Environmental Guidance @ Deutsche Telekom: Content

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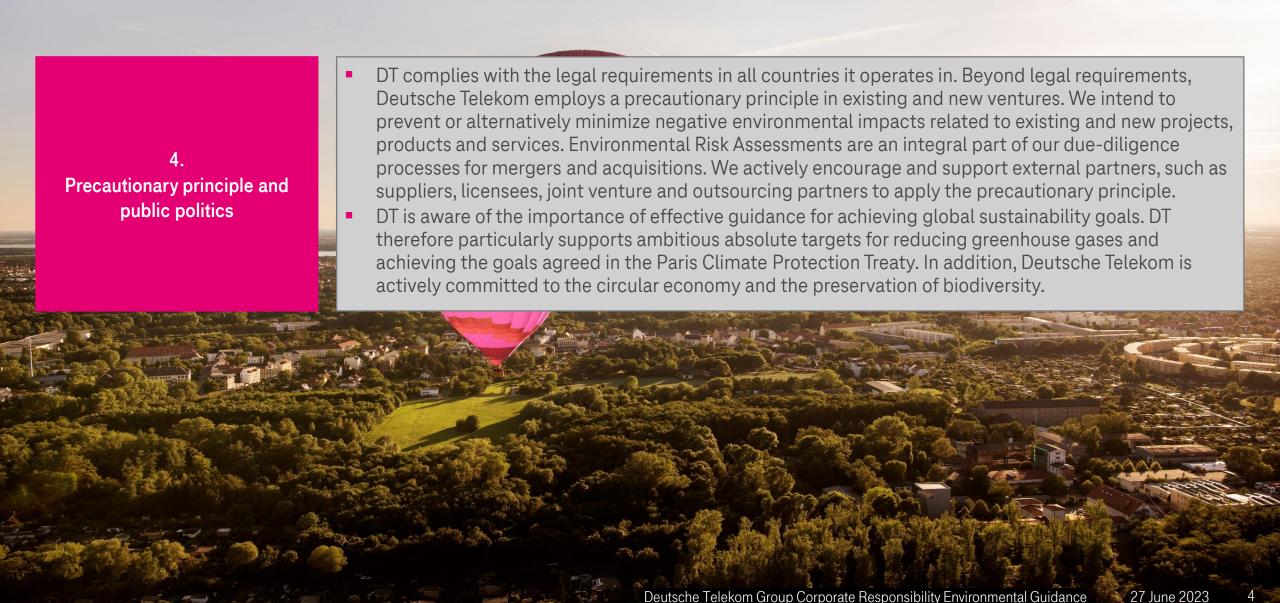
1. Purpose of the Guidance

- Deutsche Telekom (DT) is committed to taking a leading role in environmental protection in its own existing and new operations and is constantly setting itself new environmental targets for this purpose. In recognition of the needs and aspirations of present and future generations DT will consider all relevant aspects in the own operations but also in the relevant upstream and downstream value chain.
- This guidance makes the Group-wide targets and voluntary commitments publicly available to all interested stakeholders. It is thus part of the group-wide sustainability strategy and underlines the company's claim to be a leader in environmental protection.

2. Responsibilities and Accountabilities

- The environmental guidance is the responsibility of the Group Corporate Responsibility department, which is part of the CEO's area of responsibility.
- Every board member oversees the implementation within their respective area of responsibility. They can assign suitable persons to operational implementation.
- All Group companies are in charge of implementing the recommendations of the guidance in their business activities, for implementing any systems required for this purpose, for managing their employees in accordance with the guidance, and for training them regularly and in line with requirements.
- The documentation of the implementation of the environmental guidance is carried out via the existing data collection systems and controlling processes in the companies.

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**3.
Scope,
Review and Stakeholder
Involvement**

- This guidance applies to all fully consolidated Deutsche Telekom Group companies and is reviewed annually and updated when any of the following conditions are met:
  - Changes in regulatory environment.
  - Changes in important references as well as underlying standards.
  - New knowledge on existing and not sufficiently addressed environmental aspects, e.g., as a result of further developments of the sustainability strategies.
  - Changes in stakeholder expectations (e.g., investors, customers, employees, suppliers), which are captured through stakeholder communication and stakeholder dialogues in various formats. DT also enables constant stakeholder feedback.
- More detailed local regulations, if available, have priority, as long as they are not in conflict with the principles set in this Environmental guidance.

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**4.
Precautionary principle and public politics**

- DT complies with the legal requirements in all countries it operates in. Beyond legal requirements, Deutsche Telekom employs a precautionary principle in existing and new ventures. We intend to prevent or alternatively minimize negative environmental impacts related to existing and new projects, products and services. Environmental Risk Assessments are an integral part of our due-diligence processes for mergers and acquisitions. We actively encourage and support external partners, such as suppliers, licensees, joint venture and outsourcing partners to apply the precautionary principle.

- DT is aware of the importance of effective guidance for achieving global sustainability goals. DT therefore particularly supports ambitious absolute targets for reducing greenhouse gases and achieving the goals agreed in the Paris Climate Protection Treaty. In addition, Deutsche Telekom is actively committed to the circular economy and the preservation of biodiversity.

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5.
Climate Change & Energy
1/2

- Climate change is a central action area of DT Corporate CR strategy, which is an integral part of the overarching group strategy. The climate protection strategy currently consists of the pillars emissions management, renewable energies, energy efficiency and climate-friendly products. It thus covers the following aspects:

  - Management and significant reduction of DT's scope 1 & 2 carbon emissions (particularly from telecommunications networks and data center operations) with the goal of climate neutrality by 2025, offsetting remaining emissions by permanently removing CO_2 from the atmosphere.

  - Reduction of mobility-related emissions, especially by converting fleets to alternative drive technology and strengthening sustainable mobility alternatives.

  - Reduction of scope 1-3 emissions by 55% by 2030 compared to 2020 with the goal of achieving climate neutrality by 2040 at the latest.

  - Reduction of guarantees of origin through higher-quality "green electricity", e.g., through Power Purchase Agreements (PPAs) and own production. (The DT network has been running entirely on electricity from renewable sources throughout the Group since 2021.)

  - Increase of energy efficiency due to network modernization measured within the KPIs "electricity consumption per transported unit of data volume" and "carbon emissions per transported unit of data volume".

  - Measuring and monitoring the effect of our products and services via impact analyses (esp. for business costumers) as well as increasing the number of environmentally friendly products and services and improving the enablement factor (enabled carbon reductions for our customers related to own overall carbon emissions, Scope 1 – 3).

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5.
Climate Change & Energy
2/2

- This strategy is subject to a regular review and update process to incorporate recent company and market developments.
- DT also supports different internationally recognized standards and trustful labels to improve the energy efficiency of its products and services such as
  - The EU Broadband Code of Conduct or the EU Datacenter Code of Conduct.
  - DT applies its own "Green Magenta" label in Germany or the "hello holnap!" label in Hungary and uses established eco-labels as the "Blauer Engel" label in Germany to make customer choices more environmentally friendly. Furthermore, the "Eco Rating," which was developed in cooperation with other network operators, was introduced for smartphones.

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**6.
Natural Resources and
Circular Economy**

- DT is committed to the principle of "Reduce, Reuse, Resell and Recycle" and supports the European Union's goal of increasing resource efficiency. In this context, DT aims to operate in a fully circular manner by 2030, both in network technology as well as fixed line and mobile devices. To this end, DT has implemented a Group-wide "Waste Management Framework" that includes a commitment to avoid waste as far as possible and to promote the reuse and recycling of raw materials. (Corporate Responsibility - Circular economy)

- DT views a circular economy approach as a major lever to protect biodiversity (see 9.).

- DT also uses sustainability criteria in its supplier selection to address environmental issues such as energy efficiency, emissions targets and reduction, plastic avoidance, use of recycled materials, repairability, etc. in the sourcing process as early as possible.

- DT promotes circularity concepts by introducing rental models (fixed line) as well as refurbishing (fixed and mobile) customer devices and strives to collect used mobile devices, e.g., through https://www.handysammelcenter.de or by buying back mobile devices. DT also offers the repair of devices in selected shops, thereby extending the product lifetime: https://www.reparando.de.

- DT also supports resource efficiency activities by leveraging business opportunities from dematerialization (e.g., through e-media, software as a service, "paperless office") as well as by supporting sharing economy concepts (e.g., car sharing).

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7.
Infrastructure Extension and Maintenance

- DT products and services are depending on the availability and extension of high-performance infrastructure and technology. New infrastructure is put in place with a view of minimizing life-time energy consumption and environmental impacts. Regular maintenance ensures efficient operation and long life-times .
- Our building infrastructure is regularly reviewed for sustainability and optimized with regards to functional requirements and economic aspects.

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8.
Sustainable products and services

- By providing products and solutions that comply with our principles in the areas of climate, circular economy, and resource conservation, we contribute to providing our consumers and business customers with sustainable telecommunication and IT services.
- Already during the design of our products, we attach particular importance to sustainable aspects (Sustainability by Design).
- As a matter of principle, we pursue a holistic approach that encompasses both our telecommunication services as well as the corresponding devices, including their plastic-free packaging and climate-neutral shipping to customers.
- Together with our partners, we create measures for our customers to use devices for longer and to reuse or professionally recycle the hardware at the end of its lifetime.
- We support both consumers and business customers in using the potential of digitization to increase energy efficiency and thus protect the climate and resources.
- Products, services and solutions that make a particularly positive contribution to climate protection and the responsible use of resources are awarded the "Green Magenta" label. The prerequisite for this label is proof of a relevant and measurable contribution to the environment based on a professional impact measurement and is awarded by a panel of experts.

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**9.
Biodiversity and other
Environmental Issues
e.g. Water**

OVERARCHING
- DT considers other environmental topics such as biodiversity and water to be increasingly of significant importance. Therefor these aspects need to be assed as part of the environmental risk assessments which are integrated in our Environmental Management System. Even in case of limited risks and influence DT is actively working to reduce these environmental impacts.

BIODIVERSITY
- The topic of biodiversity is of high relevance. With ICT solutions and our circularity approach (see 6.), we contribute to the preservation of biodiversity. As a telco, we use little land compared to companies in many other industries. Nevertheless, we monitor our land use and want to constantly reduce it.
- However, our business activities impact other parts of our value chain – especially our suppliers at the beginning. Therefore, our suppliers must comply with our environmental regulations via the "Supplier Code of Conduct". The topic of biodiversity and "No Deforestation" are part of it.
- In the fight against climate change, we support international reforestation projects and are committed to protecting against deforestation. To this end, we are consistently reducing our paper consumption by digitizing our internal and external processes. We procure products containing wood exclusively from certified forestry. DT aims to abstain from using paper as far as possible by 2025. DT has published its own statement on biodiversity.

WATER
- Through ICT solutions DT strives to support water consumption transparency and water management systems in order to identify and counteract water waste at an early stage. We also assess the level of water stress for our operations and develop water consumption reduction plans in water stress areas.

We use water almost exclusively in our office work. Furthermore, water consumption only plays a minor role in our supply chains. We use our water consumption indicator to record how much water we use each year and try to constantly reduce it.

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10.
Hazardous Substances, other Pollution and Health

- DT drives the monitoring and avoidance of (potentially) hazardous substances in the supply chain in close cooperation with first tier suppliers. This includes all substances on the REACH candidate list, the RoHS Directive and all substances that are considered hazardous according to the Globally Harmonized System of Classification and Labelling of Chemicals (GHS).
- The long-term objective is to avoid several potentially problematic substances that are currently not regulated. Thus, Deutsche Telekom requires a ban of these substances in those devices procured by DT. DT is implementing this ban in close cooperation with key device suppliers.

11.
Electromagnetic Radiation

- DT recognizes that some customers and stakeholders are concerned about possible adverse effects of electromagnetic fields.
- DT closely monitors scientific evidence and provides detailed information on the Group website regarding the latest technology and scientific risk assessments published by expert committees and organizations.
- The respective guidance of DT: EMF Guidance

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12.
Supplier standards

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- DT takes responsibility for its own business activities and its supply chains. DT's suppliers and outsourcing partners are contractually bound by the "Supplier Code of Conduct" and by contractual provisions relevant to the selection of suppliers.

- DT's suppliers are contractually obligated to meet DT's minimum sustainability requirements, including legal obligations and international standards as e.g., the Minamata Convention (Mercury), the Stockholm Convention (Persistent organic Pollutants) or the Basel Convention (e-Waste). DT regularly reviews and enhances the requirements for its products, services and suppliers.

- Sustainability criteria are also incorporated into the decision on awarding contracts in tenders.

- DT contractually agrees with its suppliers to improve transparency about emissions and reduction plans.

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13.
Management Systems & Audits

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- For the management of its environmental impacts Deutsche Telekom has implemented a group wide Environmental Management System which is part of the integrated group wide QHSE (Quality-, Health & Safety and Environment) Management System. The system covers all relevant DT companies and is regularly certified by external auditors. The basic system requirements are valid for all group employees. Existing systems and certificates outside of the current central system are gradually added to the corporate system over time or are at least adapted in case there is a higher integrated regional approach with respect to management systems. DT continuously improves the environmental management system to enhance environmental performance.

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**14.
Regular progress report**

- Deutsche Telekom reports progress in environmental topics according to defined KPIs on a regularly basis in its Group CR Report:
https://www.cr-report.telekom.com

- Deutsche Telekom also reports status and progress in environmental topics in its annual report and in the Global Compact Progress Report.