

HR Factbook 2019

PEOPLE. FACTS. DEVELOPMENTS.



LIFE IS FOR SHARING.

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ABOUT THE HR FACTBOOK 2019

Dear Readers,

Last year's HR Factbook began with the words "Digitalization is still the hot topic on everyone's lips" and this is a key aspect again this year. In the context of strong digitalization and the lightning-fast changes it brings, we are set on evolving new work structures at Deutsche Telekom. We are changing the way we work, improving our flexibility, working with greater autonomy and interacting to a greater degree across individual units. Therefore, in 2019, we successfully launched agile working in many areas of the company. Agile working helps us to work more effectively for the benefit of our customers and, at the same time, motivates our employees.

Deutsche Telekom is a world-leading telecommunications company with locations in a total of 32 countries and a workforce in excess of 210,000 people. In the 2019 financial year, we generated Group revenue of 80.5 billion euros, which translates into a huge increase of almost 6 % year-on-year. These successes would not have been possible without the outstanding efforts of our workforce, who will not be content until the whole world is connected, true to our new corporate mission: "We won't stop until everyone is connected."

Again this year, we provide an overview of the relevant facts and figures relating to the Deutsche Telekom workforce in 2019. The 2019 HR Factbook supplies details of our corporate culture as well as of the diversity, skills and performance potential of our staff. At the same time, it reflects our commitment to leadership and to occupational health and safety, providing data on productivity, personnel costs, and staff recruitment and turnover.

The three infographics that you will find at the beginning give you an initial overview of HR trends in 2019, while subsequent sections provide further details.

I hope you enjoy reading it.

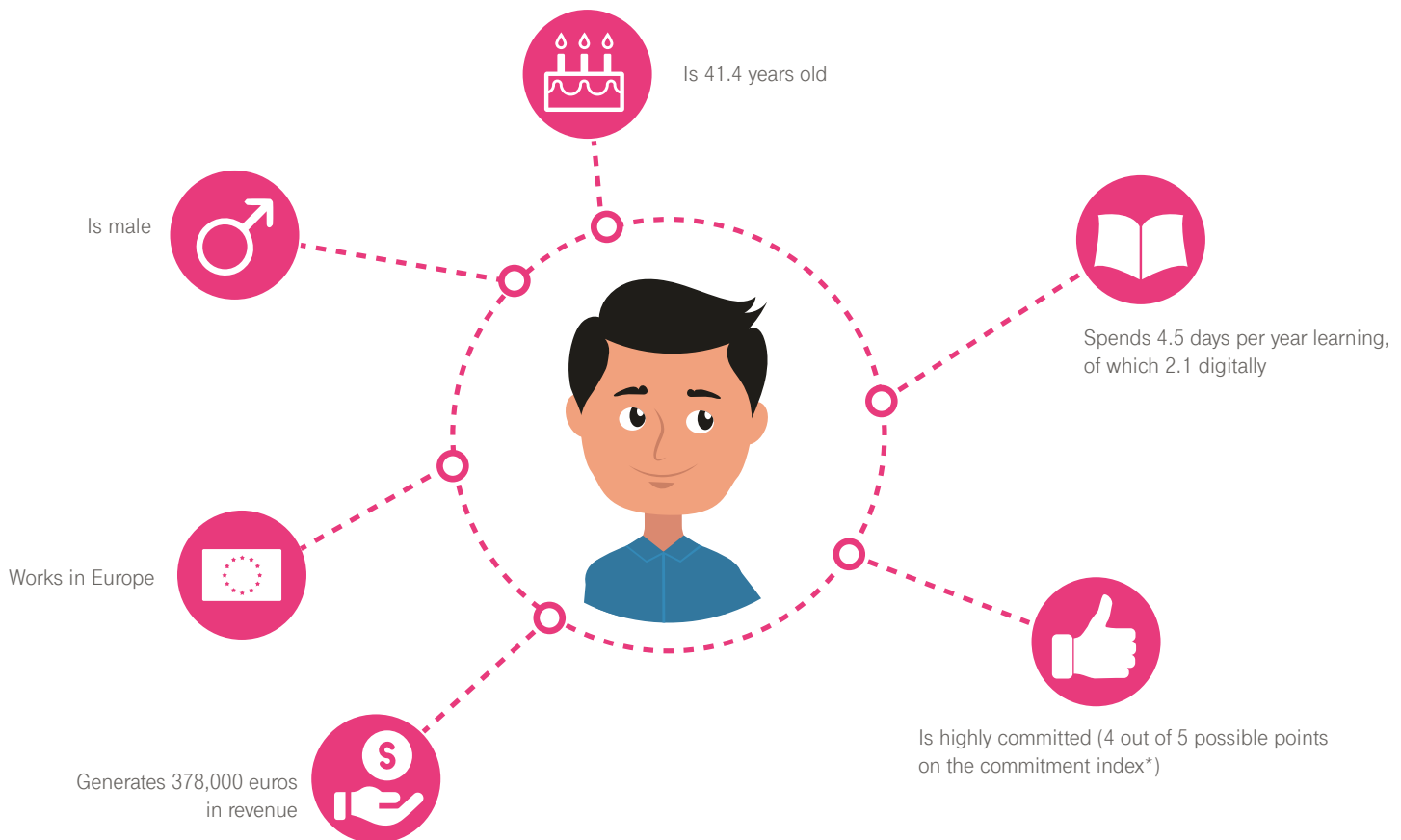
Best regards,

Michael Rubas

Senior Vice President for Human Resources Planning & Operations

Most of the data in the report refers to the 2019 calendar year ending December 31, 2019. Any exceptions are marked accordingly. All figures are based on more precise data. Since some values are rounded, totals may differ slightly. Some of the ratios are based on annual averages. The figures are often divided into the categories "Germany", "International" and "Group". In this case, "Germany" represents employees based in Germany (irrespective of segment). "International" refers to all employees based at locations outside Germany, while "Group" refers to the entire workforce. Some of the data is broken down into operating segments, i.e. Germany, United States, Europe, Group Development (since January 1, 2017) and Systems Solutions. Group Headquarters & Group Services (GHS) comprises all Group units that are not directly assigned to one of the operating segments. As of January 1, 2017, the subsegment Technology & Innovation also belongs to GHS, which has also absorbed parts of the Systems Solutions segment. In some instances, we have used the male form ("he"), e.g. with reference to employees. This is to make the document easier to read and is used as a generic term, but explicitly refers to all genders. FTE stands for full time equivalents and is used in the Factbook as the unit of measurement for the size of the workforce. FTE therefore reflects the calculated number of full-time equivalents based on all full- and part-time staff.

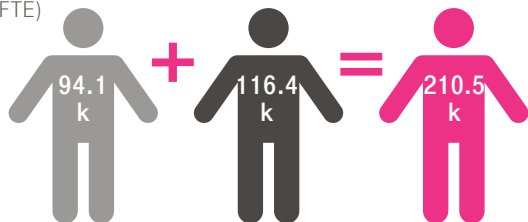
INTRODUCING: A TYPICAL DEUTSCHE TELEKOM EMPLOYEE



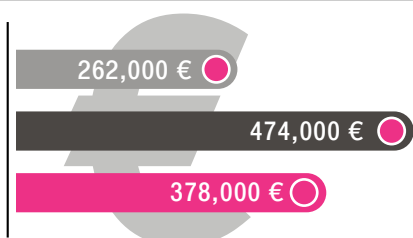
*The commitment index is the mean value of several scores in the employee survey.

DEUTSCHE TELEKOM AT A GLANCE: THE GROUP

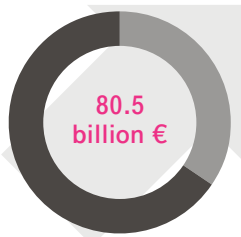
Employees (FTE)



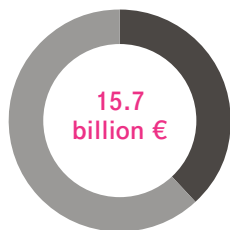
Revenue per employee



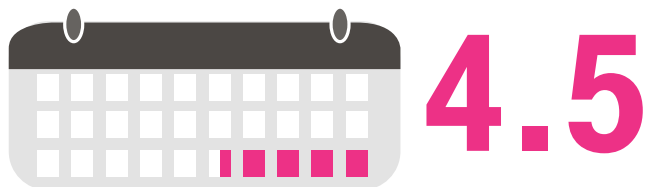
Group revenue



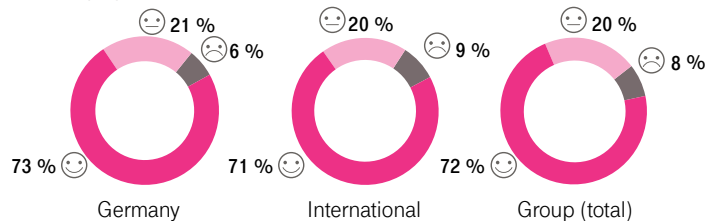
Personnel costs, adjusted



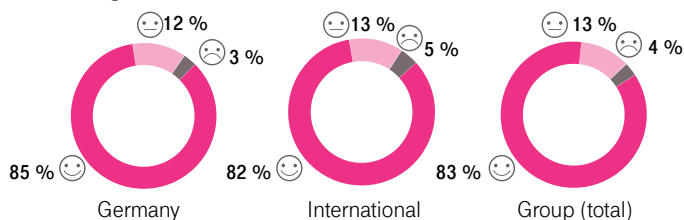
Average number of training days per employee



Overall employee satisfaction



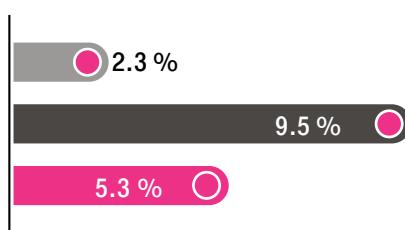
Overall manager satisfaction



Total workforce quota



Natural attrition



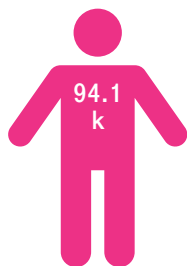
Women in middle and senior management



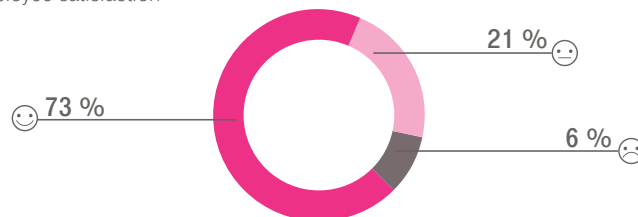
■ Germany ■ International ■ Group (total)

DEUTSCHE TELEKOM AT A GLANCE: GERMANY

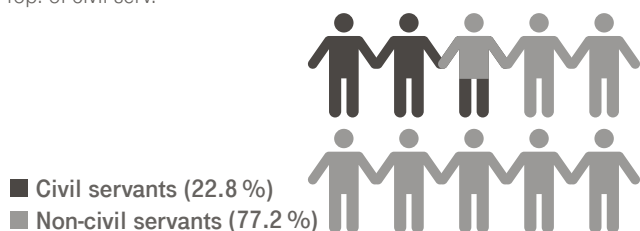
Employees (FTE)



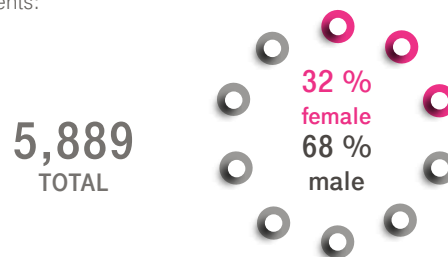
Employee satisfaction



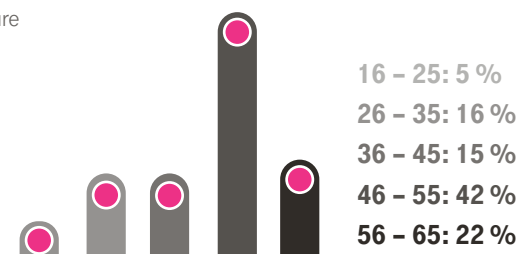
Prop. of civil serv.



Apprentices & students:
Prop. of women



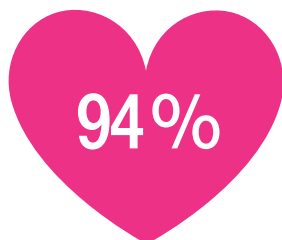
Age structure



Recruitments



Health rate



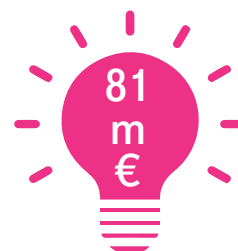
Employees with disabilities

7.6 %

Refugees at Deutsche Telekom

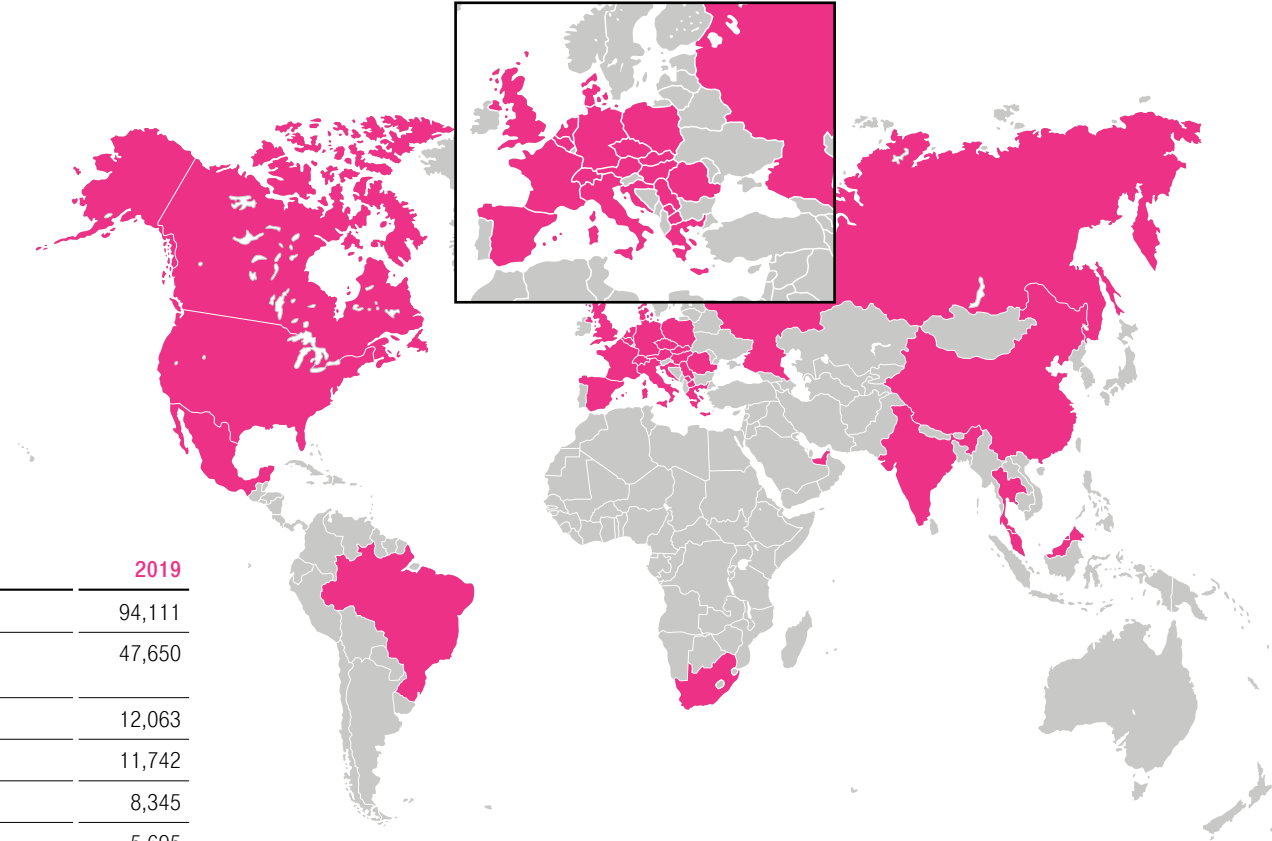


Savings through employee ideas



Employees by country (in FTE)

GLOBAL PRESENCE: INDIA WITH HIGHEST GROWTH



	2019
Germany	94,111
United States (incl. T-Mobile US)	47,650
Greece	12,063
Hungary	11,742
Slovakia	8,345
Romania	5,695
Croatia	5,112
Poland	4,291
Czech Republic	3,471
Austria	2,905
Spain	2,309
Netherlands	2,148
India	1,935
Russia	1,794
Brazil	1,671
North Macedonia	1,068
Mexico	872
South Africa	675
Malaysia	645
Montenegro	495
Switzerland	492

	2019
Great Britain	321
China	214
France	154
Belgium	114
Singapur	103
Denmark	53
Thailand	39
United Arab Emirates	23
Italy	22
Canada	<6*
Ukraine	<6*

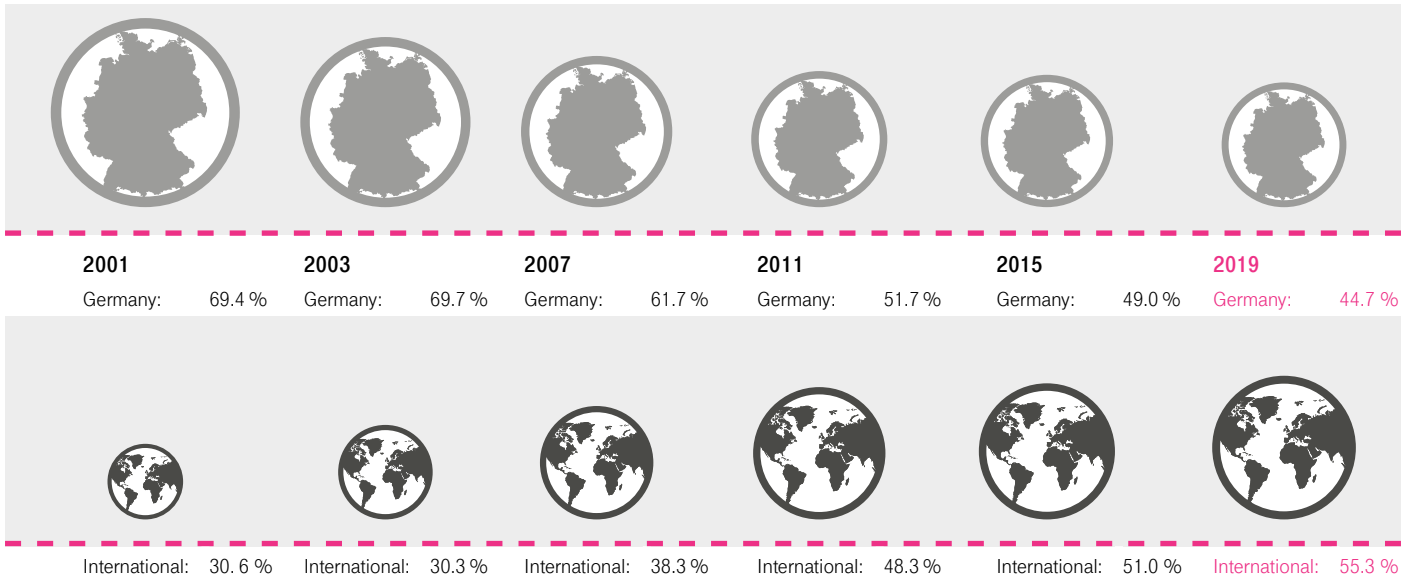
* Values of 6 and less are not mapped.

In 2019, workforce figures in Germany dropped by around 4.1 percent from 98,092 to 94,111, compared to the previous year. The Group recorded its highest growth in India, where the con-

solidation of T-Systems India resulted in a headcount of almost 2,000. The sale of Telekom Albania in 2019 means that we no longer report workforce figures for Albania as per end of 2019.

Employees in Germany and worldwide (in thousands of FTEs as at Dec. 31)

CONTINUED FOCUS ON INTERNATIONALIZATION



	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Germany	178.3	177.8	173.3	171.0	168.0	160.0	148.9	131.7	127.5	123.2	121.6	118.8	116.6	114.7	110.4	104.7	101.9	98.1	94.1
Group (total)	257.0	256.0	248.5	244.6	243.7	248.8	241.4	227.7	259.9	246.8	235.1	229.7	228.6	227.8	225.2	218.3	217.3	215.7	210.5
International	78.7	78.2	75.2	73.7	75.7	88.8	92.5	96.0	132.4	123.6	113.6	110.8	112.0	113.1	114.9	113.7	115.4	117.6	116.4

The percentage of employees at international locations has risen substantially since the 1990s. Whereas around 69 percent of the workforce was employed in Germany in 2001, this figure

has dropped significantly since 2015, and was below 45 percent in 2019.

Employees by operating segment (in FTE)

HEADCOUNT KEEPS DECREASING

	2015*	2016*	2017*	2018	2019
Germany	67,927	66,410	64,798	62,621	60,501
U.S.	44,229	44,820	45,888	46,871	47,312
Europe	48,920	46,808	47,421	48,133	44,591
Systems Solutions	37,850	37,472	37,924	37,467	38,096
Group Headquarters & Group Services	23,548	20,258	19,351	18,606	17,430
Group Development	2,768	2,572	1,967	1,976	2,603
Group (total)	225,243	218,341	217,349	215,675	210,533

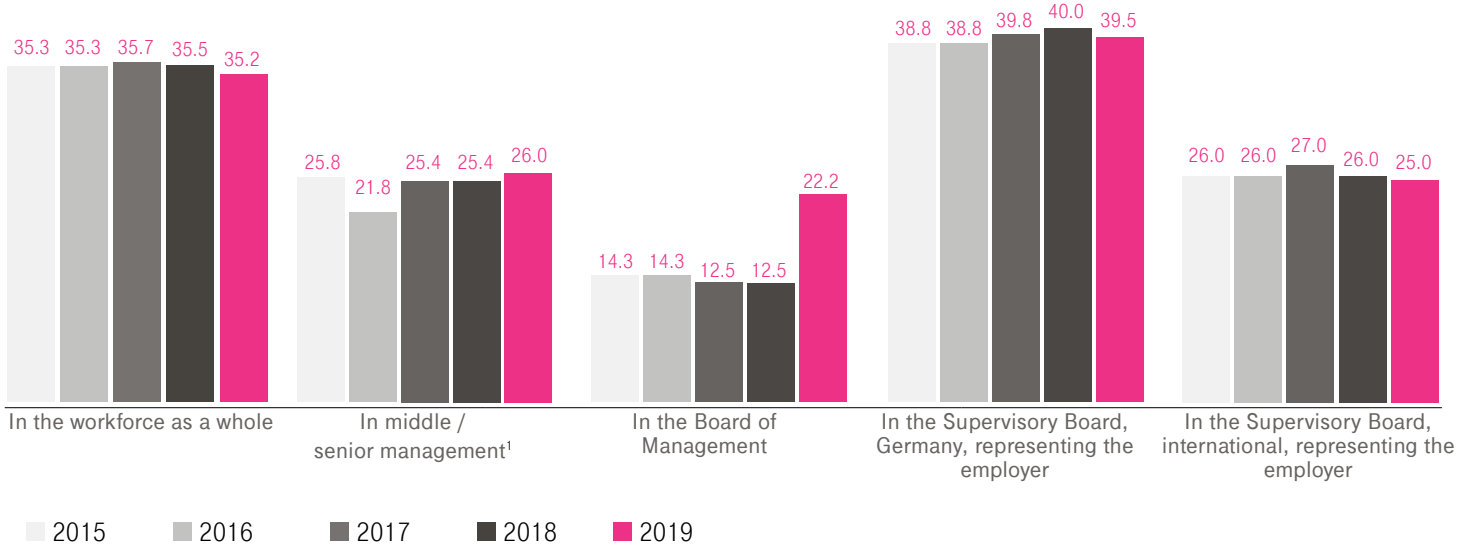
*Since January 1, 2017, our report has included the Group Development segment and, within the Group Headquarters & Group Services segment, the Technology and Innovation Board of Management department. Comparative figures for prior years have been adjusted retrospectively.

The Group's headcount fell by 2.4 percent compared with the end of 2018. Development across the segments was varied. The number of employees in our Germany operating segment declined by 3.4 percent as a result of efficiency enhancement measures and the take-up of socially responsible instruments in connection with staff restructuring. The total number of employees in our United States operating segment increased year-on-year by 0.9 percent as of December 31, 2019, primarily due to ongoing growth in our business. In our Europe operating segment, the headcount was down 7.4 percent compared with the end of the prior year. This was due in part to the sale of Telekom Albania. Headcount also decreased in Romania, Hungary and

Poland. The number of employees in our Systems Solutions operating segment increased by 1.7 percent compared with the end of 2018, mainly due to the first-time inclusion and expansion of a service unit in India. The remaining headcount in this segment decreased by 3.5 percent due to restructuring measures. In the Group Development operating segment, the 31.7 percent increase in the number of employees can be attributed to the inclusion of Tele2 Netherlands in the Netherlands. Headcount in the Group Headquarters & Group Services segment was down 6.3 percent compared with the end of 2018, mainly due to the ongoing staff restructuring at Vivento and reduced headcount in the Technology and Innovation unit.

Proportion of women in the Group (in %)

PROPORTION OF WOMEN IN MANAGEMENT CONTINUES TO RISE



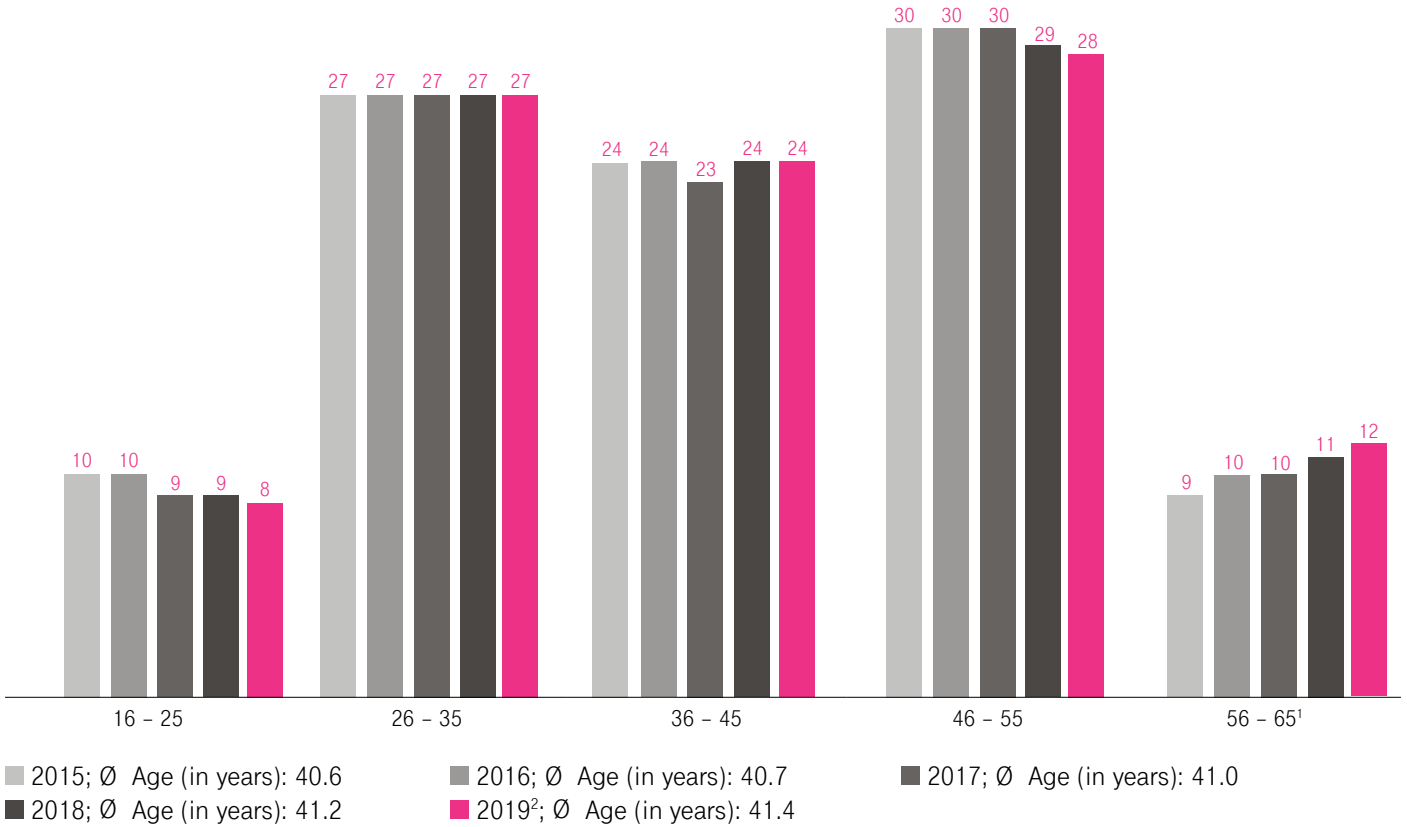
¹ Calculation of the female quota in middle and upper management: Number of female managers (heads) of levels MG1-3 plus middle management per sum of managers at levels MG1-3 plus middle management by 100. In 2016, the female quota in middle management was not reported. The sum in 2016 only shows the women in upper management.

35.2 percent of all employees at Deutsche Telekom are female. In 2019, we continued to work toward our target of filling 30 percent of management positions with women. In Germany, the percentage of women in middle and upper management rose from 21.0 percent to 21.9 percent in 2019. Likewise, the figure for the entire Group increased and now stands at 26 percent. The figure for women on supervisory boards at our legal entities in Germany remained high and again exceeded the legally stipulated 30 percent. In the Group's fully consolidated telecom operators outside of Germany (excluding TMUS), the figure has dropped from 26 percent to 25 percent, due to a reduction in mandates and the deconsolidation of Albanian Mobile Communications. Deutsche Telekom AG is one of only

a handful of DAX corporations with an established track record of women in its Board of Management. Two of our nine Board members are women. The Business Leader team reporting to the Group's Board of Management is currently comprised of 7 women and 46 men. In 2016, Deutsche Telekom became a member of the "Chefsache" initiative, a network of managers from industry, academia, the public sector and the media advocating equal opportunities for women and men. Our cooperation with Global Digital Women and the Digital Female Leader Awards 2019 have enabled us to position Deutsche Telekom excellently as an employer of choice for women. On Twitter alone, the event had a contact potential of around 51 million contacts.

Age structure in the Group (in %)

AVERAGE AGE AT 41.4 YEARS



¹ Including >65 years

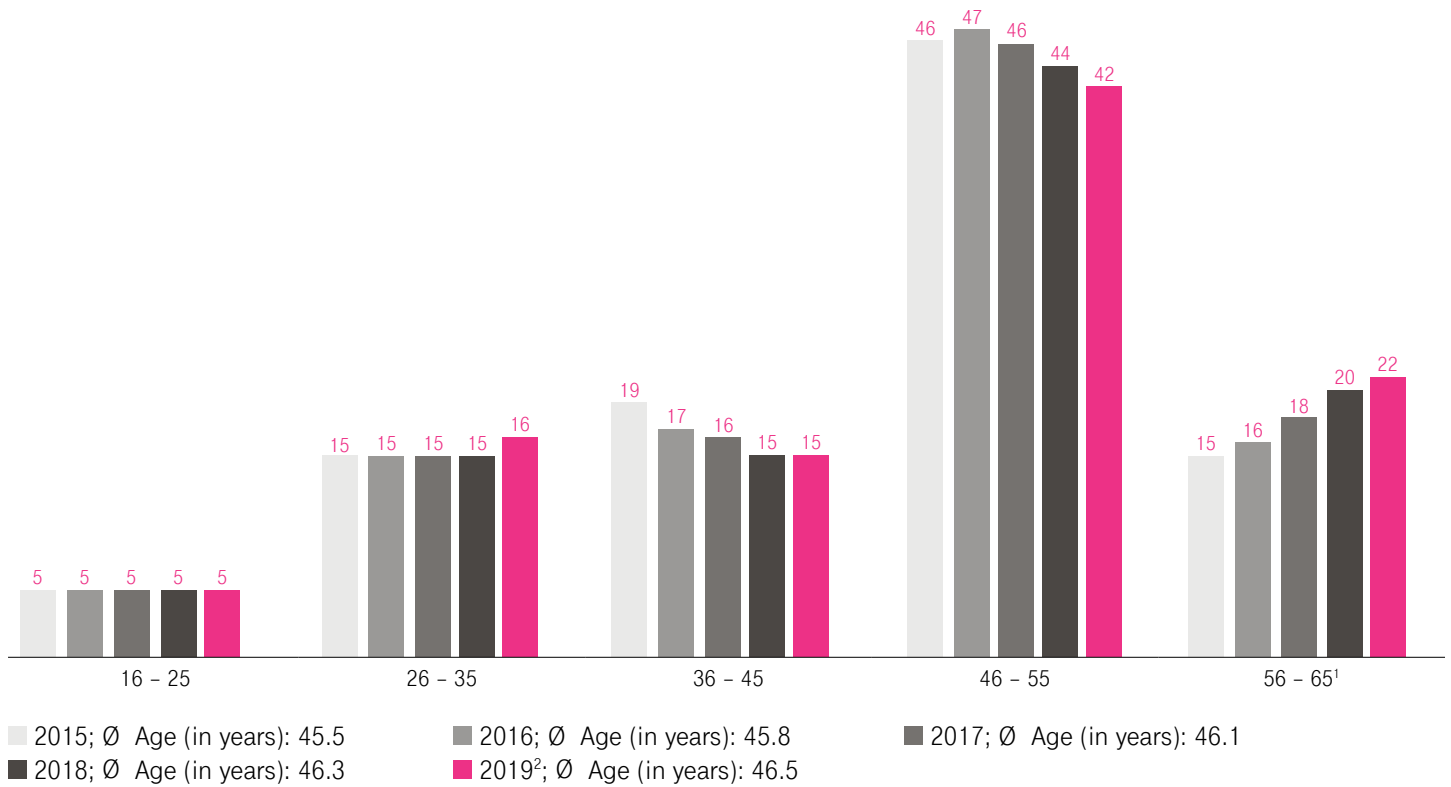
² Excluding Deutsche Telekom Capital Partners Management GmbH, Detecon International GmbH, Deutsche Telekom Clinical Solutions GmbH, Orbit GmbH, HÄVG GmbH, operational services GmbH & Co. KG, Toll4Europe, DT International Finance B.V., T-Systems Polska, DT North America, T-Systems Canada, T-Systems North America, IWS SK CES, and Detecon and ICSS companies

The average age across the Group as a whole is 41.4 years. Although the average employee age in Germany is rising steadily, this is balanced out by the average age internationally (37.5 years). In Germany we place special emphasis on collabora-

tion and the exchange of experiences between the generations. The soft skills and technical expertise of our employees over the age of 50 are valuable assets for Deutsche Telekom in the light of current demographic trends.

Age structure in Germany (in %)

AGE STRUCTURE REFLECTS DEMOGRAPHIC TRENDS



¹ Including > 65 years

² Excluding Deutsche Telekom Capital Partners Management GmbH, Detecon International GmbH, Deutsche Telekom Clinical Solutions GmbH, Orbit GmbH, operational services GmbH & Co. KG, HÄVG GmbH, Toll4Europe, DT Deutsche Telekom International Finance B.V.

Demographic shifts and low natural attrition explain why the proportion of employees over the age of 55 has risen from 15 to 22 percent in the past five years. The average age of employees in Germany rose to 46.5 years in 2019. One advantage is that this allows Deutsche Telekom to harvest the vast know-how of its many experienced employees. We are responding to the challenges involved in an aging workforce with activities in three areas:

1. Skills development and knowledge: To promote the concept of lifelong learning over the long term, Deutsche Telekom launched its Youlearn initiative in 2019, aiming to establish a new learning culture in the Group. It focuses on digital, self-managed learning. We have learned from experiences gained in the Magenta MOOCs (Massive Open Online Courses) in past years and, in 2019, we have signed a cooperation agreement with

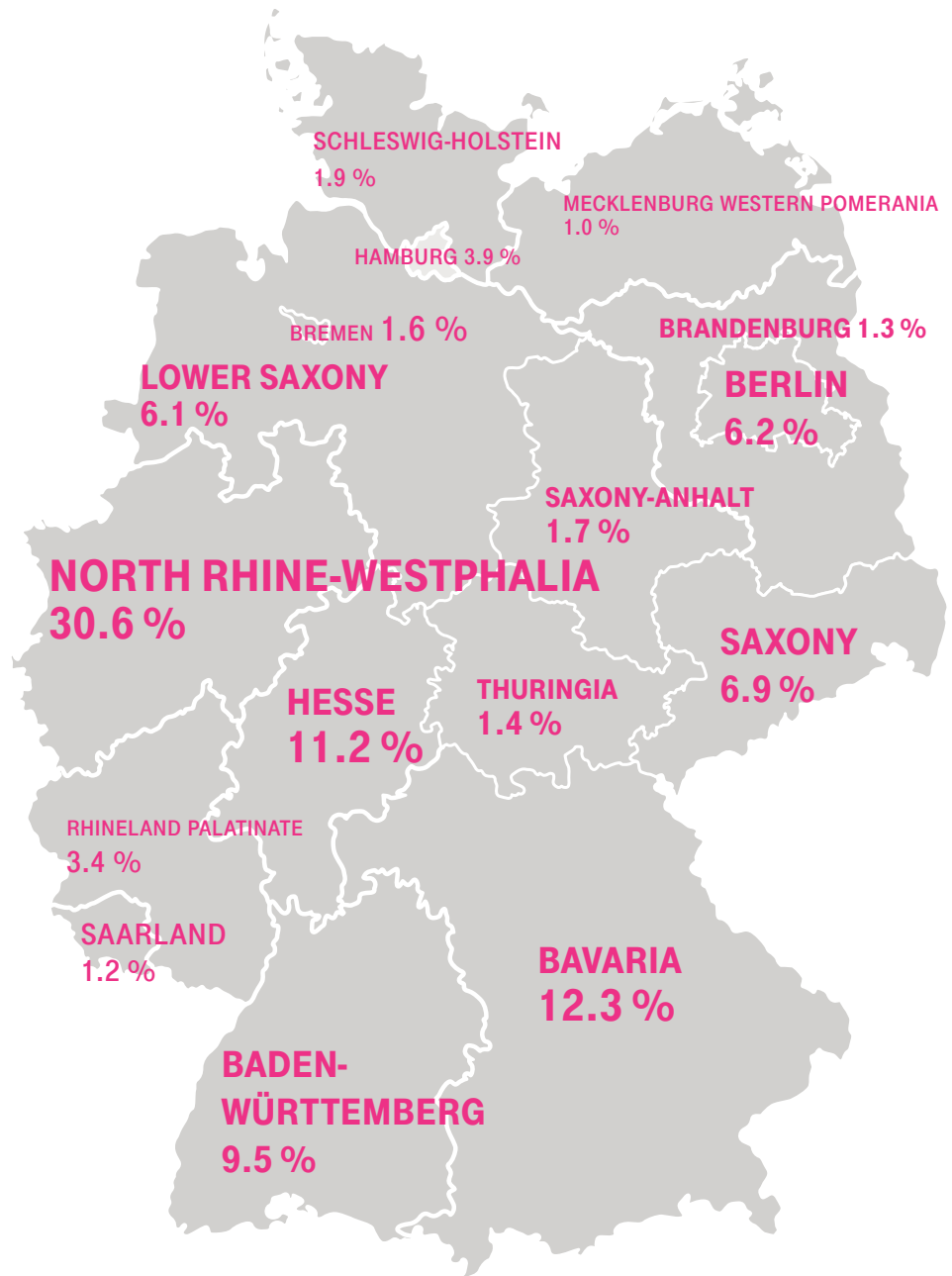
Coursera, one of the world's biggest MOOC providers. This made it possible to offer Coursera with a portfolio of several thousand MOOCs from some 200 universities around the globe in 6 countries by the end of 2019. Group-wide rollout will continue in 2020.

2. Health: We offer programs to protect employees from illness and improve physical and mental fitness. For example, our employees have access to a broad range of sports facilities. Deutsche Telekom also offers its staff attractive membership rates in gyms and clubs.

3. Working environment: We offer our staff flexible working conditions that fit their needs at every stage of their lives. We also guarantee that employees working part-time can return to full-time work.

Employees in Germany by federal state (in FTE)

AIM: DELIGHTING CUSTOMERS THROUGH CUSTOMER PROXIMITY



	2019 ¹
North Rhine-Westphalia	28,270
Bavaria	11,325
Hesse	10,330
Baden-Württemberg	8,724
Saxony	6,327
Berlin	5,705
Lower Saxony	5,621
Hamburg	3,581
Rhineland Palatinate	3,164
Schleswig-Holstein	1,715
Saxony-Anhalt	1,558
Bremen	1,484
Thuringia	1,266
Brandenburg	1,195
Saarland	1,068
Mecklenburg Western Pomerania	957

¹ Excluding Deutsche Telekom Capital Partners Management GmbH, De-tecon International GmbH, Deutsche Telekom Clinical Solutions GmbH, Orbit GmbH, operational services GmbH & Co. KG, HÄVG GmbH

Over 28,000 Deutsche Telekom employees in Germany work in North Rhine-Westphalia, a large proportion of them at Group Headquarters in Bonn. Bavaria and Hesse each have over 10,000 Deutsche Telekom employees. Our nationwide pres-

ence is the logical consequence of a key element of our strategy: delighting customers and delivering the best service. This presence enables us to stay close to our customers and precisely meet their individual needs.

Employees by status group in Germany (in FTE)

CIVIL SERVANT NUMBERS CONTINUE TO FALL

	2015	2016	2017	2018	2019
Active civil servants	18,483	15,999	15,482	13,507	12,153
Civil servants on temporary leave from civil servant status ¹	1,220	889	731	657	553
Civil servants at affiliated companies ¹	12,292	10,827	10,486	9,785	8,720
Civil servants (total)	31,995	27,716	26,699	23,950	21,426
Non-civil servants in Germany	78,360	76,946	75,202	74,143	72,685
Total employees in Germany	110,354	104,662	101,901	98,092	94,111
Proportion of non-civil servants in Germany (%)	71.01	73.52	73.80	75.58	77.23
Proportion of civil servants in Germany (%)	28.99	26.48	26.20	24.42	22.77

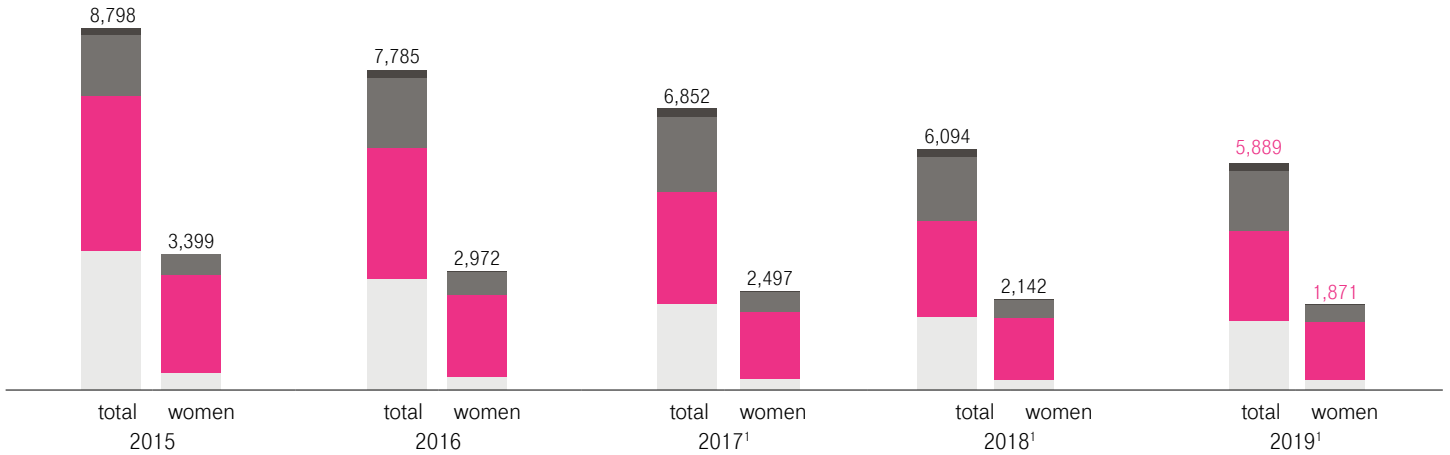
¹ Civil servants whose status as such is currently suspended. They have temporarily switched to a non-civil servant contract.

2019 saw a further decrease in the number of civil servants. The reason for this is that Deutsche Telekom has not recruited any new civil servants since the company was privatized. Other contributing factors included natural fluctuation due to

retirement, transfers to positions in public administration and the dedicated retirement scheme. This has led to a continual reduction in the proportion of civil servants in the workforce to less than 23 percent in 2019.

Apprentices and students in Germany; total and proportion of women (in heads)

ACTIVE KNOWLEDGE MANAGEMENT IMPORTANT PART OF VOCATIONAL TRAINING



¹ Cooperative degree program students in 2017 including cooperative Master's degrees

■ IT ■ Commercial ■ Students on coop ■ On-campus students at HfTL University of Applied Sciences in Leipzig

Examples of IT professions: IT systems electronics technician, IT systems business administrator, IT technician specializing in application development/systems integration

Examples of commercial professions: office management administrator, dialog marketing administrator, retail sales assistant

Examples of cooperative study programs: BA in Business Management, BEng in Communications and Media Technology, BSc in Business Information Systems

In 2019, we offered a huge number of young people career opportunities with a total of 2,150 places on cooperative vocational training and study programs.

With these top-quality cooperative training and study offers, Deutsche Telekom has responded to the various needs and achievement levels of school-leavers, offering young people from vastly different backgrounds the optimal scenario for integration in the company. We offer young people equal opportunities in flexible programs that meet the needs of specific target groups, irrespective of gender, ethnicity, social background or physical disability. These include an entry-level training scheme for underprivileged young people and, since 2011, we have cooperated with the Federal Employment Agency (BfA) in order to enable young parents to benefit from part-time training. Refugees have the same opportunities to embark on an entry-level training scheme, vocational training or cooperative study as all other candidates.

Now that digitalization is a fixed part of our working lives, it features in our didactic concept and is implemented systematically in training and cooperative study programs.

Throughout their training, our paramount aim is to ensure that our apprentices and students understand the need to acquire and share know-how, connect with others, and reflect on their

own actions, with the help of digital media. Telekom Vocational Training firmly believes this will inject flexibility and agility into the learning process.

We use our WebEx conferencing program and virtual classrooms to bring our students together, thus linking knowledge transfer with an active exchange. This knowledge management system benefits our junior employees as soon as they embark on the practical phases of training in the Group, and continues after they have completed their vocational training or degree course. Additionally, it gives them the opportunity to pass on key competencies they have acquired to other employees in the Group. Exchange with colleagues across the Group is also supported by the in-house social network You and Me. Specialist training courses, the majority of them in virtual format, provide students with basic knowledge relating to their training and study program.

From day one, our trainees plan, document and reflect on their own learning process in an "e-portfolio", helping them to plan and execute their next steps independently.

Besides this, our trainees and students have the chance to use the TelTec learning platform, where they can share job-related content.

Employees with disabilities in Germany (in %)

INCLUSION STILL CONSIDERABLY ABOVE FEDERAL AVERAGE

	2015	2016	2017	2018	2019 ¹
Germany	7.2	7.5	7.5	7.6	7.6

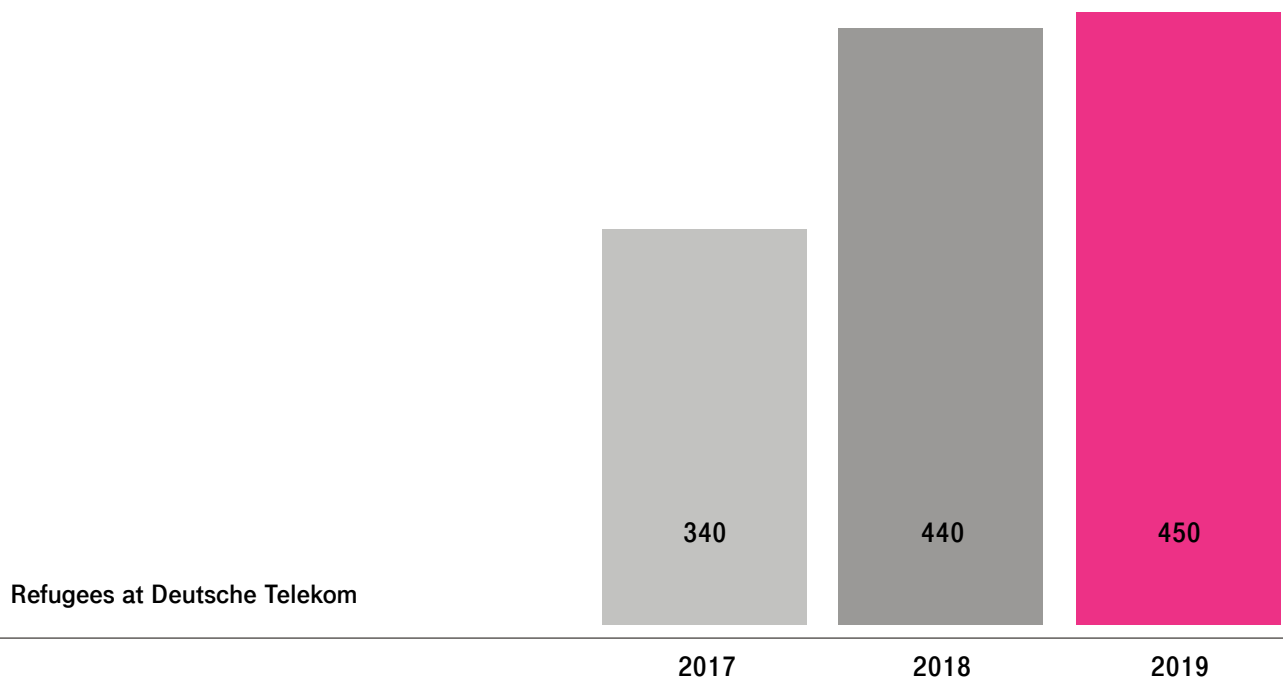
¹ Excluding Deutsche Telekom Capital Partners Management GmbH, Detecon International GmbH, Deutsche Telekom Clinical Solutions GmbH, Orbit GmbH, operational services GmbH & Co. KG, HÄVG GmbH, goingsoft Deutschland, Toll4Europe GmbH

For years, Deutsche Telekom has been campaigning for inclusion. With a broad portfolio of offers to support people with disabilities, Deutsche Telekom helps to create equal opportunities for them and get them involved in the community. We also promote the removal of barriers for people who are deaf or hearing-impaired. As a result, a growing number of presentation

transmissions are translated simultaneously by sign language interpreters. Deutsche Telekom has exceeded the prescribed minimum rate of 5 percent disabled employees for a good many years, placing it well above the German average (4.1 percent according to the most recent survey). In 2019, the high rate of severely disabled people was maintained at 7.6 percent.

Integration of refugees into the labour market (in heads)

COMMITMENT TO REFUGEE INTEGRATION REMAINS A KEY ISSUE



At the initiative of the Board of Management, Deutsche Telekom set up a task force to help refugees in 2015.

The initial focus was placed on their arrival in Germany. The object of the task force was to offer swift, pragmatic help for refugees with a minimum of red tape, based on Deutsche Telekom's core competencies as a telecommunications provider. This included providing free WiFi at reception centers, accommodation and staff for the Federal Office for Migration and Refugees (BAMF), setting up an online portal to provide information on their first steps in Germany and supporting voluntary work by our own employees outside working hours.

In 2016, the task force evolved into the project known as „Deutsche Telekom helps refugees“. Since then, its main focus has been to support refugees integrating into the labour market. As well as ensuring continuity, one of the top priorities in 2019 was to integrate refugees in the labour market in the long term. To encourage long-term integration, follow-on employment was found for 56 participants in a range of measures either with Deutsche Telekom itself or with partner companies. This was done, for example, by switching from an internship to vocational training, or from training to a permanent position.

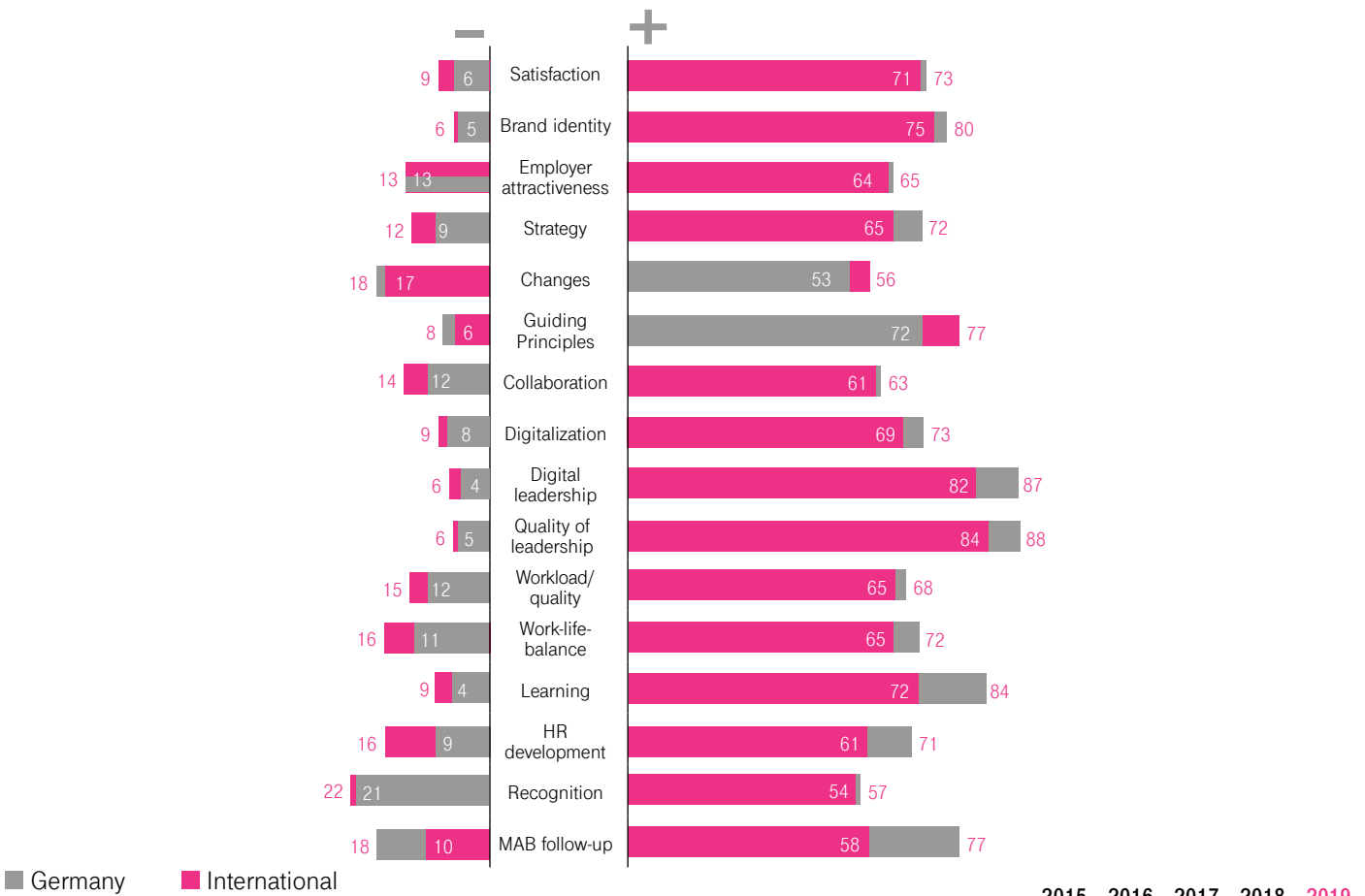
In 2019, a total of around 450 refugees held positions in the various ongoing measures and new offers – including many internships, training and cooperative study places, entry-level training schemes and places on the „Internship PLUS direct entry“ scheme. This scheme offers two years' employment following a three to six months' orientation phase. We continued to hold our established applicant days for internships, which focused on getting to know each other and not just on résumés and qualifications to date.

Again in 2019, Deutsche Telekom supported the Handbook Germany (<https://handbookgermany.de/de.html>) Internet platform as part of a technology partnership. The portal offers information about life, learning and work in Germany in seven languages and won the Smart Hero Award in the Diversity and Equal Opportunities category in 2019.

In the meantime, we have gained a lot of experience in integrating refugees into the labour market and will ensure that this is reflected in our existing HR processes in the future. The integration of refugees is thus firmly anchored in our company.

Results from the November 2019 pulse survey (in %) and commitment index from the May 2019¹ employee survey

AGAIN HIGH PARTICIPATION IN PULSE SURVEY



■ Germany ■ International
 „Neither agree nor disagree“ ratings are not included.
 Figures are taken from the latest pulse survey results.
 The most recent pulse survey was carried out in November.

	2015	2016	2017	2018	2019
Commitment index ² scale 1 to 5	4.1	4.1 ²	4.1	4.1 ²	4.0

¹ Figures exclude T-Mobile US

² Figures are taken from the latest pulse and employee survey results. The most recent pulse survey was carried out in November 2019, the last employee survey in spring 2019. The next employee survey is scheduled for 2021. The commitment index is the mean value of several scores in the employee survey.

Feedback is a key component of the corporate culture at Deutsche Telekom. The main feedback tools which the Group uses to assess employee satisfaction are the employee survey (MAB), carried out every two years, and the biannual pulse survey, comprising questions on the 16 topics shown here. The set of questions is regularly adjusted to reflect changes in working environments and strategic requirements. Since 2016, the pulse survey has been extended to include topics such as modern learning formats, digitalization, and digital management. In the

November 2019 pulse survey, aspects of digital management were added along with a question about the MAB follow-up survey.

More than 110,000 employees (69 percent) took part in this survey. At national level, we noted a largely positive trend year-on-year, but a varied picture presents itself at international level. Overall, the scores for "Strategy", "Digitalization", "Quality of Leadership", "Learning" and "HR Development" improved slightly.

Satisfaction rate and commitment index, all managers

MANAGEMENT STAFF IS HIGHLY COMMITTED

Satisfaction rate	2015	2016	2017	2018	2019
Germany	87 %	88 %	86 %	81 %	85 %
International	85 %	86 %	84 %	82 %	82 %
Group (total)	87 %	87 %	85 %	82 %	83 %

Commitment ¹ index (scale of 1 to 5)	2015	2016	2017	2018	2019
All employees	4.1	4.1 ¹	4.1	4.1 ¹	4.0 ¹
All management staff	4.5	4.5 ¹	4.5	4.5 ¹	4.4 ¹
Employees excl. managers	4.0	4.0 ¹	4.0	4.0 ¹	4.0 ¹

Figures are taken from the latest pulse and employee survey results. The most recent pulse survey was carried out in November 2019, the last employee survey in spring 2019. The commitment index is the mean of several values in the employee survey.

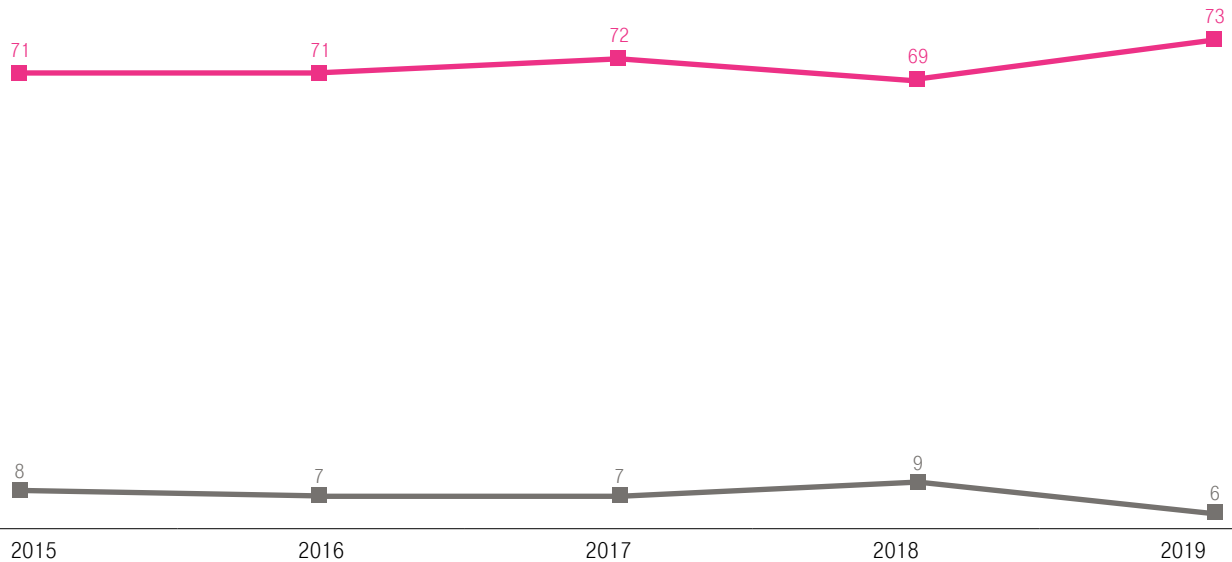
¹ The figures for 2016 and 2018 are taken from the previous years' employee surveys.

Manager satisfaction remains high throughout the Group and rose slightly between 2018 and 2019. The 2019 commitment index for managers continues to be very good, rating 4.4 on a scale of 1 to 5. A key role in our managers' actions is played

by our three binding leadership principles along with our Guiding Principles. The leadership principles, in particular, cover the aspects "Collaborate", "Innovate" and "Empower to perform."

Employee satisfaction in Germany (from pulse and employee surveys, in %)

EMPLOYEE SATISFACTION REMAINS AT A HIGH LEVEL



Pulse and employee surveys 2015 – 2019: “How do you feel at Deutsche Telekom?”

Figures are taken from the latest pulse and employee survey results.
The most recent pulse survey was carried out in November 2019.

■ Positive (%) ■ Negative (%)

Satisfaction among the workforce and management staff in Germany has remained at a consistently good level since 2015. In 2019, the satisfaction rate exceeded the rates achieved in previous years. The structured follow-up process to the employee survey draws up sets of measures to ensure improvements at all levels, right down to individual teams. In this process, we analyze the results of all 90 questions and make them available to the teams. Managers thus derive valuable ideas for

collaboration on activities that will make their leadership and the company more successful. Responsibility for subsequent steps lies with managers, who use the results to develop and implement specific measures in order, for example, to improve employee commitment and health. The pulse survey offers a review of the effectiveness of these measures. Managers can use the results to make any necessary adjustments and ensure the long-term effectiveness of any derived activities.

Working in the Digital Age

VIRTUAL COMMUNICATION SUPPORTS NEW WORK

	2015	2016	2017	2018	2019
WebEx					
Minutes of online conferences (global)	533,861,025	672,524,751	763,733,114	835,095,611	883,877,777
Jabber					
Jabber accounts	15,110	27,254	37,062	42,102	64,668
You and Me					
User profiles	104,297	120,325	121,876	125,670	133,306

Virtual conferences allow our employees to work from (almost) anywhere in the world and, at the same time, cut travel costs and travelling time. Simple, fast, virtual communication is at the heart of effective international collaboration. In 2019, the volume of online conference minutes grew by a further 5.8 percent to more than 883.9 million. As an add-on to the Jabber chat and messenger service, Webex Teams increased our registered users by 53.6 percent to 64,668.

You and Me, our in-house social media and collaboration platform, grows ever more popular year by year. The positive trend

in registered user profiles is still gaining momentum. In 2019, 133,306 employees had a user profile and were able to exchange ideas, experiences and views online.

Alongside basic online communications, we have launched the cloud office throughout the Group. In 2019, for example, 17,474 "Modern Groups" - online collaboration groups based on Office365 technology - were established, in which colleagues work simultaneously on documents and access them from all over the globe.

Personnel costs (in billions of €) and personnel cost ratio (in %)

INCREASE IN NET REVENUE IMPROVES PERSONNEL COST RATIO

	2015	2016	2017	2018	2019
Personnel costs in the Group, non-adjusted (total)	15.8	16.5	15.5	16.4	16.7
Of which Germany	9.4	9.8	8.5	9.2	8.7
Special factors	1.2	1.5	0.6	1.2	1.0
Personnel costs in the Group (adjusted for special factors)	14.6	14.8	14.9	15.2	15.7
Group revenue	69.2	73.1	74.9	75.7	80.5
Of which Germany ¹	25.7	25.3	25.2	25.0	25.2
Adjusted personnel cost ratio, Group (total, %)	21.2	20.3	19.9	20.1	19.5
Adjusted personnel cost ratio, Germany (%)	33.0	32.9	32.1	33.0	31.6

¹ Since revenue between Germany/international is allocated from an HR perspective, it reflects the location of employees (FTEs), whereas the annual report allocates revenue to the country in which it is generated. The figures are calculated on the basis of values rounded to the nearest million.

In the Group as a whole, the personnel cost ratio in 2019 decreased slightly year-on-year. One driver of the Group's adjusted personnel cost ratio, which improved by 0.6 percentage points, is the significant rise in net revenue. By personnel costs we mean base personnel costs (wages, salaries) plus fringe

benefits. This figure is adjusted for special factors in conjunction with staff restructuring measures (individual staff reduction instruments). The personnel cost ratio represents personnel costs in relation to revenue. The trend in this figure serves as a benchmark for the company.

Total workforce costs, adjusted (in billions of €)

U.S. SUCCESSES ACCOUNT FOR SLIGHT INCREASE IN PERSONNEL COSTS

	2015	2016	2017	2018	2019
TWC ¹	16.5	16.8	16.9	17.1	17.5
Of which Germany	9.2	9.1	8.9	9.0	8.7
IWC ² (adjusted PC ³)	8.5	8.3	8.1	8.1	7.9
EWC ⁴ leased and temporary staff	0.05	0.03	0.04	0.05	0.04
EWC ⁴ freelancers and consultants	0.7	0.7	0.8	0.8	0.75
Of which international	7.2	7.8	7.9	8.0	8.8
IWC ² (adjusted PC ³)	6.1	6.5	6.8	7.1	7.7
EWC ⁴ leased and temporary staff	0.4	0.5	0.2	0.2	0.2
EWC ⁴ freelancers and consultants	0.7	0.8	0.8	0.8	0.9

¹ Total Workforce Costs: External Workforce Costs + Personnel Costs adjusted for special factors

² Internal Workforce Costs

³ Personnel Costs

⁴ External Workforce Costs: costs of leased and temporary workers, freelancers and consultants

Our total workforce management (TWM) provides us with a holistic view of HR management at Deutsche Telekom. Alongside our internal workforce and internal workforce costs, TWM also includes external staff working for Deutsche Telekom. Incorporating the costs of consultants, leased and temporary staff is important for qualitative and quantitative long-term personnel planning. The key figures used to manage personnel costs in the Group are total workforce costs (TWC) and the total workforce quota (TWQ), since both figures include external person-

nel costs along with internal personnel costs. Total workforce costs for the Group rose by 445 million euros year-on-year. This can be attributed to growing success in our U.S. business coupled with workforce growth and other structural effects (e.g. salary increases based on collective agreements for our employees in Germany).

Whereas internal workforce costs rose slightly, the costs for freelancers, consultants and leased and temporary staff remained stable in 2019 compared with 2018.

Personnel costs (in millions of €), proportion of total operating costs (in %)

15.7 BILLION € ADJUSTED PERSONNEL COSTS

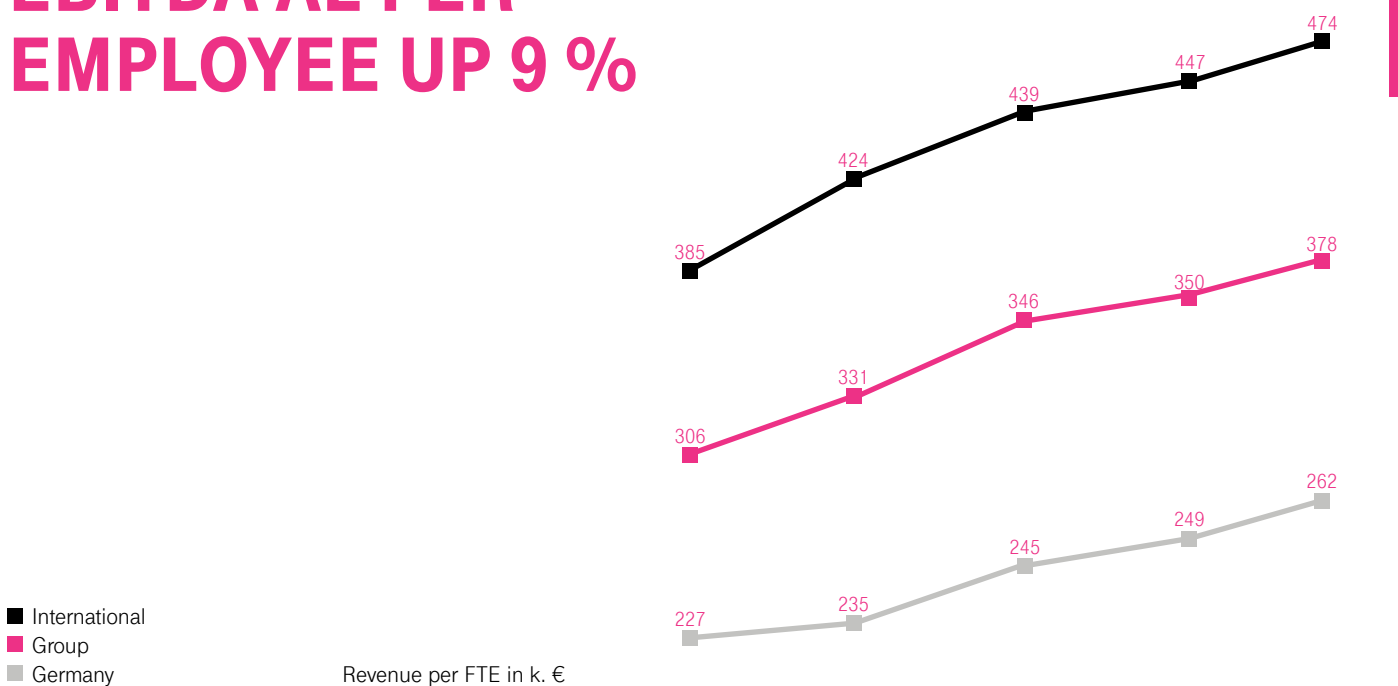
Breakdown of personnel costs		2016	2017	2018	2019
Payroll	DT Group	11,900	12,017	12,390	12,668
	National	6,639	6,467	6,502	6,317
	International	5,262	5,550	5,889	6,350
Social security contributions and company pension scheme	DT Group	2,924	2,928	2,913	3,053
	National	1,679	1,638	1,650	1,635
	International	1,245	1,290	1,263	1,418
Adjusted personnel costs, accumulated	DT Group	14,824	14,945	15,216	15,686
	National	8,318	8,105	8,146	7,950
	International	6,507	6,840	7,070	7,736
Personnel costs as proportion of total operating expenses					
Adjusted operating costs	DT Group	52,718	53,854	53,782	52,694
	National	17,484	17,221	16,873	15,929
	International	35,234	36,633	36,909	36,765
Personnel costs as proportion of total costs	DT Group	28.1 %	27.8 %	28.3 %	29.8 %
	National	47.6 %	47.1 %	48.3 %	49.9 %
	International	18.5 %	18.7 %	19.2 %	21.0 %

In 2019, Deutsche Telekom posted adjusted personnel costs totalling 15.7 billion euros, 12.7 billion of which were for wages and salaries. In addition to this, we paid 3 billion euros into the social security and company pension schemes. The company pension scheme enables our employees to top up their statutory

pensions. 29.8 percent of Deutsche Telekom's total operating costs of 52.7 billion euros were spent on its personnel base. This is one of the biggest expenditure items but it is also the basis for our success. Our employees are key to the overall success of our company's business.

Revenue and EBITDA AL per employee (per FTE, yearly average)

EBITDA AL PER EMPLOYEE UP 9 %



■ International

■ Group

■ Germany

Revenue per FTE in k. €

	2015	2016	2017	2018	2019
Revenue, Germany (billions of €) ¹	25.7	25.3	25.2	25.0	25.2
Revenue, international (billions of €) ¹	43.5	47.8	49.7	50.7	55.4
Revenue, Group (billions of €)	69.2	73.1	74.9	75.7	80.5
International revenue as a percentage of Group revenue ¹	62.9 %	65.4 %	66.3 %	67.0 %	69.0 %
Ø Average number of employees, Germany	113,277	107,793	103,174	100,227	96,018
Ø Average number of employees, international	113,055	112,790	113,280	116,142	116,827
Ø Average number of employees, Group (total)	226,332	220,583	216,454	216,369	212,846
	2015	2016	2017	2018	2019
EBITDA AL ² per FTE (average) in euros, adjusted DT Group	87,959	97,105	102,700	106,762	116,192

In 2019, Deutsche Telekom generated net revenue of 80.5 billion euros, which was around 6 percent or 4.8 billion euros up on the prior-year level. The proportion of net revenue generated internationally increased by 2.0 percentage points to 69 percent. Revenue per employee also increased steadily in 2019 by around 8 percent to 378,000 euros. In Germany, revenue per employee rose by around 8 percent. Our international business likewise reported growth in revenue per employee of 6 percent, primarily thanks to our U.S. business. The headcount in our United States operating segment increased by one percent, driven partly by new mobile customers from the

successful "Un-carrier" initiatives launched by T-Mobile US. As a result, revenue in the United States segment increased by around 10.7 percent year-on-year, accounting for the largest share of Group revenue of 50.2 percent.

The Group-wide growth in revenue, coupled with a slight decrease in headcount, accounts for the increase in productivity. The average full-time employee at Deutsche Telekom generated an EBITDA AL² (EBITDA AL, after leases) of 116,192 euros in 2019, up nearly 9 percent on 2018.

¹ Since revenue is allocated from an HR perspective when calculating ratios, it reflects employee location (FTE), whereas the annual report allocates revenue to the country in which it is generated. The figures are calculated on the basis of values rounded to the nearest million.

² Since 1 January 2019, the new accounting standard IFRS 16 „Leases“ has been applied. As a result, the definition of some of our financial performance indicators has changed. For the newly defined performance indicators, the comparative values for 2018 were calculated on a pro forma basis. The value of EBITDA per RTD from 2018 was adjusted compared to the last factbook. For 2015-2017, there are no comparative values of the AL indicators.

Total workforce quota, adjusted (costs and revenue in billions of €)

TOTAL WORKFORCE QUOTA DOWN BY 0.9 %

		2015	2016	2017	2018	2019
Germany	PC ¹ , adjusted	8.5	8.3	8.1	8.1	7.9
	EWC ²	0.7	0.8	0.8	0.9	0.8
	TWC ³	9.2	9.1	8.9	9.0	8.7
	Revenue ⁴	25.7	25.3	25.2	25.0	25.2
	TWQ ⁵ , adjusted	35.9 %	35.9 %	35.4 %	36.1 %	34.8 %
International	PC ¹ , adjusted	6.1	6.5	6.8	7.1	7.7
	EWC ²	1.1	1.3	1.1	1.0	1.0
	TWC ³	7.2	7.8	7.9	8.0	8.8
	Revenue ⁴	43.5	47.8	49.7	50.7	55.4
	TWQ ⁵ , adjusted	16.6 %	16.2 %	15.9 %	15.9 %	15.8 %
Group (total)	PC ¹ , adjusted	14.6	14.8	14.9	15.2	15.7
	EWC ²	1.8	2.0	1.9	1.8	1.8
	TWC ³	16.5	16.8	16.9	17.1	17.5
	Revenue ⁴	69.2	73.1	74.9	75.7	80.5
	TWQ ⁵ , adjusted	23.8 %	23.0 %	22.5 %	22.6 %	21.7 %

¹ Personnel Costs

² External Workforce Costs: costs of leased and temporary workers, freelancers and consultants

³ Total Workforce Costs: External Workforce Costs + Personnel Costs adjusted for special factors

⁴ Since revenue allocation to determine ratios is based on an HR perspective, it reflects employee location (FTE), whereas the annual report allocates revenue to the country in which it is generated.

⁵ Total Workforce Quota = TWC/revenue

The total workforce quota describes the relationship between total personnel expenditure (internal and external) and revenue. Deutsche Telekom's total workforce quota improved slightly in 2019. The adjusted ratio for the Group as a whole dropped by 0.9 percentage points in 2019 compared with the previous year. While total revenue was up 6.4 percent (488 million euros) in 2019, total workforce costs only increased by around 2.6 percent year-on-year.

This ratio is very important to us, as it expresses the productivity of our employees. The 2019 improvement in the total workforce quota is accounted for by the fact that revenues rose more sharply than personnel costs, translating into a rise in productivity.

81 MILLION SAVED THANKS TO IDEAS GENERATION MANAGEMENT

	2015	2016	2017	2018	2019
Ideas submitted	13,728	10,125	6,902	5,123	6,007
Savings (in millions of €)	146.5	168.5	99.0	78.0	81.0

Ideas Generation Management (IGM) develops concepts and measures designed to tap into our employees' innovative potential for the benefit of the Group. IGM is an important tool for making Deutsche Telekom more competitive by continuously improving processes, services and products. It helps to foster a climate of innovation, exerts a positive influence on the corporate culture, and helps protect jobs within the Group and keep the share price healthy.

In 2019, our Ideas Generation Management increased its efforts to promote valuable ideas. 6,007 ideas were submitted, benefiting the company to the tune of 81 million euros. This reflects an increase in the number of new ideas and the benefit associated with them.

IGM entered into new internal collaborations, for instance with the Green Pioneers¹, in order to consolidate ideas to support

the company's focus on sustainability. On top of this, efforts were made to expand existing collaborations with, for instance, the Telekom think tank and various innovation units in the Group.

In 2019, Deutsche Telekom won 1st place for the best idea in Production and Technology, which is awarded by the German Institute for Ideas and Innovation Management. An idea submitted by Michael Kasprzyk enabled the Group to prevail against market competitors and generate a profit of 7.2 million euros. The idea led to a major improvement in the process of migration to the latest ALL-IP technology and made an implemented automatism possible.

¹An initiative from Corporate Responsibility that raises awareness for and promotes sustainability.



Natural attrition

GROUP'S EMPLOYEE TURNOVER RISES SLIGHTLY

	2015	2016	2017	2018	2019
Germany	1.28 %	1.37 %	1.70 %	1.94 %	2.28 %
International ¹	9.25 %	8.14 %	9.22 %	9.78 %	9.55 %
Group (total) ¹	4.39 %	4.01 %	4.68 %	5.12 %	5.32 %

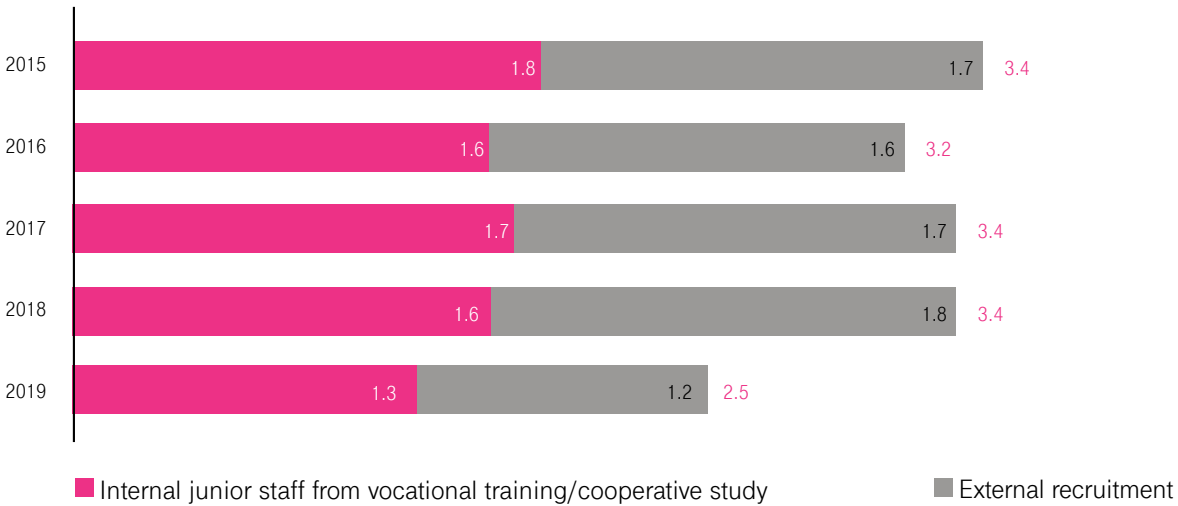
¹ Excluding T-Mobile US

At national level, the employee attrition rate rose compared with 2018. Around 1,400 contracts were terminated by the employer or employees, some 80 more than in 2018, a rise of around 5.7 percent. Besides this, around 174 more members of staff in Germany retired or became unfit for work in 2019. In total, around 830 employees left the company due to reaching retirement age or because of incapacity for work. The increase in contract terminations/retirements led to a rise in the attrition

rate for the Group as a whole. Natural attrition means normal staff reductions that occur without specific cutback measures, for example due to retirement, incapacity for work, contracts terminated by employees, or contracts terminated by the employer for specific conduct or personal reasons. These are presented as a percentage of the total workforce (final value of previous year).

Recruitment in Germany (in thousands of FTE)

STRONG POSITION IN THE WAR FOR TALENTS



In 2019, Deutsche Telekom hired almost 1,200 new employees from the external labour market in Germany. In addition, we gave around 1,300 internal junior staff permanent jobs on completion of their vocational training or cooperative study courses. A total of 8,300 employees were recruited outside Germany. Our employees play a crucial role in the transformation of our Group. It is hugely important to us to have the right people in the right jobs and to further develop their individual skills. We want to be the magnet for global digital talent. A strong employer brand is essential for recruiting and retaining talented individuals, especially in today's increasingly competitive labour market for IT and tech specialists. The war for talents is particularly relevant for us since our company's long-term success depends on these skills. In 2019, we therefore evolved and implemented a new employer branding strategy and the #IWILLNOTSTOP employer campaign at international level with a focus on the IT and tech target group. We are pursuing a digital communications strategy in order to individualize and personalize the way we address this group of potential employees. It involves enhancing our presence with digital image ads and employee stories in video format, which are designed to underscore how our employees can make a difference in their jobs, help achieve social progress, and shape the digital transformation. This is also the message of our campaign: Become one of us and experience for yourself what we can achieve together. The key to successful recruiting is a digital recruiting process with a positive candidate journey. We offer a global careers website as a

platform to search for jobs. The Start up! trainee program, for example, uses game-based assessments – a new generation of psychometric tests in the form of online games – in the recruitment process. We also use digital tools that rank final university grades on the basis of algorithms, thus enabling a fair comparison.

Diversity is an integral part of our corporate culture, which is why we are addressing specific target groups to encourage more talented women to join our company. 2019 marked the seventh time that female students of STEM subjects (science, technology, engineering, mathematics) from all over the world were able to compete for our Women's STEM Award. This gives special support to women in STEM subjects and professions. In addition, we are committed to Femtec, a career-building program for female STEM students with leadership potential, and Global Digital Women, an international network of movers and shakers in the digital industry. We also exhibited at "women&work", Europe's leading trade fair for women and careers, enabling us to selectively approach potential candidates.

Accolades:

In 2019, we were awarded with the female recruiting award at "women&work". We made fifth place at LinkedIn Top Companies which lists companies with high interest rates from LinkedIn-users, with intensive member interaction and attractive job advertisements, are listed here.

Tools for socially responsible staff reduction in Germany, personnel cuts (in FTE)

PHASED RETIREMENT STILL MOST SUCCESSFUL MODEL

	2015	2016	2017	2018	2019
Early retirement, civil servants	1,219	3,849	27	1,711	1,242
Early retirement, non-civil servants	29	47	61	63	71
Severance payments	1,448	726	1,081	972	763
Phased retirement (start of passive phase)	1,345	1,393	1,687	1,890	1,692
Transfers to government authorities (final) ¹	711	418	417	326	321
Other socially responsible staff reduction options	11	< 6	15	0	0

¹ Permanent transfers; civil servants are not entitled to return to the Deutsche Telekom Group – established as a cluster in 2015.

Deutsche Telekom continues to ensure that its personnel cut-backs are socially responsible, using the tried-and-trusted tools of early retirement, severance payments, and phased retirement once again in 2019.

Phased retirement is usually based on a block model, in which staff work full time during the first few years of the active phase, followed by a passive phase of equal duration, which then transitions seamlessly into regular retirement and a pension. In 2019, 1,692 employees in Germany transitioned from the active

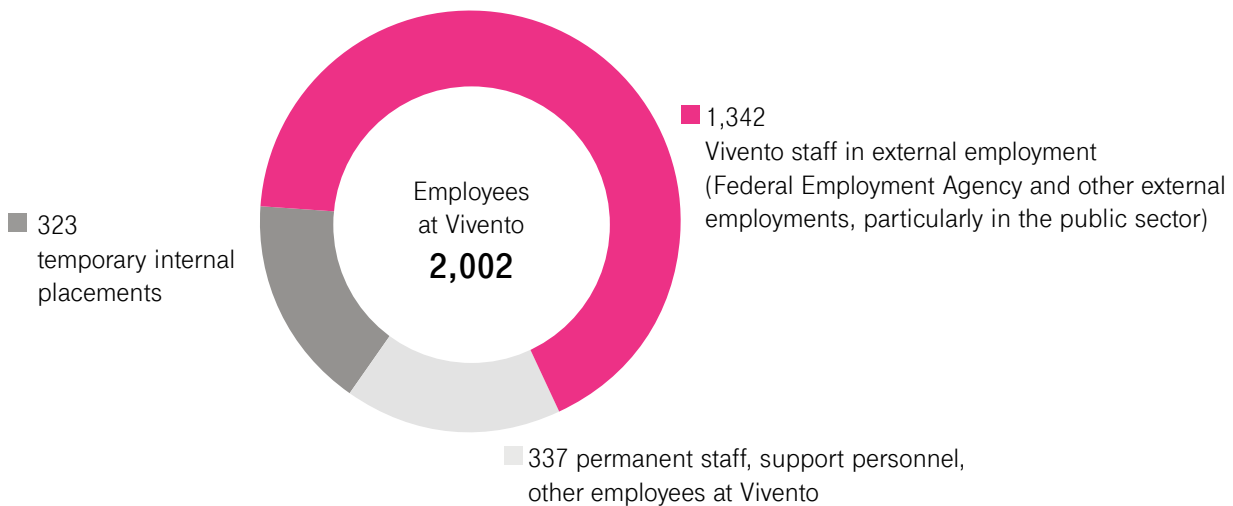
to the passive phase of phased retirement. Additionally, 3,450 employees, including 763 in Germany, made use of our severance pay offers.

The statutory regulations on early retirement for civil servants expired at the end of 2016. The German legislators introduced “dedicated retirement” as a follow-on scheme, which was used by 1,242 civil servants in 2019.

A further 321 civil servants were permanently transferred into public administration roles.

Vivento employees (in FTE)

STAFF SHORTAGES IN PUBLIC ADMINISTRATION CONDUCTIVE TO PERSONNEL RESTRUCTURING



Employees permanently transferred to the public sector via Vivento in 2018:	321
Staff transferred to Vivento since its foundation:	54,296
Staff leaving Vivento since its foundation:	52,294

In 2019, once again, personnel service provider Vivento assisted the Group with its workforce restructuring efforts. In 2019, 334 Deutsche Telekom civil servants opted for a permanent transfer to federal, state or local government, many of them to the Customs Office, the armed forces, the Federal Office for Migration and Refugees and the Federal Central Tax Office. Vivento also helped employees to find individual positions in federal, state and local government, encouraged by the growing demand for personnel at administrative authorities.

Also in 2019, around 250 people from the Industrial Safety Unit moved to the Deutsche Telekom Group's external provider for facility management/reception services by way of a partial transfer of operations. The number of employees under the care of Vivento was again reduced.

Training, Group (total)

DIGITAL LEARNING OUTPACES FACE-TO-FACE TEACHING

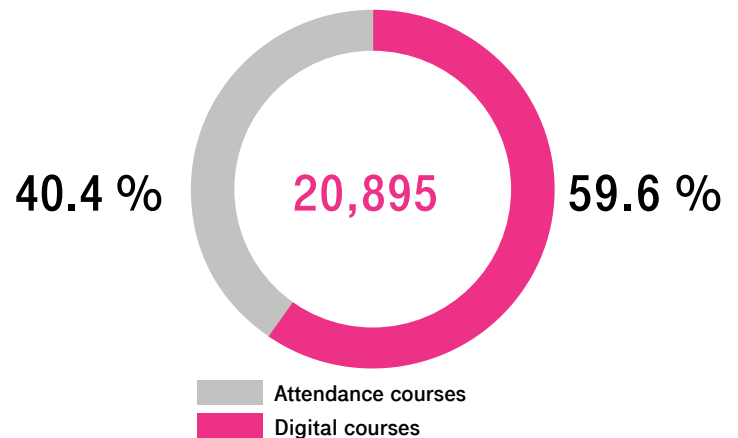
Our employees around the globe spent some 4 million hours on training and skills development in 2019, 46 percent of them in digital format, 5 percentage points more than in 2018. Most of our courses can now be booked through a global Learning Management System (LMS); in 2019, 60 percent of the training courses bookable via LMS were digital. Whereas 2018 saw an increase in training courses focusing on sales, soft skills and security, in 2019, we observed that our employees predominantly chose to train in agile working alongside sales and soft skills.

In 2019, Deutsche Telekom launched a lasting change in its learning culture. With our Youlearn initiative, our aim is to evolve Deutsche Telekom into a learning organization. In doing so, the company increasingly relies on support for day-to-day self-organized learning, with content that is designed to be more fun. Youlearn was used in 2019 to launch new information portals for training offers, an improved search function, new digital learning content and a new experience-based study platform. On top of this, a "Learning Challenge" encourages employees to participate in voluntary and, above all, informal learning stages. A remarkable example of independent, self-organized learning is the "Learning from experts" employee initiative launched in 2018, in which some 450 experts shared their knowledge in brief digital sequences to a community of almost 50,000 colleagues from the start date up to the end of 2019.

Strategic plans have based training for our employees on new and far fewer job profiles than in the past.

The skillsUP! program combines the company's personnel planning and skills management, providing a transparent view on job profiles and requirements. This makes it easier for management staff and their colleagues to identify skills gaps, trigger career development measures or advertise new jobs.

As such, Deutsche Telekom is the first big German company to combine its strategic personnel and skills planning with a program for a cutting-edge learning culture.



Training through global Learning Management System (LMS)

No. of courses (via LMS)	20,895
No. of digital courses (via LMS)	12,444
No. of attendance courses (via LMS) ¹	8,451
No. of training days	659,615
Ø Ave. training days per employee (in FTE)	4.5
No. of digital training days	303,924
Ø Ave. digital training days per employee (in FTE)	2.1
Digital learning quota (proportion of digital learning)	46 %

¹ Including mixed, telephone and unassigned learning opportunities

Participants in international development programs (in heads)

OVER 50 % MORE PARTICIPANTS IN START UP!

		2015	2016	2017	2018	2019
Start up! trainee program participants ¹	Total	31	18	32	44	71
Start up! trainee program participants ¹	Of whom women	45 %	28 %	50 %	59 %	44 %
Global Talent Pool participants ²	Total	300	253	858	976	952
Global Talent Pool participants ²	Of whom women	32 %	35 %	25 %	26 %	26 %

¹ The program lasts 15 to 18 months. Annual new hires are shown.

² Group-wide program for top talents. The program lasts approx. 12 months (starting every summer). As of 2017, it replaced the previous program "Talent Space". Comparisons are difficult due to the new target group structure (now also includes executives).

Our Group-wide development programs are designed to promote high potentials within the Group, keep them loyal to the company, and place them in suitable roles. The focus is on developing and raising the visibility of participants, and equipping them with the skills needed to tackle current and future challenges. At the same time, we want to enhance their sense of belonging, increase knowledge exchange and promote personal responsibility.

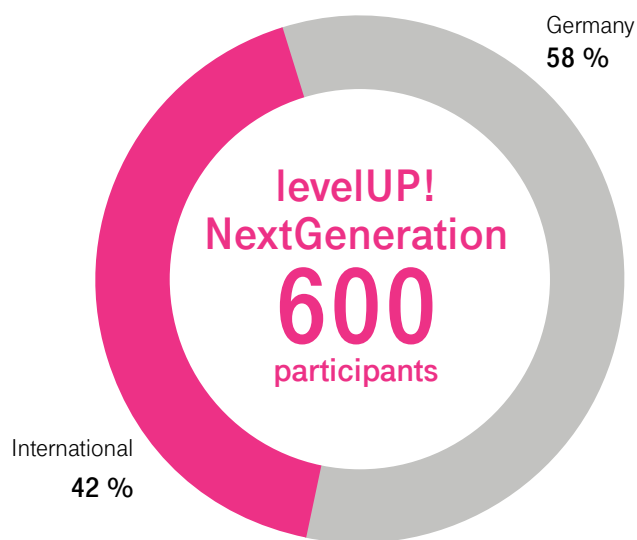
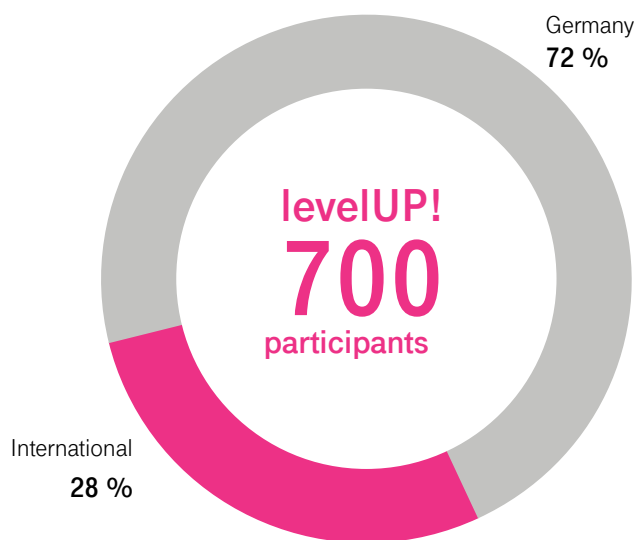
The international trainee program Start up! is designed for innovative graduates with entrepreneurial mindsets. While 44 graduates embarked on the Start up! program in 2018, the figure rose to 71 in 2019. Over a period of approximately 18 months, trainees get to know different areas of the company in Germany and abroad with a series of challenging project tasks. The program is complemented by innovative training formats and events such as Magenta Friday, providing trainees

with a forum for regular project collaboration to fulfill their mandate as drivers of culture and innovation within Deutsche Telekom.

The Global Talent Pool enables participants to present themselves in individual talent profiles on a digital platform which can be accessed by HR experts and all executive staff. Additionally, participants can plan their next career phase in a closed user group on our in-house You and Me social network, where they will also find strategic project assignments and attractive job offers. Exclusive access to a portfolio of digital development measures completes the offer. The Global Talent Pool encourages employees to gain experience at different business units or national companies and in a range of functions, furthering diversity in the Group. During the 2019 stage, 952 participants registered with the Global Talent Pool.

Participants in international development programs (in heads)

DEVELOPMENT OFFERINGS AT ALL LEVELS



On the subject of executive development, 2019 featured the continued use of successful formats, ongoing improvements based on participant feedback, and the redesign of individual courses.

After two successful rounds, we continued our state-of-the-art levelUP! executive program in 2019. In total, over 2,100 executive staff have already participated in this program.

levelUP! is designed to help managers tackle future challenges and facilitate their own development journey. The main aspect pursued in 2019 was to focus on leadership in an agile context. The entire process is based on a varied mix of digital and face-to-face formats. Here it is important for us to collaborate with thought leaders, to break away from old habits and to build new networks. This executive-oriented development program has an individual, flexible structure, enabling participants to design their own personal learning path based on state-of-the-art methods.

We are committed to the continuous realignment and improvement of our portfolio. Based on our experiences and requirements from the Deutsche Telekom business units, we decided to implement our highly successful levelUP! format for high potentials below executive level also. This led to the launch of our levelUP!NextGeneration program, which was executed for the first time in 2019. The program replaced the former EDP (Executive Development Program) and has proved a resounding

success. 600 Group participants worldwide embarked on their personal 4-month digital learning program in August 2019. levelUP!NextGeneration offers them a huge range of digital and face-to-face formats, sufficient freedom to design their own development path and, at the same time, guarantees support and a structured framework. Students share what they have learned in small digital study groups, exchange practical experiences and discuss our 7 cutting-edge focal topics (ambidexterity, empowerment, agile working, awareness, digitalization/technology, storytelling, collaboration). The one-day on-site summit gives participants around the world the opportunity to get to know each other in person and to promote networking.

Yet another success story is our leadFIRST product portfolio, a completely digital, virtual executive development program aimed at managers who have recently taken on a management role. Its aim is to give these managers a clear and comprehensive understanding of their new role and create a solid management foundation in harmony with Deutsche Telekom's leadership principles and values. During the program, participants reflect on their own leadership ideas. This global, digital program not only helps to develop leadership skills at the highest level, but also promotes virtual leadership skills and offers numerous opportunities for networking. In 2019, a total of 190 participants from 19 countries attended the 8 live sessions.

Health rate in Germany (in %)

GROUP INITIATIVES IMPROVE HEALTH RATE TO 94 %

	2015	2016	2017	2018	2019
Germany	94.0	93.8	93.7	93.6	94.0

Nationally, the health rate for the Deutsche Telekom Group in 2019 showed a slight improvement of 0.4 percent year-on-year, and stood at an average of 94 percent (including the long-term sick). Musculoskeletal disorders, respiratory diseases and mental health problems account for the bulk of illness-related absenteeism at Deutsche Telekom AG.

Targeted health protection programs were implemented in the individual companies. Across all segments, we introduced or continued management training courses on the topic of “healthy leadership”. The aim is to sensitize managers to this issue and train them accordingly. Additionally, a structured ab-

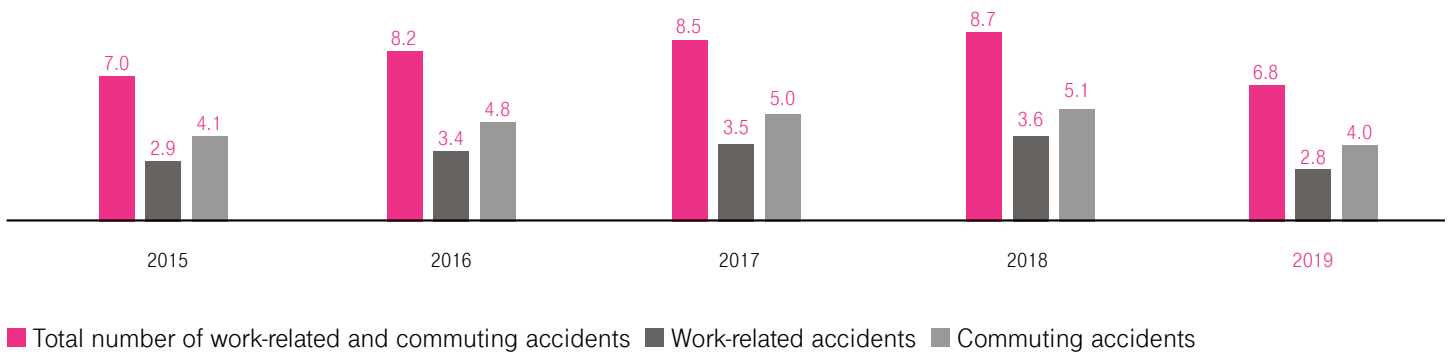
sence management system will be put in place to ensure that employees and managers regularly communicate about illness-related absences so that appropriate action can be taken early on.

We will broaden and intensify our programs focusing on the prevention of respiratory and musculoskeletal diseases, in order to target the most common causes of inability to work due to illness. We have a range of offerings for employees and advice for managers on tackling the growing scale of mental stress factors which significantly impact the length of absence.



Work-related accidents in Germany (per thousand FTE)

ACCIDENT RATE DOWN



The number of work-related and commuting accidents was lower than in 2018. The accident rate is well below the average at comparable companies.

We note that many accidents were the result of carelessness, e.g. people stumbling, slipping, falling or twisting their ankle. We therefore joined forces with the employers' liability insurance association to develop a special information format for the future. The increase in commuting accidents (accidents on the way to and from work) may well be due to longer journeys to work and the increase in traffic on the roads, with a large number of accidents being the fault of third parties. Since commuting accidents provoke lengthier absences than accidents

which occur at work itself, we continue to manage and evolve our existing set of preventive measures. In 2019, Deutsche Telekom continued to offer its employees safe-driving courses at a discounted rate with provider ADAC. Training is available to users of company and service vehicles as well as private cars. Special driving training is also available for young employees and apprentices. These measures are designed to stabilize or improve the rate of commuting accidents. Deutsche Telekom has a health and safety management system in place to reduce the number of work-related accidents. This certified system makes it possible to map the entire health and safety process and to develop sets of measures to further improve employee safety.

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