# Corporate Digital Responsibility @Deutsche Telekom

Our definition of digital responsibility







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# CEO letter

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# Letter from the CEO



The transformation of our world has accelerated rapidly. Climate and demographic change, social inequality, and technological progress – these changes affect us all, positively and negatively. We as a society face the challenge of shaping and mastering these changes - only if we are successful can we continue to develop further. At Deutsche Telekom, we all follow the goal: getting everyone connected. That is our contribution. Being able to take part in the digital world is such a central need that it affects everyone. We are committed to this and obligate our business partners and suppliers to do the same.

Responsible digitalization represents the extension of our practiced corporate responsibility into an increasingly digitalized world. Based on this conviction, we design our internal processes, business activities, and business relationships; we adapt our product portfolio and service offerings; we stand up for community and campaign against the division of society. With this document, we are demonstrating the spectrum of our digital responsibility. We are creating transparency as to how we at Deutsche Telekom are helping to get society more connected in the long term – every person in all of their individuality. People are at the heart of everything we do.

**Timotheus Höttges**Chairman of the Board
of Management of Deutsche Telekom AG

# **Our** motivation

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# Our motivation – we act responsibly

Since 2017, we have been illuminating the topic of responsible digitalization intensively, from a variety of perspectives and in its different facets. A competence community supports our corporate digital responsibility organizationally. As an interdisciplinary topic, it adds value in several areas and is incorporated in existing structures: for example, with digital ethics in compliance, digital participation in our Corporate Responsibility department, and in our strategic approaches to data privacy and data security.

Current challenges such as climate change, demographic change, social inequality, and technological progress drive our activities and our commitment. At the same time, we are experiencing tremendous technological progress. Digital trends are affecting and changing all of our business processes. To do so, we use human-centered technologies, which we expect will help us deal with the major challenges of our time. We are convinced that technological development has to be oriented more strongly toward values. And we are aware that we bear responsibility for implementing ethics in technologies and making them available to everyone. It always has to be about us as people, us as individuals.

To live up to this goal, we have defined a framework for our activities: the House of Digital Responsibility at Deutsche Telekom.



We claim that the deployment of technology must be based on a humanistic system of values. That's why people – with all of their facets, roles, and needs – are our focus. I call this 'human-centered technology'."

Claudia Nemat

# **Our motivation – part of our DNA**

At Deutsche Telekom, we consider digital responsibility to be the conscious decision to pursue ethically sustainable and responsible actions within the digital transformation. Why does this topic drive us?

Quite simple: It is part of our DNA – an expression of our culture and the values we embrace. Taking responsibility is part of our corporate identity. In addition to ecological and social responsibility, we are concerned about digital responsibility – our corporate digital responsibility (CDR) – because digitalization is our core business. We are one of the leading telecommunication companies worldwide. Our task is to connect people and enable participation. And we have a clear goal: we won't stop until everyone is connected. That means we have given ourselves a target that combines two things: commercial success, since it is the prerequisite for everything we do, and the responsibility for society we assume in the process. We are committed to creating a liberal, inclusive society – analog and digital - to more climate protection, and to sustainable business practices.

We have embedded "acting responsibly" in our Group strategy. In doing so, we are emphasizing the importance of this topic and its implications for our actions. It sets out that the social and ecological consequences of all business decisions are to be considered from the outset.



Nowadays, many things can be digitalized – and are being digitalized. New Work influences how we collaborate as colleagues. It is based on an idea of humanity that is characterized by trust and responsibility. We want to create a working environment in which employees can thrive – for the benefit of our company. That's our ambition. Because everything starts with the employees. It's the only way for New Work to succeed."

Birgit Bohle

# Our motivation - internal and external dialog

#### Digitalization as opportunity

We see major opportunities in digitalization. More people can participate in public discourse; there are hardly any limits to communication and understanding. At the same time, we are all aware that we have to face the corresponding risks. Conflicting values and dilemmas have to be discussed in society. We need to make digitalization compatible with our values and find the best possible solutions to shaping a responsible digital transformation. Our guidelines and principles, upon which our digital responsibility is based, serve as our compass here.

#### Digitalization poses dilemmas

As a globally active company, we are aware that we cannot always solve the dilemmas posed by digitalization uniformly or conclusively.

Digitalization poses dilemmas for us. We face them proactively, taking cultural differences and our moral compass into account. To do so, we as a company need a dialog – interaction with all stakeholders. We cannot shape this transformation responsibly on our own. It is a task for society as a whole, where everyone needs to get involved: politics, business, academia, and society. That's why we are active in a variety of different initiatives and movements, to ensure that we live up to the task.

Digitalization is happening. It is important that we all work together to make it human-centered.

#### **Acting with digital responsibility**

Corporate Digital Responsibility @Deutsche Telekom is the result of our CDR community. Contact persons and experts from all Board of Management departments have contributed and continue to contribute to the discussion. Based on our analysis of numerous documents, qualitative surveys, and detailed interviews, we have identified a large number of activities that help foster our digital responsibility. Further activities are already being planned in the various departments.

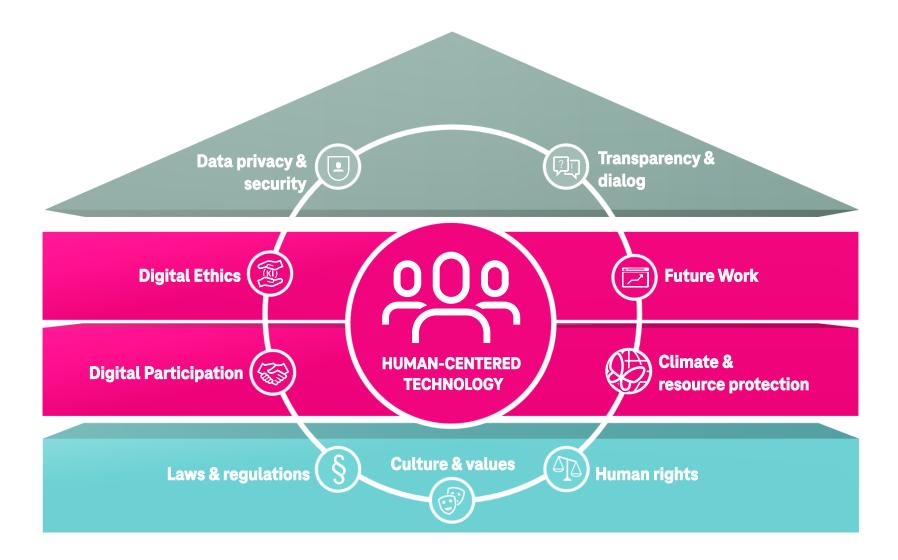
We see taking digital responsibility as a dynamic process and constant evolution. We will report on new and expanded activities and measures on a regular basis, because meeting our high standards for responsible digitalization is an ongoing challenge and duty – **one that we gladly face**.

Our approach

03



# The House of Digital Responsibility



#### The House of Digital Responsibility

# Digitale Verantwortung leben

The House of Digital Responsibility focuses on human-centered technology. We act responsibly in both the analog and digital spheres. This attitude is our protective roof. People are behind all the stakeholder groups at our company: customers, employees, shareholders, partners, and society as a whole. As such, it is clear to us that technology and its deployment also has to be designed according to human-centered principles – they are the key component of our digital responsibility.

This foundation is supplemented by the principles of "data privacy & security" and "transparency & dialog", which are immanently integrated in our actions:

**Data privacy & security –** We stand for security and the responsible handling of data.

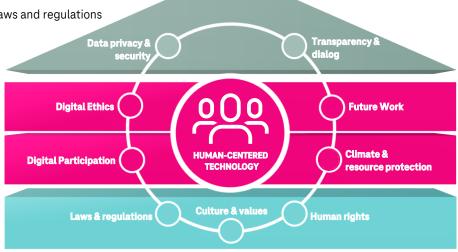
**Transparency & dialog** – We shape the dialog about the opportunities and risks of digitalization and make our actions transparent.

The House of Digital Responsibility is built on a strong foundation:

**Laws & regulations** — We act in compliance with applicable laws and regulations and adopt digital rights in our daily activities, accordingly.

**Human rights** – We are expressly committed to the United Nations Guiding Principles on Business and Human Rights and stand for digital sovereignty, freedom from discrimination, and freedom of expression.

**Culture & values –** As a global company, we appreciate cultural differences, while promoting a common understanding of values.



Our actions are based on our firm foundation and our principles. We focus on technologies for people and with people. We currently categorize these actions in four areas:

**Digital Ethics** – Ensuring sovereignty and supporting people are our focus. We design digital technologies responsibly.

**Digital Participation** – Deutsche Telekom wants everyone to take part in the digital society. Everyone should have access to the many opportunities afforded by digitalization.

**Future Work** –Digital responsibility at Deutsche Telekom means thinking about future work as part of its dynamic transformation process and ensuring that despite all the changes, people remain the focus of all decisions.

**Climate and resource protection** – Protecting the climate together and using resources responsibly – with and through digitalization.

#### The foundation of digital responsibility

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# **Laws & regulations**

# We act in compliance with applicable laws and regulations and adopt digital rights in our daily activities.

Our digital stance and our digital responsibility are characterized by our democratic self-image. As such, we not only comply with the minimum legal standards, but also enter voluntary commitments when it comes to topics that are particularly important to us. As a founding member of the CDR initiative of the Federal Ministry of Justice and Consumer Protection, which has now been transferred to the Federal Ministry for Environment, Nature Conservation, Nuclear Safety and Consumer Protection, we have voluntarily committed ourselves of following the CDR Code which defines guiding principles and objectives. We also help to shape the discourse in society, politics, and industry, for instance, through our active participation in professional associations and our activities related to Industry 4.0. We also contribute our expertise to collaborations with organizations such as acatech, as a signatory to the Charta digitale Vernetzung (charter for digital networking), and many other activities. As such, we are actively contributing to a variety of initiatives focused on digital ethics in digitalization. We are a pioneer in this field and intend to remain so.

We see ourselves as a dialog partner in an ever more complex digital world and are actively involved in socio-political discourse – responsible, fair, and based on facts. We assess and externally report on what regulations mean for our business, as well as what

those change for our customers (<u>public and regulatory affairs</u>). In our <u>Network Stories TALK</u> series of events, we host an open exchange of ideas between politics, business, and the general public. We are active on various platforms, in associations, and on forums to help shape how digital togetherness can be trustworthy and responsible.

Law and order is a cornerstone in the foundation of our House of Digital Responsibility because everything we do is always compliant with applicable laws and obligations. After all, in addition to good products and services, business success also demands legally compliant behavior of board members, managing directors, managers, and all employees. That's why we define clear requirements for our employees and suppliers. To ensure these requirements are complied with, we not only use our processes to monitor behavior, but have also set up a whistleblower portal that gives everyone the possibility to draw attention to misconduct. We also provide a possibility of reporting improper internet usage (misuse reporter). This engenders trust, credibility and a feeling of reliability, and creates a good reputation.

#### The foundation of digital responsibility

# S Human rights

We are expressly committed to the United Nations Guiding Principles on Business and Human Rights and stand for digital sovereignty, freedom from discrimination, and freedom of expression of our employees and customers.

We are committed to respect human rights and take efforts to enforce them in the context of our business operations, our suppliers, and our customers at both the global and regional levels. The basis for our conduct is the recognized <u>standards and principles</u>, which we have incorporated in our <u>Code of Human Rights</u>. As part of the digital transformation, we expand those on human rights and take responsibility for giving everyone access to digitalization, the right skill sets, the use of technologies, and the underlying innovation process. Our action areas and our activities focus on these goals.

Technology has become deeply entwined in every aspect of our lives and, as such, also affects and influences all areas of human togetherness. In this digital age, digitalization is transforming social interaction and our culture. This also becomes apparent in the debate on digital rights. As one of the leading telecommunications provider, we are aware of our responsibility in this area and accept to be subject of the <u>corresponding rankings</u>.

We support the opportunities that digitalization presents with regard to human rights – thanks to digitalization, many more people can take part in public discourse, exercise their freedom of expression, and draw attention to their grievances worldwide. With our activities aimed at enabling <u>digital participation</u>, we systematically support this goal. We are minimizing the risks that digitalization poses to human rights. One key risk involves the collection and use of data. The privacy of all people has to be protected as best as possible and the utilization of information must be fair and free of discrimination. We support this with our approaches to <u>data privacy and security</u>. What's more, with our activities related to <u>digital ethics</u>, we are setting standards with regard to transparency and responsibility in the use of technology and handling of data.

#### The foundation of digital responsibility



### **Culture & values**

# As a global company, we embrace cultural differences, while promoting a common understanding of values.

For us, diversity is not only a matter of course; it is also part of our corporate culture. Operating globally means recognizing cultural differences and leveraging them to achieve success. At the same time, we build on a foundation of shared values related to our purpose. This helps us maintain a uniform response to the challenges of the transformation. Because culture is also undergoing a transformation. And we are all shaping it.

We won't stop until everyone is connected. That is Deutsche Telekom's purpose. We have defined it together as part of our living culture process. Our corporate culture consists of values, standards, convictions, mindsets, ideas of morality, and visions. It shapes our decisions and our conduct.

To embed it in our culture, we have defined <u>guiding principles</u>. They describe how we want to deal with each other and with others, both within and outside of our company. The requirements we place on Deutsche Telekom employees are described in our <u>Code of Conduct</u>. Our managers take an active role here, because leading means taking

responsibility. Trust and transparency are key here and this is why we have developed specific development programs for both new and experienced managers. We consider diversity, equity, and inclusion in decisions at all levels. We therefore want to promote a culture of belonging in which everyone is enabled to capture their full potential. We have published a policy on this.

We speak openly about our culture and our values—we are proud of them. In our <u>Culture for Breakfast</u> podcast, we give people the opportunity to get to know Deutsche Telekom from a variety of perspectives and find out how we live our purpose in practice.

#### The principles of digital responsibility



# **Data privacy & security**

# We stand for security and the responsible handling of data.

Our customers, our employees, our shareholders, regulatory authorities, and the general public rightly expect us to handle the data they entrusted to us with care. For us, data privacy and the security of data and technologies are more than just a responsibility; we consider them a concern of particular importance to us. With our <a href="Binding Corporate">Binding Corporate</a> Rules Privacy (BCRP), we committed ourselves to a very high level of data privacy in 2014, well before the GDPR came into force. We take data privacy seriously – which is also reflected in the <a href="Organizational structures in the Group">Organizational structures in the Group</a> that we have created to ensure compliance with data privacy, both at national and international level. In addition to data privacy and protection, transparency regarding how we use and process data is a central issue for us. We <a href="Openly report">Openly report</a> what data we use and for what purposes, how long we retain it, and under which special circumstances we have to disclose it.

Our certified "privacy by design" processes ensure that protection of the data entrusted to us is integrated from the very beginning. All Deutsche Telekom projects are categorized according to their security relevance. This is the starting point for our <a href="Privacy and Security Assessment (PSA) process">Privacy and Security Assessment (PSA) process</a>. The PSA process is a core element in safeguarding security and data privacy. It ensures a consistent, adequately high level of security and data privacy in all products, systems, and platforms. We conduct <a href="training courses and awareness measures">training courses and awareness measures</a> to support our employees in its implementation.

Aside from technical excellence, all of these elements require appropriate governance – embedded in roles and responsibilities. As part of the Technology & Innovation Board of Management department (VTI), the Security unit follows a "security by design" approach in the strategic steering of the Group in every topic of security – including data security, information security, cybersecurity, physical and personal safety, misuse detection, and business continuity management – with a holistic, convergent, integrated security management approach and concept. It includes internal measures for protection along the value chain (training courses) supporting business activities, and as the outwardly oriented Security business area with its product and service portfolio.

#### The principles of digital responsibility



# Transparency & dialog

#### We shape the dialog about the opportunities and risks of digitalization and make our actions transparent.

We communicate with our customers and maintain an ongoing dialog within the workforce. This means we discuss openly and listen to one another without bias. Our communications and our conduct are characterized by respect, integrity, and transparency. We disclose our action areas and our activities. We openly present our contribution to society and policy.

We show how we act responsibly. We explain what we are doing. Among our other duties, as a telecommunications company, we are legally required to support security authorities, for example, in surveillance measures by which telecommunications connections can be traced or recorded. We publish these activities in our <u>Transparency</u> Report. We also make our contributions to and positions on relevant topics (such as the GDPR) public and promote the related dialog.

We interpret this "dialog" as our dealings with each other and the way in which we share knowledge, experience, and information – among employees, customers, and business partners. Tailoring it to the various target audiences is part of our communication strategy. To be successful communicators in these dynamic times, we need to think outside of the box defined by standard-style communications fields. That's why it's important for us to employ different formats (such as Magenta Moon, investor talks, Ideas Forge) to get the different stakeholder groups on board and delight them. In doing so, we draw attention to all sides of digitalization, opportunities and risks alike. This dialog and the transparent exchange of information are essential to shaping our responsibility further and alleviating the fears of the groups involved.

# Our action areas

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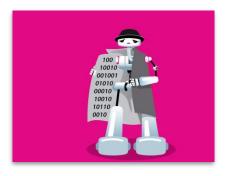
# Digital Ethics

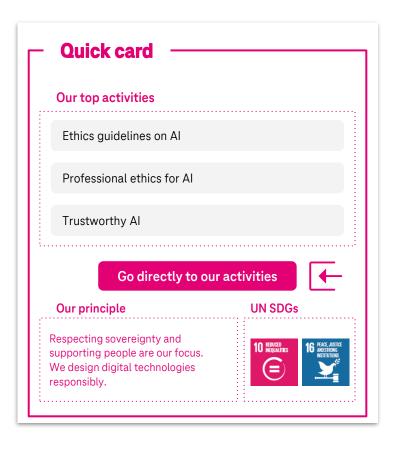
The aims of responsible technological development should not be limited to optimizing processes and achieving business efficiency. We also need to ensure that they improve living conditions for people, expand their freedom to act, and help them retain their autonomy. ("Human-centered-approach")

Deutsche Telekom is one of the leading global companies for telecommunications and IT. For us, digital ethics is the key to systematically implementing these human needs in our business. It is our digital responsibility to take part in the ethics debate and promote the development of an ethical framework for our technologies. Our values and the conscious decision to focus on people give us direction in the digital world.

What digital ethics means to us: We scrutinize our decisions that involve the programming of digital technologies and derive future activities from them. We adhere to them whenever we develop, use, or sell digital technologies. Our goal is to protect human dignity, freedom, and autonomy of all people in the digital sphere.







# Our action areas Digital Ethics

#### We are shaping the discourse

Deutsche Telekom is actively involved in linking state-of-the-art technologies to ethical standards through our Digital Ethics Community in a coordinating function, with our T-Labs for operational aspects, and in cooperation with many internal and external partners. Our Robust Al Assessment project makes it possible to analyze and assess the robustness of Al models. And since Al does not stop at our corporate boundaries, we are one of the first companies to have incorporated the principles of our Al guidelines in our Supplier Code of Conduct.

As part of our work in associations, we share our experiences and insights with other companies and organizations. This occurs, for example, in our participation in the Federation of German Industries (BDI) and the German Association for Information Technology, Telecommunications and New Media (Bitkom). In addition to the CDR initiative of the Federal Ministry of Justice and Consumer protection – which has now been transferred to the Federal Ministry for Environment, Nature Conservation, and Nuclear Safety – where we commit to CDR guiding principles, we are also a founding measure of the CDR Lab of the German Association for the Digital Economy (BVDW). Here, we have joined with other companies to develop the CDR Building Bloxx and, in particular, develop the AI area in our lab management role. The aim of this framework is to define uniform standards for the implementation of responsible digitalization at companies. Deutsche Telekom's action areas are based on these standards, among other things. Our focus here has always been, and still remains, on exploring the human-centered aspects of the technologies.

In the future, we at Deutsche Telekom will continue to expand our internal digital ethics assessment to ensure that our ethical requirements are met and that the development processes in the framework of "ethics by design" will continue to be straightforward.



#### We are a pioneer in Digital Ethics (1/2)

The use of AI is opening up countless new possibilities for us. To give our customers the best possible user experience, we use AI in our customer services (customer interactions with chatbots, for example, or to support our consultants). We also use AI in our standard processes (in the framework of our <u>FTTH (fiber to the home</u>) rollout, for example, as part of process optimization, and in IT security).

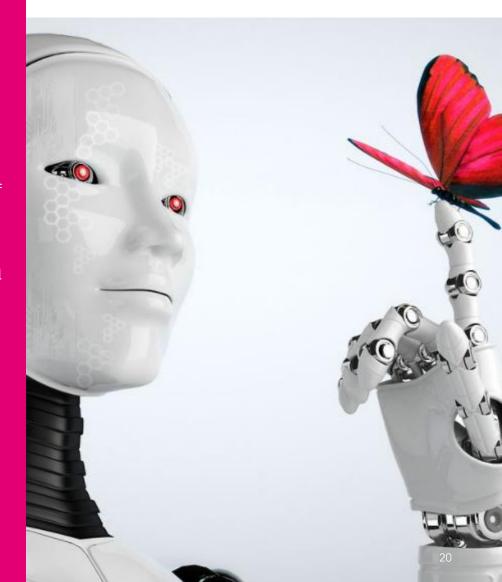
For every single use case, we also face new challenges with regard to societal values and ethics. Digital ethics asks what is good and proper when using artificial intelligence. We are one of the first companies worldwide to have developed ethical Al guidelines as guardrails for the use of Al at Deutsche Telekom. To prepare them, we consulted numerous experts on the subject, both at national and international level, whom we selected in a targeted way to ensure multidisciplinary representation. We then presented the guidelines to external experts and representatives of a variety of disciplines and asked them to actively participate in the discussion.

We integrate these digital ethics guidelines into our processes with a holistic approach: the human being is the success factor here. To ensure that the digital ethics requirements are met by our products and services, we have integrated a digital ethics assessment in our <u>Privacy and Security Assessment (PSA) process</u>. We believe that ethical AI is only possible if the people who buy, design, develop, program, inspect, and work with AI have the necessary qualifications. In turn, this means we need employees with the right skills. For that reason, according to the motto "share and enlighten," we offer online trainings on "digital ethics" and conduct many events and presentations for a wide range of target groups within the company. Our responsibility doesn't end here, however.

To support all specialists (e.g. project managers, data scientists, programmers) in successfully applying the Al guidelines in the development process, we have drawn up a guiding document on this (<u>Professional ethics</u>). It provides guidance for ethical questions and gives employees operating instructions for all phases of a project. This guarantees the "ethics by design" approach and compliance during Al development and supports the design of trustworthy products for our customers.

#### Our action areas

# Digital Ethics



#### We are a pioneer in Digital Ethics (2/2)

To support all specialists (e.g. project managers, data scientists, programmers) in successfully applying the Al guidelines in the development process, we have drawn up a guiding document on this (<u>Professional ethics</u>). It provides guidance for ethical questions and gives employees operating instructions for all phases of a project. This guarantees the "ethics by design" approach and compliance during Al development and supports the design of trustworthy products for our customers.

As a result, one of our offerings (Conversational Al Suite) is among the first to be certified by an external auditor as compliant with the BSI criteria catalog for trustworthy Al (AlC4). This certification ensures that factors such as absence of bias, transparency, security, robustness, reliability, and data quality are adequately taken into account over the entire life cycle of our voice and chat robots.

This is how we represent the content of our AI guidelines externally, so that our customers can continue to place their trust in us.

Our action areas

# Digital Ethics



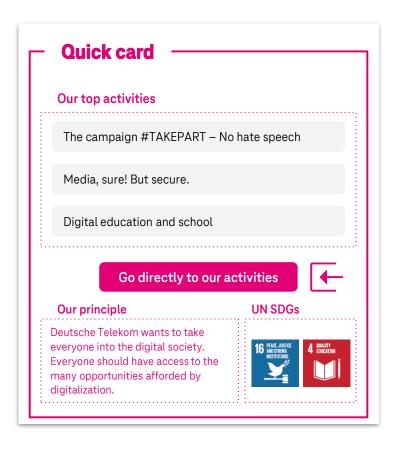
# Digital Participation

We connect people. We not only feel responsible for our products and services, but also for how society handles technology. In a digitalized world, digital participation also means societal participation – from education and culture through to work and recreation. To promote this, we address three central elements in our activities:

- (1) The availability of digital offerings, regardless of age, disability, education, or location **access**
- (2) Rate plans, services, and user devices that enable people and institutions to take part under consideration of their financial situation **affordability**
- (3) The capacity to use the technologies and will to do so **ability**With these elements, we support society in taking part in digitalization and the corresponding discourse, because we believe it is our responsibility to avoid a digital divide.







# We want everyone to take part in the digital society

Social participation in the digital sphere requires access, affordability and skills. In addition, people must be motivated to take part and live together in the digital world according to democratic rules. This is the only way to avoid dividing society. With our approach of access, affordability, and ability, we want to ensure digital participation for everyone.

Access: We are continuously building out our network to enable technical access. In late 2020, nearly 99 percent of all households had access to LTE and we have nearly completed our FTTC (fiber to the curb) rollout in our fixed-line network. We also equip educational institutions with technology, among other measures, to guarantee access. Deutsche Telekom is investing billions of euros in its network infrastructure and the services and innovations that build upon it. We offer special services to grant access to people with disabilities, such as the deaf hotline.

**Affordability:** With different rate plans for every budget and our <u>subsidized rate</u>, we are striving to make digital access affordable for everyone.

**Ability:** We help people navigate the web with confidence and coexist in that space according to democratic principles. Our measures and activities are aimed at different target groups and their needs: from children, parents, and teachers to offerings in different languages and simple language for adults and multipliers. We believe that media literacy and democratic competence are inseparably linked, to ensure that people feel comfortable on the internet and do not have to fear exclusion or abuse.

Our action areas





# Future Work

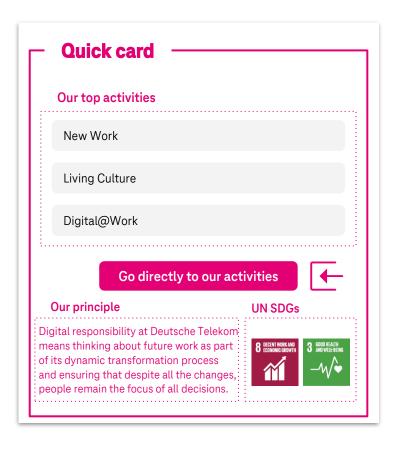
The workplace is changing rapidly, and the speed of the change is constantly increasing. All sectors are affected. Chatbots support our customer service, videoconferences can take the place of business travel, and artificial intelligence helps out with data analysis. At the same time, the requirements for employees are naturally changing. The half-life of knowledge is constantly decreasing, and willingness to change and learn are becoming core competencies.

Employees' expectations with regard to their employers are also changing, in corresponding ways. Employees expect employers to offer them more personal freedom, greater flexibility, and less limitation to specific workplace locations. From such changes, a new balance between trust and responsibility is emerging. Strict controls and rigid office-time schedules will become things of the past. Today's competent, committed, and entrepreneurially oriented employees are taking greater responsibility for their work than in the past. They are also assuming greater responsibility for themselves overall.

That's why digital responsibility at Deutsche Telekom means thinking about future work as part of its dynamic transformation process and ensuring that despite all the changes, people remain the focus of all decisions.











#### **Future Work at Deutsche Telekom**

As we become the Leading Digital Telco, the ways in which we collaborate are changing. This is what we at Deutsche Telekom call New Work. This is about more than simply whether employees work in the office or from their homes. It's also about the essence of our work – about whether it is meaningful, and of use to society, and about how it helps take us, as a company, toward our common success.

Our journey toward a new, more flexible, more intelligent, more individual workplace began over a decade ago. Rather than focusing on structures, this journey emphasizes attitudes and relationships – including relationships among ourselves and with our customers – and is directed at a changed understanding of what leadership should be. Such topics are also at the heart of our corporate culture, which we are developing jointly, as a <u>Living Culture</u>. This culture supports a transformation process that calls on employees to be willing to change and acquire new skills. This, in turn, presents challenges – challenges that we are addressing with comprehensive skills management and precisely tailored training options.

Currently, and also as a result of the pandemic's impacts, the framework for our collaboration is defined by <u>five</u> <u>quardrails</u>. We invite and expect our employees to work out the specific details regarding how the framework is applied. With this approach, we can combine the best of both worlds – the physical and the virtual world, or the analog and digital world. To this end, and working in cooperation with the Group Works Council, we have produced the Manifesto on the new Way of Working. It serves as the basis for interaction characterized by trust and respect.

Our <u>Digital@Work</u> program facilitates our employees' collaboration – with suitable tools and technologies. Among other factors, the interaction between human and machine is becoming increasingly important: Chatbots support customer-service processes, videoconferences take the place of business travel, and artificial intelligence supports in data analysis. Like in all other transformation processes, it goes without saying that we will not leave employees to face these changes alone. This example proves again that we at Deutsche Telekom put digital responsibility into practice.

#### **GUARDRAIL 1**

We will combine the best of both worlds

#### **GUARDRAIL 2**

Our offices will become places of encounter

#### **GUARDRAIL 3**

Digital tools will become even more important

#### **GUARDRAIL 4**

We will travel less

#### **GUARDRAIL 5**

We will lead differently

#### **Future Work for our customers**

The pace of digitalization is affecting every sector and many companies are reorganizing their internal processes. They are implementing mobile work, offering more flexibility in terms of working hours and workplace, or creating hybrid working environments and models.

As a partner and guide on the road to digitalization, our expertise is also in demand when it comes to future work. This involves the technological infrastructure, our core business. However, our own experience with changing work environments is also appreciated.

In cases where the majority of the workforce works from home, different office equipment as well as real estate that meets the respective needs is required. Here, too, we invite our partners to benefit from our expertise.

We consider employee acceptance of new technologies as an essential success factor. According to our understanding of digital responsibility we recommend our partners to pay attention to this when designing and implementing New Work strategies. This is digital responsibility filled with life.

Our action areas



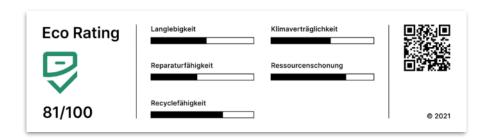




# Climate and resource protection

We at Deutsche Telekom are fully committed to climate protection. We are consistently reducing our own environmental impact and that of our customers when using our products. Digitalization offers opportunities that we are seizing and challenges that we are facing to reach our sustainability targets. We are playing an active role, examining both current and future impacts on the climate and resources along the value chain.

We review both our own activities and conduct and that of our suppliers, business partners, and customers. Our activities are oriented toward the United Nations Sustainable Development Goals, with the aim of protecting resources and being socially fair.





#### Climate and resource protection

With our new #GreenMagenta and #GoodMagenta labels, we show how we are living up to our responsibility to the environment and society. We not only offer the best network, but also provide especially green and sustainable products and initiatives – this is what we call #GreenMagenta. Our efforts that focus on not only making society more digital but also safer, more equitable, and more livable are bundled under #GoodMagenta. These new labels replaced our previous "we care" label in 2021.

We contribute to climate protection and resource conservation in two different ways: As Deutsche Telekom, we are continually reducing our own ecological footprint (packaging, green network, green data bunker). Our network is already green today. From mobile communications to our high-speed DSL network, all of our networks run completely on electricity from renewable resources. We also use innovative methods like energy-saving programming and green blockchains to explore new paths to a climate-friendly future and also require contributions from our business partners and suppliers. Our targets are ambitious: We want to achieve a climate neutral footprint for our own emissions (Scope 1 and 2) by 2025. To do so, we will reduce our global emissions by up to 95 percent. We will neutralize the last five percent of our carbon footprint through high-value carbon capture projects. We aim to become completely carbon neutral along our entire value chain by 2040 at the latest.

We also enable our customers to be more environmentally friendly and more sustainable. With our <u>Eco Rating</u>, we enable customers to get informed through an industry-wide sustainability assessment system for smartphones and thus make more sustainable decisions. Through <u>sustainable smartphones</u>, <u>green covers</u>, and <u>recycling options</u>, everyone can contribute. Our services also leverage the opportunities presented by digitalization to support our customers in reaching their own sustainability targets (<u>Remote Testlab</u>, <u>airports</u>, <u>SAP cloud</u>).

Many other activities and information about our sustainability targets and activities are described in our <u>CR Report</u>. We are convinced that digitalization has to be sustainable to be successful. We are doing our part, because we can only master the challenge of climate change together.

Our action areas





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Activity	Brief description
Accessibility	Deutsche Telekom wants to make it easier for people with disabilities to have access to the knowledge and information society. To that end, we offer them specially tailored services. We also review our products for accessibility and adapt them when necessary.
Al guidelines in our Supplier Code of Conduct	The Al guidelines are integrated in Deutsche Telekom's Supplier Code of Conduct. They highlight our high expectations for suppliers, including in matters of digital ethics and integrity, based on Deutsche Telekom's values.
<u>AwareNessi</u>	"AwareNessi – The cyberactivity book" is a children's book on the subject of cybercrime. It helps to promote social, business, and political understanding for everyone.
Binding Corporate Rules (for) Privacy	Deutsche Telekom has binding corporate rules for privacy (Binding Corporate Rules Privacy) that regulate how personal data is handled in such a way as to protect personal rights.
Bitkom digital conference	Deutsche Telekom is a regular partner to the support network for the digital conference and takes part in a variety of activities related to digitalization.
Carbon neutral events	Events are planned to be carbon neutral and emissions are offset (hosting partners and the like are selected according to these criteria). Our Event Policy specifies how we offset emissions generated by events.
Certifications, controls, and audits in the area of data privacy	To strengthen data privacy and data security in the group, Deutsche Telekom regularly conducts appropriate internal controls, audits, and certifications of its business units. For this purpose, the company uses a system of controls, audits, and certifications by external and internal experts. We are pioneers in this field: so far, certifications of individual business units are a rarity in the telecommunications sector.
Charter for digital networking	Deutsche Telekom holds the chair and helps shape the "Charta Digitale Vernetzung" (charter for digital networking), i.e., a code of conduct for the responsible design of the digital society. Its principles were formulated for all enterprises, industries, and associations in 2014, as part of the German government's National IT Summit (now: Digital Summit) and signed by more than 80 institutions.

Activity	Brief description
Civic participation	Civic participation is a must for us when developing digital strategies for cities and regions. We involve citizens the development of the strategy and thus of the community through both analog and digital means, thus ensuring participation.
<u>CR report</u>	Deutsche Telekom has been committed to CR reporting for more than 20 years. Now, every year we publish both an annual CR Report and, in our Annual Report, a non-financial statement. To identify the key reporting topics for our company and stakeholders, we regularly carry out a comprehensive materiality process. Our reporting is supplemented by updates in the Corporate Responsibility section of our website and by our We Care magazine.
Cyber Defense Center	With the new integrated Cyber Defense and Security Operations Center, Deutsche Telekom is setting new standards in terms of security for our customers and our own processes.
Cyber Security Sharing & Analytics	CSSA was founded in November 2014 by Deutsche Telekom and six other major German companies as an alliance to work together on creating better protection against cyberattacks and threats.
Data Privacy Advisory Board	The Data Privacy Advisory Board is an independent advisory body to Deutsche Telekom AG's Board of Management. It provides a forum for sharing knowledge constructively with leading data privacy experts from academia, business, government, and independent organizations. It advises on important data privacy and data security issues. The remit also covers aspects of digitalization, societal developments, and ethical issues.
Data protection tips	Tips on data protection for consumers which are basic, concise, easy to understand, and quick to implement The series was launched in 2018 and has now been completely revised. We have consolidated all of these tips in our guide book "Digitally secure."

Activity	Brief description
<u>Data transparency</u>	Customers provide data in order to use products from Deutsche Telekom. In our customer center, they can get an overview and take control of their personal data. In addition, on the web page "Your data at Deutsche Telekom," we transparently explain what data we use and for what purposes. What's more, our customers can, of course, request information about their personal data pursuant to Article 15 GDPR and have it sent to them. Furthermore, Deutsche Telekom follows the principle of privacy by design (see PSA process) during the product development phase, as well as our internal guidelines on the ethical use of AI, big data, and the IoT.
Digital education and school	As a trusted partner, Deutsche Telekom ensures that schools can participate in digitalization. In addition to a special Telekom@School offer for fast internet connections, we offer cloud solutions for virtual collaboration and knowledge management, and equip schools with laptops, monitors, and digital smart boards.
<u>Digital Ethics –</u> <u>The video</u>	Deutsche Telekom produced a video about digital ethics in the Al domain . The video explains the facets of our life where we already deal with Al and talks about the benefits that Al can contribute to our everyday lives.
Digital Ethics consulting	Deutsche Telekom offers a variety of services on the subject of digital ethics: an initial workshop, consulting services, assessment of the level of AI maturity, and granting of an AI test seal.
Digital ethics sales training	Digitalization is pervading more and more areas of our everyday lives, making ethical issues regarding data protection and privacy increasingly relevant. That's why now is the right time to develop an ethical mindset within the company and secure long-term competitive advantages.
<u>Digital responsibility</u>	Our website on digital responsibility contains many interviews and further information on this topic.
Digital media literacy	Media literacy is key to being able to use digital media with confidence and skill. Yet media literacy alone is not enough. We want to ensure that everyone can take part on the web. As we see it, this means the internet has to be a space in which everyone can feel equally safe and where we coexist on the basis of democratic principles.

Activity	Brief description
<u>Digital road trip</u>	Pilot project, supply of iPad class sets including training. THE CLASSROOM BECOMES A DIGITAL LAB! Learn, test, try things out, and develop valuable skills for using digital media – all in a single workshop. This project is a joint initiative of the program, the Center for Teacher Training at the University of Leipzig, and the Leipzig University of Applied Sciences, funded by the Saxon State Office for Schools and Education.
<u>Digital sovereignty</u>	SSI (Self Sovereign Identity) lets people keep control over their personal identity data. SSI makes it possible to manage one's identity in a decentralized way. It is a part of our digital ethics approach and ensures digital sovereignty. A deep dive on the added value behind Self Sovereign Identity is available in Deutsche Telekom's science podcast "Skilling me softly" (German only).
Digital Summit by the German government (2017-2021)	Deutsche Telekom provides input and serves as a co-designer of the Digital Summit organized by the German government.
Digital@School	Digital@School is a voluntary employee initiative: More than 500 employees at Deutsche Telekom share their knowledge, with the vision of enabling children to take responsibility and shape the digital world. They present STEM subjects and AI hands-on and introduce children and teachers to programming and technology. They teach that programming is not rocket science. Every child can communicate intuitively with machines. We teach media literacy that is needed to use digital media responsibly.
<u>Digital@Work</u>	digital@work is an internal initiative at Deutsche Telekom that is seizing the digitalization of the work environment as an opportunity to simplify employees' everyday lives and simplify collaboration with others. Numerous digital tools enable employees to be more flexible in terms of working hours and their workplace and to collaborate with colleagues, external partners, and service providers even more efficiently between units and across national borders.
DTAG "Statement on Extractives"	In this document, Deutsche Telekom describes the raw materials that are used for our digital products that are ecologically and socially critical. The Statement on Extractives confirms our commitment to support initiatives for improving the transparency of our own supply chains and to reduce the negative impacts of the extraction of raw materials. It also lays down what we expect from our suppliers in terms of responsible procurement of raw materials.

Activity	Brief description
Ethics guidelines on AI	Nine AI guidelines for AI processes and products and how to use them. They define a clear framework for Deutsche Telekom and also encourage public debate on AI-related ethics issues. These guidelines serve as a basis for Deutsche Telekom's measures.
EU Code Week in cooperation with Apple	As an Apple Authorized Education Specialist, Deutsche Telekom invited students to participate in the EU Code Week in October 2021. In flagship stores in Hamburg, Düsseldorf, Munich, and Stuttgart and at the University of Applied Sciences in Leipzig, they had the opportunity to dive into the world of programming and app development.
Forum Digital Ethics	Deutsche Telekom's Digital Ethics Forum presents digital ethics activities and campaigns to visitors based on a virtual tour.
<u>Futureproof</u>	A campaign to enable Generation Z to devote their passions to their future work and career planning.
Generation Together (Hravatski Telekom)	Hravatski Telekom helps older people to bridge the digital gap and get digitalized, by donating tablets to retirement homes throughout Croatia as part of a national program for digital literacy. The employees of HT and the members of the volunteer club actively teach older people how to use these digital tools, opening up a new digital world that connects them with their friends and families.
#GoodMagenta	Replacing the current "we care" label, #GreenMagenta and #GoodMagenta will appear on selected sustainable offerings and initiatives to be launched by Deutsche Telekom in future. #GoodMagenta describes projects, actions, and initiatives that make a positive contribution to overcoming social challenges in the digital world. In this context, for example, we define our commitment to a safer, more tolerant internet.
#Green Magenta	Replacing the current "we care" label, #GreenMagenta and #GoodMagenta will appear on selected sustainable products and services from Deutsche Telekom in future. #GreenMagenta encompasses Deutsche Telekom products and services that make a positive contribution to climate protection and the more responsible use of resources. We emphasize renewable energies, for example, and promote reuse of used smartphones.

Activity	Brief description
<u>"Green" blockchain</u>	Through its cooperation with Celo, Deutsche Telekom is contributing to the "green" blockchain. The green focus aims to connect people (in developing countries, for example: not everyone has a bank account, but everyone has a smartphone) and achieve carbon neutrality.
Group policy on diversity, equity, and inclusion	With the introduction of the new Group policy, work and decision-making processes within the legal guardrails for diversity, equity, and inclusion have been implemented throughout the Group, providing the prerequisites for a fair, diverse environment.
#GrowYourBusiness (OTE/COSMOTEL)	Free online seminars for training VSEs/SMEs on a variety of digital topics on COSMOTE's YouTube channel and live sessions with questions and answers, where a variety of experts provide tips and solutions for the participants.
Guideline for the design of Alsupported business models, services, and products at Deutsche Telekom in compliance with data privacy regulations	Guideline for the design of AI-supported business models, services, and products at Deutsche Telekom in compliance with data privacy regulations.
Inclusion@DT	Deutsche Telekom is committed to enabling people with and without disabilities to work together. With our action plan Experience Diversity – Inclusion@DT, the company has created a further building block for inclusion.
LEX	Learning from Experts: LEX is an international employee network with some 18,000 members who share their knowledge with other colleagues.

Activity	Brief description
<u>Living culture</u>	Our culture and our values – that's what we stand for. We not only provide society with infrastructure. We are a trustworthy companion in all situations – privately and professionally. Always and everywhere. Simplifying and enriching people's lives in a sustainable way – that is our mission.
Magenta Silver Ager Challenge	Addressing the challenges that older people face in the digital transformation. Support with the development of solutions that enable older people to lead a self-determined, independent life at home.
More sustainable packaging	Deutsche Telekom has defined a number of requirements for sustainable packaging that apply to both the design and development of our own products and to procurement from external suppliers. These sustainability criteria are codified in packaging guidelines as part of our Standard Design Specifications. It promotes the use of recyclable and biodegradable materials, for example, as well as post-consumer fiber.
nachhaltig.digital	Deutsche Telekom supports the "nachhaltig.digital" (sustainably.digital) association, a skills platform for sustainability and digitalization and helps SMEs to use digitalization as a tool for sustainable business.
Network Sustainability Award initiative with hub:raum	The Network Sustainability Award recognizes solutions developed by startups, company representatives, or individuals that focus on network sustainability and is assessed based on specific criteria.
New Work	Our working world will be entirely different once the pandemic is over. The "new normal" has accelerated this development. Now it's all about designing New Work successfully.
Nummer gegen Kummer	Deutsche Telekom has been supporting the efforts of the Nummer gegen Kummer youth counseling line both financially and with technological expertise for more than 30 years. Deutsche Telekom bears the costs of all calls and technical routing and guarantees the anonymity of calls and of advice given over the internet.

Activity	Brief description
Participation in and member of BVDW CDR Building Bloxx	Share and enlighten – we are contributing to the discussion within society: defining a public framework and co-shaping the public discourse. Internal: Framework, embedding of CDR in the company. External: Public CDR involvement.
Participation in and member of CDR Code BMJV	Share and enlighten – we are contributing to the discussion within society and co-shaping the public discourse. The aim of the initiative is to make digital responsibility a matter of course for companies across all industries.
Participation in and member of Deutschland sicher im Netz	DT is a long-standing member of the association "Deutschland sicher im Netz" which strives for greater IT security, once again providing the association chair, Thomas Tschersich. Dr. Thomas Kremer (Board member responsible for Data Privacy, Legal Affairs and Compliance Board department) was the previous chair. Daniel Hoff (DT Security) will contribute additional content.
Participation in and member of econsense CDR blueprint	Co-shaping the public discourse: The members of econsense want this blueprint to build a bridge between the existing, more abstract guidelines on digital responsibility and the specific steps needed to implement it at companies.
Partnership with United Nations to enable measurement of the sustainability of cities based on the SDGs	A co-creation toolbox for cities/towns and municipalities, developed in cooperation with the United Nations, to assist them with their own sustainable digital transformation.
<u>Plaudernetz chat network</u> ( <u>Magenta – Austria</u> )	In collaboration with the humanitarian organization Caritas, Magenta connects people to chat and fight isolation through its free chat network.

Activity	Brief description
Principles on big data and IoT	We have formulated data protection principles on IoT and Industry 4.0. They are part of the data protection strategy.
Privacy Academy app – Training and awareness measures for data privacy	Deutsche Telekom uses the Privacy Academy app to train its employees in data privacy and information protection matters. Telecommunications companies are required to train their employees on issues related to data protection law when they begin their employment. Deutsche Telekom goes above and beyond this requirement: every two years, we train all of our employees and commit them to data privacy and telecommunications secrecy. In addition to these mandatory training courses, the Deutsche Telekom Group also instructs its employees on special data privacy topics, such as the European General Data Protection Regulation, as well as in customer service and HR.
Privacy and Security Assessment	The Privacy and Security Assessment (PSA) process is a core element in safeguarding security and data privacy. For Deutsche Telekom, data privacy and security are crucial because our services are built on our customers' trust in security. DT has identified the challenges that result from this and developed and implemented the Privacy and Security Assessment (PSA) in response. This procedure guarantees that all projects involving the development and launch of new technologies and products meet the high demands for technical security and privacy. The key terms here are privacy by design, privacy by default, security by design, and security by default. One important step involves identifying the relevant data privacy and security requirements. These requirements, which were developed by data privacy and security experts at Deutsche Telekom based on vendor recommendations, industry standards, and applicable laws and regulations, have been agreed and are valid throughout Deutsche Telekom Group. In the next step of the PSA process, the requirements must be implemented, verified, and documented. If requirements are not met, a risk assessment is issued automatically based on the sensitivity of the individual systems and, if necessary, an action plan is developed together with the project. The PSA process guarantees that the Group's security standards are implemented for every relevant project and system and approved by data privacy and security experts before commissioning.

Activity	Brief description
Products for digital participation	Specific products from Telekom Deutschland and the service include smart watches for senior citizens and the home service.
Professional Ethics at DTAG on Al Engineering and Use	A voluntary commitment, represented as a guide for employees with best practices, methods, and tips for implementing the AI guidelines in development processes.
Project 10Million (TMUS)	The Project 10Million was initiated last year with the aim of closing the homework gap. T-Mobile US is building on the momentum from the previous year by providing high schoolers with free internet, free mobile hotspots, and inexpensive devices for learning on the internet and in the classroom.
Protecting children and young people	Telekom has been committed to the protection of minors in the digital space for years and provides appropriate tools for families. These can be in the form of specific services and products, technical security measures, or information options.
<u>"reif" youth magazine</u>	"reif" is the magazine for young people from Deutsche Telekom. It features the latest news from the world of technology and IT. It talks about today's lifestyle, with multimedia insights into the wide world of Deutsche Telekom.
Return program for used mobile phones	Deutsche Telekom refurbishes used mobile phones – free of charge, reliably, and without hassle. Valuable metallic resources are recycled. Around 10-15% of all returned devices can be reused after their data has been erased. Revenue from resales and recycling is donated to charitable organizations, which cooperate with the phone collection center.
Robust Al Assessment	Deutsche Telekom incorporates ethical aspects in the development process of new AI systems to achieve "robustness by design" and to live up to our societal responsibility in the digital age and give our customers a trustworthy foundation.

Activity	Brief description
Scroller media magazine for kids	Scroller is an initiative by Deutsche Telekom to promote the competent, safe use of digital media. "Media, sure! But secure." serves as the umbrella for the initiatives. The interactive children's magazine contains material for school lessons and additional information for teachers, among other content.
Servicemobil	Since 2020, Deutsche Telekom's Servicemobil truck has supported customers in rural regions throughout Germany, solving their service issues directly on site.
Smart City	Deutsche Telekom supports the digital transformation of cities throughout Europe. The digitalization of administration is an essential component for promoting digital participation.
Social Media Guidelines	This document is intended for employees, but is also available to the general public. It describes expectations and values that employees are expected to follow in their social media activities. It applies to official Deutsche Telekom accounts and personal accounts that reference the company. A list of nine rules for social media interaction and private posts.
STEM funding	Deutsche Telekom supports the "STEM — creating the future!" initiative in the form of presentations, events, and panel discussions. The initiative focuses on inspiring high school students for STEM subjects and motivating, supporting, and recognizing schools in the STEM area.

Activity	Brief description
TAKEPART stories	TAKEPART stories provide materials on digital topics for multipliers in relevant target audiences from young adults to senior citizens – for workshops of different lengths, in English, German, and simplified German – without requiring anyone to be an expert. A facilitator's guide provides all the background information.
<u>Teachtoday</u>	An initiative by Deutsche Telekom to promote the competent, safe use of digital media – as part of "Media, sure! But secure." Teachtoday is intended for teachers and parents and contains a toolbox for 9-16-year-olds with over 120 formats – from "learning snacks" to project weeks.
TelCo: Energy efficiency and sustainability in the network	Technology/networks: Strategic programs and supplemental line responsibilities regarding (a) the development and operation of energy-efficient networks (modernization, use of AI, etc.) and (b) sustainable production (energy supply (production and storage), vendor management, R&D partners). Close collaboration and linking of DT activities with a focus on technology innovations (VTI/TESLA program) and a focus on operational measures in Germany (PLASMA program at Technology in Germany and PASM GmbH in the role for the German market) and for the European national companies (DARWIN/Energy program). Contributes to sustainability goals (carbon neutrality and energy efficiency), since the majority of our electricity consumption results from our networks – as the foundation of our business.
Telekom@School	Since the year 2000, Deutsche Telekom has offered internet access to all general and vocational schools throughout Germany as part of its telekom@school project. Schools gain access at a significantly reduced price. The lines are provided strictly for teaching purposes. Use of Telekom@School lines for administrative tasks or technical processes for school operations is expressly excluded.
The campaign #TAKEPART – No hate speech	The "#TAKEPART – No hate speech" campaign has set its sights on reaching as many people as possible and showing them that hate and exclusion must not become the norm, while enabling them to consider their own conduct and attitudes and explore alternatives. Civil courage online is one of its focus areas.

Activity	Brief description Control of the Con
The Manifesto on the new Way of Working	Deutsche Telekom Group Works Council has agreed on a Manifesto on the new Way of Working with Deutsche Telekom that defines the basis of our relationship and how we deal with one another. This involves, for example, transparency and a working environment built on trust.
The T-Share in sustainability ratings and indexes	As part of its CR strategy, Deutsche Telekom has taken part successfully for many years in ESG ratings, which are selected based on reputation, relevance, and independence.
<u>Transparency Report – assisting</u> <u>security authorities</u>	Telecommunications companies are legally obliged to support security authorities, for example, in surveillance measures by which telecommunications connections can be traced or recorded. Deutsche Telekom has now published its international transparency report for the year 2020.
Trustworthy AI	Together with our technology partner Cognigy, Deutsche Telekom offers an AI-based solution for business customers. Smart voice bots and chatbots largely automate customer contact management. Deutsche Telekom is one of the first companies to have its solution verified in accordance with the BSI's criteria catalog for trustworthy AI (AIC4).
Understanding digital participation	More and more facets of life are managed digitally. That's why digital participation also means societal participation. It is Deutsche Telekom's belief that in an equitable digital society, everyone has access to the necessary technology and offerings that match their financial possibilities. However, digital participation also requires empowerment and willingness to participate and act responsibility online.
We Care magazine from  Deutsche Telekom	We Care magazine from Deutsche Telekom: the magazine for sustainability and other topics like people, environment, and network. It emphasizes Deutsche Telekom is taking responsibility. The magazine leverages digitalization to break the link between growth and consumption of resources, save energy, and slow down climate change.
Women's STEM Award	For the eighth time, Deutsche Telekom awarded prizes for the final papers of talented female graduates. STEM stands for science, technology, engineering, and mathematics.



#### **Impressum**

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