 3000. This standard requires that we comply with ethical requirements and plan and perform the assurance engagement to express our conclusion with limited assurance.

In a limited assurance engagement the evidence-gathering procedures are more limited than in a reasonable assurance engagement (e.g. an audit of annual financial statements in accordance with § 317 of the German Commercial Code), and therefore less assurance is obtained than in a reasonable assurance engagement.

The procedures selected depend on the practitioner's judgment. Within the scope of our work we performed amongst others the following procedures:

- On-site visits to Group Headquarters (Bonn), the national companies T-Mobile UK (London) and Slovak Telekom (Bratislava), and the company's sites in Berlin, Munich, Darmstadt and Bonn as part of the inspection of the processes for gathering, analyzing and aggregating the selected details;
- Inquiries of the employees of the Corporate Responsibility unit responsible for preparing the CR Report about the process to prepare the CR report and the internal control system aligned with this process;
- Perusal of the documents describing and approving the CR strategy, as well as understanding of the organizational structure of CR, the dialog with stakeholders and the development process behind Deutsche Telekom AG's CR program;
- Comparison of selected data with corresponding data in Deutsche Telekom AG's 2008 Annual Report;
- Inquiries of the employees of the Corporate Responsibility, Procurement, Fleet Management, Ideas Management and Human Resources units as well as employees of the external service provider responsible for energy management at the Deutsche Telekom Group within Germany;
- Examination of the methods and processes for determining CO_2 emissions regarding the approach and responsibilities, limitations of the system, sources of data and emissions factors as well as the use of the audit results of an external auditor from the advance confirmation dated June 4, 2009, relating to the 2008 calendar year, on the electricity consumption of the Deutsche Telekom Group in Germany;
- Obtaining evidence for the accuracy of the details marked with a check symbol (✓), e. g. by inspecting internal documents, contracts and invoices/reports from external service providers, and by analyzing data based on IT system reports.

Conclusion. Based on our limited assurance engagement, nothing has come to our attention that causes us to believe that the details of the CR Report marked with a check symbol (✓) have not been prepared, in all material respects, in accordance with the criteria of the Sustainability Reporting Guidelines Vol. 3 (pp. 7–17) of the GRI.

Additional Notes – Recommendations. Without qualifying the results of our engagement set out above, we make the following recommendations for the further development of CR management and CR reporting:

- Continued implementation of the already initiated roll-out of the CR strategy, as well as ensuring and documenting the operational realization of goals by the individual business units;
- Continued embedding of CR management at the level of segments and business units, taking into consideration restructuring steps in the Group and documentation of the associated flows of information;
- Ensuring transparent and continuous reporting on the achievement of the targets of the CR program as well as communication to stakeholders of the corresponding key performance indicators of target achievement;
- Group-wide harmonization of the definitions of CR key indicators;
- Group-wide consistent application and documentation of the necessary control procedures for CR data gathering at all organizational levels;
- Introduction of a Group-wide IT application system for Group-wide documentation, control and archiving of CR data.

Frankfurt am Main, June 26, 2009

PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

signed Michael Werner

signed ppa. Nina Müller
Wirtschaftsprüfer

GRI index and Global Compact Communication on Progress.

GRI index. The Global Reporting Initiative (GRI) principles form the basis for Deutsche Telekom's corporate responsibility (CR) reporting. Deutsche Telekom's 2009 Corporate Responsibility (CR) Report fully meets the current guidelines (G3) from the GRI, including the pilot version of the Telecommunications Sector Supplement of 2003. GRI has checked and confirmed this with an "A+," the highest application level.

The following GRI index indicates to what extent we take the GRI indicators into account. At the same time, it shows where in the report the indicators are dealt with. For some indicators, we also refer to the 2009 CR Online Report and other publications of the Deutsche Telekom Group. Additional indicators that we have taken into account, but whose fulfillment is not compulsory for level "A+," are printed in gray.

A detailed GRI index is published in the 2009 CR Online Report. There you can find additional information for the individual indicators, and an explanation why Deutsche Telekom does not make reference to certain indicators. In some cases, this is due to the materiality process, which preceded the selection of topics for this report.

See page 12.

Global Compact Communication on Progress. This CR Report also serves as a COP (Communication on Progress) report for Deutsche Telekom in line with the United Nations Global Compact. The table below the GRI index shows where we provide information about our commitment to implementing the ten principles of the Global Compact in this CR Report, in the 2009 CR Online Report and in other Group publications.

Indicator		Reference	Status
1.	**Strategy and Analysis**		
1.1	Statement from the most senior decision-maker	p. 2 f.	●
1.2	Key impacts, risks and opportunities	AR 2008 p. 44 @ 701	●
2.	**Organizational Profile**		
2.1	Name of the organization	p. 4 f., Contact and publishing information	●
2.2	Brands, products and/or services	p. 4 f.	●
2.3	Operational structure	p. 4 f.; AR 2008 p. 55 ff.	●
2.4	Headquarter location	p. 4 f.; AR 2008 p. 56	●
2.5	Countries in operation	p. 4 f.; AR 2008 p. 53 ff.	●
2.6	Nature of ownership	AR 2008 p. 56 ff.	●
2.7	Markets served	p. 4 f.; AR 2008 p. 55 f., 62 f.	●
2.8	Scale of the organization	p. 4 f.; AR 2008 p. 52 ff., 65 ff., 91 f.	●
2.9	Significant changes regarding size, structure, or ownership	p. 4 f.; AR 2008 p. 55 ff.; HRR 2008/2009 p. 6 f., 8 ff.	●
2.10	Awards received	A quick glance at the year, p. 23 ff., 40 ff., 43 f. @ 702	●

Indicator		Reference	Status
3.	**Report Parameters**		
3.1	Reporting period	About this report	●
3.2	Date of most recent previous report	About this report	●
3.3	Reporting cycle	About this report	●
3.4	Contact point for questions	Contact and publishing information	●
3.5	Process for defining report content	About this report, p. 11 ff.	●
3.6	Boundary of the report	About this report	●
3.7	Limitations on the scope or boundary of the report	About this report	●
3.8	Joint ventures, subsidiaries, and outsourced operations	AR 2008 p. 55 ff. www.telekom.com> Company>Worldwide presence	●
3.9	Data measurement techniques	About this report, p. 50 ff., 57 @ 703	●
3.10	Effects of re-statement of information provided in earlier reports		●
3.11	Significant changes in the scope, boundary, or measurement methods	About this report, p. 50 ff.	●
3.12	GRI Content Index	Available	●
3.13	External assurance	About this report, p. 57	●
4.	**Governance, Commitments and Engagement**		
4.1	Governance structure	p. 7 ff., 10; AR 2008 p. 28 f., 42 f.	●
4.2	Indication whether chairperson is also executive officer	AR 2008 p. 28	●
4.3	Independent members at the board	AR 2008 p. 28 f.	●
4.4	Mechanisms for shareholders and employees to provide recommendations to the board	p. 11 ff.; AR 2008 p. 30 ff., 42 f.; HRR 2008/2009 p. 21 ff. @ 704; @ 705	●
4.5	Linkage between executive compensation and organization's performance	AR 2008 p. 45 f.	●
4.6	Processes to avoid conflicts of interest at the board	AR 2008 p. 44	●
4.7	Expertise of board members on sustainability topics	p. 10 f.	●
4.8	Statements of mission, codes of conduct, and principles	p. 7, 14 f., 44 ff. @ 706	●
4.9	Procedures for board governance on management of sustainability performance	p. 7 ff., 9, 10 f., 48 f.	●
4.10	Processes for evaluation of the board's sustainability performance	p. 7, 9, 10 f., 48 f., 50 ff.; AR 2008 p. 45 @ 707	●
4.11	Precautionary approach	p. 14; AR 2008 p. 43 f. @ 708	●
4.12	External charters, principles, or other initiatives	p. 7, 11, 17 f., 20 f., 44 f. @ 709	●
4.13	Memberships in associations	p. 11, 17 f., 44 f.	●
4.14	Stakeholder groups	p. 11 ff., 17 ff., 35, 40 ff. @ 710; @ 711; @ 712	●
4.15	Stakeholder identification and selection	p. 11 ff. @ 713; @ 714; @ 715	●
4.16	Approaches to stakeholder engagement	p. 11 ff., 17 ff., 27 f., 35 f., 40 ff. @ 716; @ 717; @ 718	●
4.17	Topics and concerns raised by stakeholders	p. 11, 17 ff., 27, 35 f., 40 ff. @ 719; @ 720; @ 721	●
Economic Performance Indicators			
	Disclosure on management approach	p. 4 f.; AR 2008 p. 59 f.	●
EC1	Direct economic value generated and distributed	p. 51; AR 2008 p. 49 @ 722	●
EC2	Financial implications due to climate change	p. 36 f., 40 ff.; AR 2008 p.104 @ 723	●
EC3	Coverage of the organization's defined benefit plan	p. 56; AR 2008 p. 65 ff., 111 ff. @ 724	●
EC4	Financial government assistance		●
EC5	Entry level wage compared to local minimum wage	AR 2008 p. 91 ff.; HRR 2008/2009 p. 15	◐

Indicator		Reference	Status
EC6	Locally-based suppliers	p. 17 ff., 23 f. @ 725	●
EC7	Local hiring	p. 23 ff.; HRR 2008/2009 p. 24 ff., 33 ff. @ 726	●
EC8	Infrastructure investment and services for public benefit	p. 4 f., 25 f., 28 f., 31 ff. @ 727	●
EC9	Indirect economic impacts	@ 728	●
Environmental Performance Indicators			
	Disclosure on management approach	p. 27 f., 31 ff., 40 ff.; AR 2008; p. 84	●
EN1	Volume of materials used		◆
EN2	Recycled materials	p. 47	●
EN3	Direct primary energy consumption	p. 51 ff. @ 729	●
EN4	Indirect primary energy consumption	p. 51 ff. @ 730	●
EN5	Energy conservation	p. 27 f., 36 f., 51 ff. @ 731	●
EN6	Initiatives for energy-efficiency and renewable energy	p. 7, 27 f., 36 f.	●
EN7	Initiatives for reducing indirect energy consumption	p. 27 f., 36 f., 51 ff. @ 732	●
EN8	Total water withdrawal	@ 733	●
EN9	Effect of water withdrawal		◆
EN10	Water recycled and reused		◆
EN11	Land assets in or adjacent to protected areas		◆
EN12	Impacts on biodiversity	@ 734	●
EN13	Habitats protected or restored		◆
EN14	Strategies for biodiversity	A quick glance at the year @ 735	●
EN15	Endangered species	p. 27 f., 47 @ 736	●
EN16	Greenhouse gas emissions	p. 7, 27, 38 ff., 40 ff., 51 ff. @ 737	●
EN17	Other greenhouse gas emissions	p. 51	●
EN18	Initiatives to reduce greenhouse gas emissions	p. 11 ff., 27 f., 36 f., 40 ff., 51 ff.	●
EN19	Emissions of ozone-depleting substances	p. 20	●
EN20	NO_x, SO_x, and other air emissions	@ 738	●
EN21	Water discharge		◆
EN22	Waste by type and disposal method	p. 51 ff. @ 739	●
EN23	Significant spills		◆
EN24	Waste deemed hazardous under the terms of the Basel Convention		◆
EN25	Impacts of discharges and runoff on biodiversity		◆
EN26	Initiatives to mitigate environmental impacts	p. 7 ff., 27 f., 36 f.	●
EN27	Packaging materials		●
EN28	Sanctions for noncompliance with environmental regulations	AR 2008 p. 101 f.	●
EN29	Environmental impacts of transport	p. 27, 46	●
EN30	Environmental protection expenditures		◐
Social Performance Indicators: Labor Practices and Decent Work			
	Disclosure on management approach	p. 23 ff.; HRR 2008/2009 p. 8 ff.	●
LA1	Workforce by employment type and region	p. 4 f., 23 ff., 56; HRR 2008/2009 p. 3 f. @ 740	●
LA2	Employee turnover	HRR 2008/2009 p. 2 @ 741	●
LA3	Benefits to full-time employees	p. 56; AR 2008 p. 92 f. www.telekom.com>Karriere>ArbeitgeberTelekom>Vergütung (German) @ 742	◐
LA4	Employees with collective bargaining agreements	p. 23 ff.; HRR 2008/2009 p. 15	●
LA5	Minimum notice period(s) regarding operational changes	HRR 2008/2009 p. 12 ff., 34	●
LA6	Workforce represented in joint health and safety committees		●
LA7	Occupational diseases, lost days, and number of fatalities	HRR 2008/2009 p. 17 @ 743	●
LA8	Training on serious diseases	HRR 2008/2009 p. 15 ff. @ 744; @ 745	●
LA9	Trade union agreements on health and safety		◐
LA10	Training per employee	p. 23 ff., 56 HRR 2008/2009 p. 24 ff. @ 746	●
LA11	Programs for lifelong learning	p. 23 ff.; HRR 2008/2009 p. 24 ff. @ 747	◐
LA12	Regular performance and career development reviews	p. 23 ff.; HRR 2008/2009 p. 24 ff. @ 748; @ 749	◐
LA13	Composition of governance bodies	p. 23 ff.; AR 2008 p. 38 ff.; HRR 2008/2009 p. 27 @ 750; @ 751	●
LA14	Gender pay disparity	p. 23 ff. @ 752	●
Social Performance Indicators: Human Rights			
	Disclosure on management approach	p. 17 f., 19 ff.	●
HR1	Investment agreements	p. 17 f. 19 ff.	●
HR2	Supplier screening on human rights	p. 17 f. 19 ff.	●
HR3	Training on human rights	p. 7 ff., 10, 14 f., 17 ff.	●
HR4	Incidents of discrimination	p. 14 f. @ 753; @ 754	●
HR5	Freedom of association and collective bargaining	www.telekom.com/dtag/cms/content/dt/de/214006 (German) www.telekom.com>Corporate Responsibility>Global Responsibility>Sustainable procurement @ 755	●
HR6	Child labor	p. 17 f., 19 ff.	●
HR7	Forced labor	p. 17 f., 19 ff. @ 756	●
HR8	Training for security personnel	p. 7, 17 f., 20 f.	●
HR9	Violations of rights of indigenous people		◆
Social Performance Indicators: Society			
	Disclosure on management approach	p. 7 ff., 14 f., 28 f. @ 757	●
SO1	Impacts on communities	p. 28 f., 31 ff.; AR 2008 p. 96 ff. @ 758; @ 759; @ 760	●
SO2	Corruption risks	p. 14 f., 17 ff,; AR 2008 p. 42 ff. @ 761; @ 762	●
SO3	Anti-corruption training	p. 14 f., 17 ff., 19; AR 2008 p. 94 f. @ 763	●
SO4	Actions taken in response to incidents of corruption	p. 14 f., 17 ff., 19 @ 764	●
SO5	Lobbying	p. 31 ff.	●
SO6	Donations to political parties and politicians		◐
SO7	Legal actions for anticompetitive behavior	AR 2008 p. 101 f.	●
SO8	Sanctions for noncompliance with laws and regulations	AR 2008 p. 101 f.	●
Social Performance Indicators: Product Responsibility			
	Disclosure on management approach	p. 14 f., 39 ff. @ 765	●
PR1	Health and safety impacts along product life cycle	p. 35 f., 44 f.	●
PR2	Non-compliance with health and safety standards	AR 2008 p. 101 f.	●
PR3	Product information	p. 40 ff., 44 f., 46	●
PR4	Non-compliance with product information standards	AR 2008 p. 101 f.	●
PR5	Customer satisfaction	p. 40 ff., 46 @ 766	●
PR6	Marketing communication standards	p. 44 f. @ 767	●
PR7	Non-compliance with marketing communication standards	AR 2008 p. 101 f.	●
PR8	Complaints regarding customer privacy	A quick glance at the year, p. 14 ff. www.telekom.com/datenschutz (German)	●
PR9	Sanctions for noncompliance with product and service related regulations	AR 2008 p. 101 f.	●

GRI Telecommunications Sector Supplement (pilot version 1.0).

Indicator		Reference	Status
Internal Operations			
Investment			
IO1	Capital investment in infrastructure broken down by region	p. 31 ff. @ 768	●
IO2	Costs for extending non-profitable services to remote areas and low-income groups; description of statutory provisions		♦
Health and Safety			
IO3	Practices to ensure health and safety of personnel involved in infrastructure installation	www.t-mobile.de>Über T-Mobile> Umwelt und Sicherheit (German) @ 769	●
IO4	Compliance with ICNIRP standards on handset radiation	p. 35 f., 45 f. www.t-mobile.de>Über T-Mobile> Umwelt und Sicherheit (German) @ 770	●
IO5	Compliance with ICNIRP standards on handset radiation	p. 35 f., 45 f. www.t-mobile.de>Über T-Mobile> Umwelt und Sicherheit (German) @ 771	●
IO6	Practices with respect to SAR levels of handsets	p. 35 f, 45 f. www.t-mobile.de>Über T-Mobile> Umwelt und Sicherheit (German) @ 772	●
Infrastructure			
IO7	Practices with respect to the siting of transmission masts	p. 11 f., 35 f., 45 f.	●
IO8	Number of stand-alone sites and shared transmission masts	p. 35 f., 45 f. www.t-mobile.de>Über T-Mobile> Umwelt und Sicherheit (German) @ 773	◐
Providing Access			
Access to Telecommunications Products and Services: Bridging the Digital Divide			
PA1	Policies and practices in low population density areas	p. 31 ff., 43 @ 774	●
PA2	Policies and practices to overcome barriers for access and use	p. 43 @ 775	●
PA3	Policies and practices to ensure availability and reliability of products and services	@ 776	●
PA4	Coverage areas and market shares of products and services	p. 31 ff., 39 ff.	●
PA5	Number and types of products and services provided to low and no-income sectors of the population	p. 43 @ 777	●
PA6	Programs and practices to provide and maintain services in emergency situations	@ 778	●
Access to Content			
PA7	Policies and practices to manage human rights issues relating to access to and use of telecommunications products and services	p. 20 ff., 43 f. @ 779	◐
Customer Relations			
PA8	Policies and practices to publicly communicate on EMF-related issues	p. 35, 44 f.	●
PA9	Total amount invested in electromagnetic field research	p. 26	◐
PA10	Initiatives to ensure clarity of charges and rates	p. 44	●
PA11	Initiatives to inform customers about how to use products in a responsible, efficient, and environmentally-friendly manner	p. 40 ff.	●
Technology Applications			
Resource Efficiency			
TA1	Examples of the resource efficiency of telecommunications products and services	p. 40 ff.	●
TA2	Examples of telecommunications products suited to replace physical objects	p. 39 ff.	●
TA3	Changes in customer behavior due to the use of the products and services listed above	p. 39 ff.	●
TA4	Consequences of customer use of the products and services listed above, and lessons learned for future development	p. 7 ff., 39 ff.	●
TA5	Practices relating to intellectual property rights	AR 2008 p. 90 @ 780	●

Global Compact Communication on Progress (COP).

Indicator		Reference	Status
Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights	A quick glance at the year, p. 7, 10, 14 ff., 17 f., 19, 20 ff., 23 f., 31 ff., 35, 44 f., 56; AR 2008 p. 38 ff., 91 ff., 101 f.; HRR 2008/2009 p. 17, 15 ff., 27 www.telekom.com>Corporate Responsibility>Global Responsibility>Sustainable procurement www.telekom.com>Konzern> Datenschutz (German) www.telekom.com/dtag/cms/content/dt/de/214006 (German) @ 781; @ 782; @ 783; @ 784; @ 785	●
Principle 2	Businesses should make sure that they are not complicit in human rights abuses	p. 7, 10, 14 ff., 17 f., 19, 20 ff., 31 ff. www.telekom.com/dtag/cms/content/dt/de/214006 (German) www.telekom.com>Corporate Responsibility>Global Responsibility>Sustainable procurement @ 786; @ 787; @ 788	●
Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	p. 23 f., 17 f., 19, 20 ff., 31 ff.; HRR 2008/2009 p. 12 ff.,15, 34 www.telekom.com/dtag/cms/content/dt/de/214006 (German) www.telekom.com>Corporate Responsibility>Global Responsibility>Sustainable procurement @ 789	●
Principle 4	Elimination of all forms of forced and compulsory labor	p. 17 f., 19, 20 ff., 31 ff. @ 790	●
Principle 5	Effective abolition of child labor	p. 17 f., 19, 20 ff., 31 ff.	●
Principle 6	Elimination of discrimination in respect of employment and occupation	p. 10, 14 ff., 17 f., 19, 20 ff., 23, 31 ff., 56; AR 2008 p. 38 ff.; HRR 2008/2009 p. 2, 27, 24 ff., 33 ff. @ 791; @ 792; @ 793	●
Principle 7	Businesses should support a precautionary approach to environmental challenges	p. 7 ff., 11 ff., 27, 31 ff., 36 ff., 40 ff., 51 ff.; AR 2008 p.104 @ 794	●
Principle 8	Undertake initiatives to promote greater environmental responsibility	A quick glance at the year, p. 7 ff., 11 f., 20 ff., 27, 31 ff., 36 ff., 40 ff., 44 f., 46, 47, 51 ff.; AR 2008 p. 101 f. @ 795; @ 796	●
Principle 9	Encourage the development and diffusion of environmentally friendly technologies	p. 7 ff., 11 f., 27, 31 ff., 36 ff., 40 ff., 47, 51 ff. @ 797	●
Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery	p. 14 ff., 17 f., 19, 31 ff.; AR 2008 p. 42 ff., 94 f. @ 798; @ 799	●

References

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AR 2008 (Annual Report 2008)
HRR 2008/2009
(Human Resources Report 2008 /2009)
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Status

● completely covered
◐ partially covered
○ not covered
♦ not material

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