Combined sustainability statement

General information

ESRS 2 – General disclosures

Creating transparency

Sustainability is at the heart of Deutsche Telekom's business activities. We report on our progress annually, also in the combined management report. The requirements for transparency in corporate sustainability are constantly increasing. In light of the expected transposition of the European Corporate Sustainability Reporting Directive (CSRD) into national law, we as a company with a global footprint have already based the preparation of the combined sustainability statement ("sustainability statement") on the first set of the European Sustainability Reporting Standards (ESRS) as a framework for the Group's sustainability statement and applied these standards in full. This sustainability statement contains the information in accordance with § 315c of the German Commercial Code (Handelsgesetzbuch – HGB) in conjunction with §§ 289c through 289e HGB. The materiality assessment was performed in accordance with the requirements of the ESRS and thus goes beyond the requirements of German commercial law.

This sustainability statement is divided into the sections "General information," "Environment," "Social," and "Governance." When applying the ESRS, the concept of "materiality" is of utmost importance and defines the content to be included in sustainability reporting. In line with the principle of double materiality, we present our management of material impacts of our business activities on society and the environment, as well as the material risks and opportunities identified by Deutsche Telekom along its entire value chain in the following ESRS topical standards:

- ESRS E1 – Climate change
- ESRS E5 – Resource use and circular economy
- ESRS S1 – Own workforce
- ESRS S2 – Workers in the value chain
- ESRS S4 – Consumers and end-users
- ESRS G1 – Business conduct

In addition, we comply with the reporting requirements that have been mandatory since the 2021 reporting year with regard to environmentally sustainable economic activities in accordance with Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088 (the "EU Taxonomy").

Unless otherwise stated, all disclosures in this sustainability statement apply to the Deutsche Telekom Group (also referred to as "we" or "us").

The Supervisory Board of Deutsche Telekom AG is responsible for the review of the content of the sustainability statement. It did this with the support of Deloitte GmbH Wirtschaftsprüfungsgesellschaft (external auditor) in the form of a limited assurance engagement. The two non-financial performance indicators "energy consumption" and "CO_2 emissions" (Scope 1 and 2) are included as management-relevant performance indicators in the reasonable assurance engagement on Deutsche Telekom's consolidated financial statements and the combined management report. The sustainability statement engagement is based on International Standard on Assurance Engagements ISAE 3000 (revised). To avoid repetition within the combined management report, we refer to further information provided in other sections wherever relevant. References to disclosures outside of the combined management report or the consolidated financial statements constitute further information that goes beyond the legal requirements for sustainability reporting and is not subject to external audit.

Consideration of Deutsche Telekom AG in the sustainability statement

As the parent company, Deutsche Telekom AG is obligated in accordance with §§ 289b and 315b HGB to submit a non-financial statement and a consolidated non-financial statement and makes use of the option to combine the two reports. The disclosures that Deutsche Telekom AG is required to make in accordance with § 289c HGB are contained in the sustainability statement and are indicated as such where necessary. The information required of Deutsche Telekom AG in accordance with § 289c (2) and (3) HGB is thus part of the general disclosures and the ESRS topical standards of the sustainability statement. The transition to the ESRS is presented in the following section.

Transition to the ESRS

In preparation for the transposition of the CSRD into national law, Deutsche Telekom applied the ESRS as framework on a voluntary basis when preparing the 2024 sustainability statement. In addition to the sector-agnostic standard "ESRS 2 – General disclosures," the ESRS topical standards that are material for Deutsche Telekom determine the content of the report and can be allocated to the five aspects set out in § 315c (1) HGB in conjunction with § 289c (2) HGB:

Transition to the ESRS

Aspect pursuant to § 315c (1) HGB in conjunction with § 289c (2) HGB	Reflected in ESRS topical standards	Selected content
Aspect 1 – Environmental concerns	ESRS E1 – Climate change ESRS E5 – Resource use and circular economy	Greenhouse gas emissions, energy efficiency, and resource use
Aspect 2 – Employee concerns	ESRS S1 – Own workforce	Guidance and actions on the topics of working conditions, such as health and safety or social dialogue, as well as equal treatment and opportunities for all
Aspect 3 – Social concerns	ESRS S1 – Own workforce ESRS S2 – Workers in the value chain ESRS S4 – Consumers and end-users	Dialogue formats, whistleblower systems, as well as protection of consumers and end-users
Aspect 4 – Respecting human rights	ESRS S1 – Own workforce ESRS S2 – Workers in the value chain	Processes for complying with human rights and environmental due diligence in the upstream value chain and in own business activities, labor standards at suppliers
Aspect 5 – Fighting corruption	ESRS G1 – Business conduct	Anti-corruption and anti-bribery instruments

The aspects described in the ESRS topical standards in accordance with the requirements of the HGB are supplemented by information on strategies, actions, targets, and metrics related to the impacts, risks, and opportunities of our business activities. An overview of these impacts, risks, and opportunities can be found at the beginning of each topical standard under "ESRS 2 SBM-3 – Material impacts, risks, and opportunities and their interaction with strategy and business model."

Basis for preparation

The index below shows the general disclosures required by the standard ESRS 2 – General Disclosures.

ESRS index under ESRS 2 IRO-2

Disclosure requirement	Name with reference
ESRS 2 General Disclosures	
ESRS 2 BP-1	General basis for preparation of the sustainability statement
ESRS 2 BP-2	Disclosures in relation to specific circumstances
ESRS 2 GOV-1	The role of the administrative, management, and supervisory bodies
ESRS 2 GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management, and supervisory bodies
ESRS 2 GOV-3	Integration of sustainability-related performance in incentive schemes
ESRS 2 GOV-4	Statement on due diligence
ESRS 2 GOV-5	Risk management and internal controls over sustainability reporting
ESRS 2 SBM-1	Strategy, business model, and value chain
ESRS 2 SBM-2	Interests and views of stakeholders
ESRS 2 SBM-3	Material impacts, risks, and opportunities and their interaction with strategy and business model (use of phase-in option for ESRS 2 SBM-3 para. 48e)
ESRS 2 IRO-1	Description of the process to identify and assess material impacts, risks, and opportunities
ESRS 2 IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement

ESRS 2 BP-1 – General basis for preparation of the sustainability statement

This sustainability statement was prepared on a consolidated basis. The scope of consolidation of the companies included in the consolidated sustainability statement generally consists of Deutsche Telekom AG and its subsidiaries. Subsidiaries classified as not material from a financial perspective were analyzed in terms of their impact on society and the environment caused by our business activities, and are also not material for the sustainability statement. The sustainability statement covers both our own business activities and our upstream and downstream value chain.

When preparing the statement we did not make use of the option to omit specific pieces of information corresponding to intellectual property, know-how, or the results of innovation. We also did not omit the disclosure of impending developments or matters in the course of negotiation.

ESRS 2 BP-2 – Disclosures in relation to specific circumstances

The following table provides an overview of the metrics we identified by means of estimates and describes the basis for preparation and the resulting level of accuracy.

Value chain estimation

Metrics of the upstream and downstream value chain	Description of the basis for preparation	Description of the resulting level of accuracy
Scope 3 emissions and emissions factors	Due to a lack of primary data, particularly in the upstream and downstream value chain, coupled with a lack of product-related emissions factors, we used estimates to determine greenhouse gas (GHG) emissions. Emissions factors cannot be precisely determined for each individual product, which is why we use an average value in the upstream value chain for the calculation. Because few suppliers have submitted primary data, we worked with statistical secondary data, as is customary in the industry.	We use only recognized sources from public bodies. Software solutions and increasingly digitalized data collection ensure a reliable calculation basis. By performing an annual comparison of the data used against the publicly available sources and the latest findings, we increase our data quality year by year. In this way, we ensure that the overall data quality continues to improve. Given the highly complex relationships in the supply chain and the difficulties involved in collecting and compiling data (life-cycle analysis), the annual assessment forms an integral part of discussions with customers and supplier selection. It includes life-cycle analyses, surveys, and updated emissions factors based on CDP data. The aim is to reduce emissions and improve the accuracy of the emissions data collected with the help of our suppliers.

For more detailed information on the calculation of Scope 3 emissions, please refer to the section "ESRS E1-6 – Gross Scopes 1, 2, 3, and total GHG emissions."

The following table shows an overview of metrics that are subject to a high level of measurement uncertainty. It also indicates the sources of those measurement uncertainties.

Sources of estimation and outcome uncertainty

Metrics that are subject to a high level of measurement uncertainty	Information on the sources for measurement uncertainty	Assumptions, approximations, and judgments on which the measurement was based
Resource inflows: optical fiber and antennas	Since data on the weight of optical fiber and antennas used is known but it is not practical to record it at the component level, we work with average values and extrapolations, and use clustering to determine weight efficiently.	We use historical average values to record data on fiber-optic cables and mobile communications antennas. For cables, these are based on data on the total length of purchased cables and the average weight per unit of length. To calculate the total weight of the antennas, we multiply the number of antennas by the average weight per unit. When collecting data for both cables and antennas, we use two weight categories in order to measure the weights of different cable and antenna types per unit as precisely as possible.
Use of sustainably sourced biological materials for the build-out and maintenance of the network infrastructure	Since manufacturers did not submit any information on this, an estimate was made based on experience from previous years. The level of accuracy of the estimate is limited. When certifying packaging, we primarily focus on responsible forestry certificates, such as the internationally recognized certificate issued by the Forest Stewardship Council (FSC).	Due to the low weight of the packaging in relation to the total weight, the proportion of biological materials used is estimated at 5 % of the total weight.
Use of recycled materials in network technology packaging, components, and materials	The level of accuracy of the estimate is considered low because no data is disclosed and the estimate is based on assumptions derived from experience in previous years.	The recycling rate for packaging is estimated at 15 % of the total weight.

The following overview shows the information that we incorporate by reference.

Incorporation by reference

Disclosure requirement (datapoints)	Reference, section
ESRS 2 GOV-5 Risk management and internal controls over sustainability reporting (para. 36 a, b, d, e)	Risk and opportunity management

Governance

ESRS 2 GOV-1 – The role of the administrative, management, and supervisory bodies

The Board of Management and Supervisory Board of Deutsche Telekom AG collaborate closely for the benefit of the Company and maintain regular contact. The Board of Management coordinates the strategic direction with the Supervisory Board and works towards its implementation in the Group in accordance with applicable law and the existing opportunities for influence under company law. Local adaptations are and remain possible at our national companies. We determine a uniform strategic framework by integrating minimum standards into our Group-wide policies, such as the Code of Human Rights, wherever this is legally possible. The Board of Management and Supervisory Board discuss progress in the implementation of the strategy at regular intervals.

As of December 31, 2024, the responsibilities of the Board of Management of Deutsche Telekom AG were distributed across eight Board departments. The Supervisory Board of Deutsche Telekom AG advises the Board of Management and oversees its management of business. It is composed of 20 members: 10 represent the shareholders and 10 the employees.

The members of the Board of Management have the relevant experience to be able to perform their function. As a whole, the Board of Management is in particular to have many years of experience in the telecommunications sector, technology, innovation, finance, digitalization, human resources management, and legal and compliance affairs. Until January 26, 2025, as a rule, members of the Board of Management were not to be older than 65 years of age. No Board member is currently older than this limit. From January 27, 2025, as a rule, members of the Board of Management should not be older than 67 years of age. In view of the Group's international focus, it is our aspiration for at least one member of the Board of Management to have an international background. The Supervisory Board members also have experience that is relevant to our sector, our products, and the geographical locations where we operate. As a whole, the Supervisory Board must in particular have experience in the areas of business that are important for Deutsche Telekom, especially the fields of telecommunications and infrastructure, as well as experience with strategy, finance, control, innovation, ESG, and human resources.

The following table shows the gender diversity of the Board of Management and Supervisory Board of Deutsche Telekom AG.

Percentage of female members on the Board of Management and Supervisory Board

%

	Dec. 31, 2024	Dec. 31, 2023
Percentage of female members on the Board of Management of Deutsche Telekom AG	37.5	37.5
Percentage of female members on the Supervisory Board of Deutsche Telekom AG	45	45

According to the assessment of the shareholders' representatives on the Supervisory Board, all members on the shareholders' side (100 %) are independent within the meaning of the German Corporate Governance Code (GCGC) as of December 31, 2024.

Composition of the Board of Management and the Supervisory Board as of December 31, 2024

Body	Members
Board of Management	
	Timotheus Höttges
	Dr. Ferri Abolhassan
	Birgit Bohle
	Srini Gopalan
	Dr. Christian P. Illek
	Thorsten Langheim
	Dominique Leroy
	Claudia Nemat

Body	Members
Supervisory Board	
	Dr. Frank Appel
	Odysseus D. Chatzidis
	Eric Daum
	Constantin Greve
	Katja Hessel
	Lars Hinrichs
	Dr. Helga Jung
	Dagmar P. Kollmann
	Petra Steffi Kreusel
	Harald Krüger
	Kerstin Marx
	Dr. Reinhard Ploss
	Frank Sauerland
	Christoph Schmitz-Dethlefsen
	Susanne Schöttke
	Nicole Seelemann-Wandtke
	Karl-Heinz Streibich
	Margret Suckale
	Karin Topel
	Stefan B. Wintels

The Board of Management assesses, manages, and monitors the social and environmental impacts of our business activities identified in the double materiality assessment, as well as risks and opportunities. The Supervisory Board advises the Board of Management and oversees its performance of these activities. For this purpose, it has set up an Audit and Finance Committee as well as a Strategy, ESG, and Innovation Committee, among others.

The Supervisory Board of Deutsche Telekom AG is informed regularly about the corporate responsibility (CR) strategy, its implementation, and its key metrics. The Supervisory Board additionally has a number of committees. While the Audit and Finance Committee monitors the effectiveness of the internal control system and the risk management system, as well as the sustainability reporting and the audit thereof, the Strategy, ESG, and Innovation Committee addresses matters such as the Company's activities in the areas of environment, social, and governance (ESG) and the implementation of the sustainability strategy. The Board of Management of Deutsche Telekom AG adopts Group-wide sustainability-related policies and strategic objectives. It is regularly informed by representatives of the business areas about the status and progress in implementing the CR strategy and about the status of the targets and related actions. The Group Corporate Responsibility (GCR) department is a key center of competence for strategy, strategic policies and projects, functional and process-related advice, external reporting, and stakeholder management of sustainability topics. The segment heads are responsible for implementing strategy, objectives, and targets within the segments, reporting on these to the Board of Management, and fleshing out the CR strategy in line with business requirements. The management bodies of the Group companies are responsible for implementing strategy, objectives, and targets in the Group companies, reporting on them to their own segment, and also fleshing out the CR strategy.

Processes, controls, and procedures used to monitor, manage, and oversee sustainability-related impacts, risks, and opportunities are not the responsibility of only one specific position or committee in the Company. Rather, they are part of the standard process of the Group-wide risk and opportunity management system. The Group risk report, which presents the major risks, is prepared for the Board of Management on a quarterly basis. The Audit and Finance Committee of the Supervisory Board of Deutsche Telekom AG also examines this report at its meetings. In addition, the Board of Management briefs the Supervisory Board on the Group's sustainability-related impacts, risks, and opportunities.

Deutsche Telekom has established a Group-wide internal control system (ICS) to ensure the accuracy of its financial reporting. Deutsche Telekom reviews the effectiveness of all controls internally every year.

> For further information on our integrated control and monitoring system, please refer to the section "Governance and other disclosures."

The Supervisory Board monitors the definition of targets related to material impacts, risks, and opportunities, and the progress in achieving these targets, by continuously monitoring and assessing them and by regularly obtaining information about progress from GCR.

Thanks to her proven enterprise in the area of ESG, in particular her responsibility for this subject area at a DAX company (including a role as Head of the Corporate Sustainability Board) and on association level (Chair of the Committee at the German Chemical Industry Association, VCI), Margret Suckale was appointed by the Supervisory Board as an ESG expert to specifically address the Group's sustainability-related topics and areas. Moreover, Ms. Suckale undergoes continuous training in the area of ESG. In addition, the Supervisory Board's Strategy, ESG, and Innovation Committee was established in the reporting year. Furthermore, GCR experts provide training to the Supervisory Board on sustainability matters. GCR also briefs the Board of Management on sustainability matters. In doing so, we take our material impacts, risks, and opportunities into account and enable our Board of Management and Supervisory Board to properly monitor sustainability matters.

ESRS 2 GOV-2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management, and supervisory bodies

The Chair of the Board of Management is responsible for GCR. GCR informs the Board of Management every quarter in the Group Performance Report about the status of the most important sustainability indicators. In addition, a deeper exchange between the members of the Board of Management about these indicators and about developments in the Group takes place in a sustainability business review. Additionally, the Global CR Board serves as a Group-wide steering committee and preparatory body for the Board of Management. GCR also regularly updates the Supervisory Board on the CR strategy and progress in implementing it, as well as on new sustainability-related requirements for the Supervisory Board.

The Board of Management of Deutsche Telekom AG and the management of the individual Group companies are responsible for implementation of and compliance with our due diligence processes. Periodic and/or event-driven internal reporting on human rights and environmental results in decision-making bodies (e.g., management bodies) is designed to ensure that informed decisions can always be made.

The Board of Management and the Supervisory Board were informed by GCR in the reporting year of the outcome of the double materiality assessment and the identified sustainability-related impacts, risks, and opportunities, and discussed these. The Supervisory Board and the Board of Management of Deutsche Telekom AG take the material impacts, risks, and opportunities into account when monitoring the strategy, the decisions of the Company on major transactions, and its risk management process by risk and opportunity management. Compromises in relation to our impacts, risks, and opportunities are only accepted if there are no breaches of the law and, at the same time, all relevant codes and sustainability targets are complied with. Deviations from the Group strategy are reported. We take corresponding actions to mitigate our negative impacts on society and the environment.

The Board of Management and Supervisory Board addressed all material impacts, risks, and opportunities during the reporting year. A list of the material impacts, risks, and opportunities can be found in the disclosure requirements for SBM-3 in the relevant topical standards.

ESRS 2 GOV-3 – Integration of sustainability-related performance in incentive schemes

The remuneration system for the members of the Supervisory Board is submitted to the Shareholders' Meeting of Deutsche Telekom AG for resolution whenever material changes are made, but at least every four years. The remuneration system for the members of the Board of Management is initially approved by the Supervisory Board of Deutsche Telekom AG. The Shareholders' Meeting is likewise required to approve the remuneration system for the Board of Management members whenever material changes are made, or at least every four years.

While the remuneration of the Supervisory Board members is comprised exclusively of fixed basic remuneration, committee remuneration, and meeting attendance fees, the remuneration system for the members of the Board of Management provides for basic remuneration in addition to one-year and multi-year variable remuneration components, with target achievement depending on both financial and non-financial performance indicators. In the following, we will consider only the non-financial performance indicators of the variable remuneration instruments for Board of Management members.

> Please refer to the separate Remuneration Report and the remuneration systems for detailed information on the financial performance indicators of the individual remuneration components, as well as on the other remuneration components of the remuneration system for Board of Management members that are not discussed in detail here, and on the remuneration system for Supervisory Board members.

The one-year variable remuneration (Short-Term Incentive, STI) for the members of the Board of Management comprises the non-financial environmental performance indicators “energy consumption” and “CO_2 emissions” (Scope 1 and 2). These account for one third of the total target amount (before application of the performance factor) and are each weighted at 50 %. Since 2022, the two environmental performance indicators have also been applied for our managers (excluding T-Mobile US) and all employees not covered by collective agreements in Germany.

Before the start of a financial year, the Supervisory Board derives the target and threshold values for these performance indicators from the company planning. The 100 % target value corresponds to the budget value from the planning. The target achievement level for each target parameter can vary between 0 % and 150 %.

The energy consumption performance indicator is a record of the energy consumed in connection with the operation of our actual business model. The aim is to incentivize the members of the Board of Management to behave in a way so as to ensure that energy consumption that is harmful to the environment remains at least stable in the medium term (2027 compared with 2023, Deutsche Telekom excluding T-Mobile US). This target is supported by programs and investments in energy-saving measures for all energy sources, the optimization of infrastructure, and through the use of innovative technology components. The CO_2 emissions performance indicator (Scope 1 and 2) is designed to motivate the Board of Management members to sustainably promote green energy, to optimize consumption levels in buildings, and to successively convert the Group’s vehicle fleet from fossil fuels to emission-free or low-emission engine types. The level of ambition and the target achievement in terms of short-term variable remuneration for both sustainability-related goals were calculated excluding T-Mobile US. This is due in part to the fact that we are forging ahead with the intensive build-out of the 5G network in rural areas of the United States, which leads to increased electricity consumption. T-Mobile US, like the Group, has covered 100 % of these electricity requirements from renewable energy sources since 2021. In addition, the Scope 1 emissions at T-Mobile US are subject to strong fluctuations due to unforeseeable natural disasters and the associated temporary use of equipment such as diesel generators to restore and back up damaged network infrastructure. Consideration should be given to the special national situation in this key market, which is why the decision was taken not to include T-Mobile US in the sustainability-related goals in respect of short-term variable remuneration. This step aims to ensure that the right incentives are set for the Board of Management toward the sustainable development of the business, while at the same time safeguarding the stability of network operations. The annual ambition for the performance indicators “energy consumption” and “CO_2 emissions” (Scope 1 and 2) will continue to be set, managed, and reported for the entire Group as before, including a target value for T-Mobile US.

As part of the multi-year variable remuneration for Board of Management members (Long-Term Incentive, LTI), the Supervisory Board decided to incorporate the non-financial social performance indicators of “customer satisfaction” and “employee satisfaction” in the remuneration system in addition to the financial performance indicators ROCE and adjusted earnings per share (EPS), to ensure that the Board of Management is appropriately committed to the interests of customers and employees (Deutsche Telekom excluding T-Mobile US). The LTI is designed as a share-based plan with a term of four years. At the start of the LTI plan, the participation contribution of a member of the Board of Management is converted into phantom shares of the Company and divided equally among each of the four years of the plan. The two performance indicators – customer satisfaction and employee satisfaction – each have a 25 % weighting in the LTI, and the resulting target achievement level can vary between 0 % and 150 %. Customer satisfaction is measured using the globally recognized TRI*M method. The Supervisory Board assesses and measures employee satisfaction based on what it considers to be particularly relevant questions for the pulse surveys carried out during the year and the employee survey, which is conducted every two years.

> For more information on our non-financial performance indicators for employee satisfaction (engagement score) and customer satisfaction (TRI*M index), please refer to the section “Management of the Group.”

ESRS 2 GOV-4 – Statement on due diligence

The following overview shows how and in which sections of the sustainability statement the main aspects and steps of the due diligence process are considered.

Overview of the main aspects and steps of the due diligence process in the sustainability statement

Core elements of the due diligence process	Sections in the sustainability statement
Embedding due diligence in governance, strategy, and business model	ESRS 2 GOV-2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management, and supervisory bodies
	ESRS 2 GOV-3 – Integration of sustainability-related performance in incentive schemes
	ESRS 2 SBM-3 E1 – Material impacts, risks, and opportunities and their interaction with strategy and business model.
	ESRS 2 SBM-3 E5 – Material impacts, risks, and opportunities and their interaction with strategy and business model.
	ESRS 2 SBM-3 S1 – Material impacts, risks, and opportunities and their interaction with strategy and business model.
	ESRS 2 SBM-3 S2 – Material impacts, risks, and opportunities and their interaction with strategy and business model.
	ESRS 2 SBM-3 S4 – Material impacts, risks, and opportunities and their interaction with strategy and business model.
	ESRS 2 SBM-3 G1 – Material impacts, risks, and opportunities and their interaction with strategy and business model.
Engaging with affected stakeholders in all key steps of the due diligence process	ESRS 2 GOV-2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management, and supervisory bodies
	ESRS 2 SBM-2 – Interests and views of stakeholders
	ESRS 2 IRO-1 – Description of the processes to identify and assess material impacts, risks, and opportunities
	ESRS E1-2 – Policies related to climate change mitigation and adaptation
	ESRS E5-1 – Policies related to resource use and circular economy
	ESRS S1-1 – Policies related to own workforce
	ESRS S2-1 – Policies related to value chain workers
	ESRS S4-1 – Policies related to consumers and end-users
	ESRS G1-1 – Business conduct policies and corporate culture
Identifying and assessing adverse impacts	ESRS 2 IRO-1 (including Application Requirements related to specific sustainability matters in the relevant ESRS)
	ESRS 2 SBM-3 E1 – Material impacts, risks, and opportunities and their interaction with strategy and business model.
	ESRS 2 SBM-3 E5 – Material impacts, risks, and opportunities and their interaction with strategy and business model.
	ESRS 2 SBM-3 S1 – Material impacts, risks, and opportunities and their interaction with strategy and business model.
	ESRS 2 SBM-3 S2 – Material impacts, risks, and opportunities and their interaction with strategy and business model.
	ESRS 2 SBM-3 S4 – Material impacts, risks, and opportunities and their interaction with strategy and business model.
	ESRS 2 SBM-3 G1 – Material impacts, risks, and opportunities and their interaction with strategy and business model.
Taking action to address those adverse impacts	ESRS E1-3 – Actions and resources in relation to climate change policies
	ESRS E5-2 – Actions and resources in relation to resource use and circular economy
	ESRS S1-4 – Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions
	ESRS S2-4 – Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions
	ESRS S4-4 – Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions
	ESRS G1-3 – Prevention and detection of corruption and bribery
Tracking the effectiveness of these efforts and communicating	**Targets:**
	ESRS E1-4 – Targets related to climate change mitigation and adaptation
	ESRS E5-3 – Targets related to resource use and circular economy
	ESRS S1-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities
	ESRS S2-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities
	ESRS S4-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities
	Metrics:
	ESRS E1-5 – Energy consumption and mix
	ESRS E1-6 – Gross Scopes 1, 2, 3 and total GHG emissions
	ESRS E1-7 – GHG removals and GHG mitigation projects financed through carbon credits
	ESRS E1-8 – Internal carbon pricing
	ESRS E5-4 – Resource inflows
	ESRS E5-5 – Resource outflows
	ESRS S1-6 – Characteristics of the undertaking's employees
	ESRS S1-8 – Collective bargaining coverage and social dialogue
	ESRS S1-9 – Diversity metrics
	ESRS S1-12 – Persons with disabilities
	ESRS S1-14 – Health and safety metrics
	ESRS S1-16 – Remuneration metrics (pay gap and total remuneration)
	ESRS S1-17 – Incidents, complaints, and severe human rights impacts

ESRS 2 GOV-5 – Risk management and internal controls over sustainability reporting

Risk management and the internal controls of sustainability reporting are part of Deutsche Telekom's risk management process. As a rule, we assess all sustainability-related risks and opportunities in our risk and opportunity management system, including those in relation to the sustainability reporting process. No such risks were identified in the reporting year. However, the internal control system includes continuous controls that address the Group-wide, IT-based collection process for ESG data from the ESRS E1, E5, and S4 topical standards.

> For a more precise description of our risk management process, please refer to the section "Risk and opportunity management."

The various systems implemented by the Board of Management (in particular the internal control system and the risk and opportunity management system including the compliance management system) to record and mitigate risks work together as part of a mutually complementary control and monitoring system and are subject to review by Internal Audit.

The ICS supports the organizational implementation of the Board of Management's decisions. This includes achieving the business targets, proper and reliable accounting, and compliance with significant legal requirements and regulations. Sustainability aspects, such as sustainability reporting, which are continuously developed on the basis of regulatory requirements, are also taken into consideration.

Effectiveness is regularly reviewed applying the dual-checking principle and, depending on the risk exposure of the controls within the functional unit, across departments or (additionally) by Internal Audit. The aim is to identify control gaps and non-effective controls, in particular to analyze the impact on financial reporting and to initiate and monitor suitable countermeasures.

The ICS process is completed with a cascaded approval process, starting with the function owners in the entities and the local finance and managing directors, through to Group level. The ICS Steering Committee, with the involvement of the Group's most important function owners, then evaluates the results and makes recommendations to the Board of Management. Based on this, the Board of Management decides on the appropriateness and effectiveness of the ICS twice a year. The Audit and Finance Committee is informed in detail on the status and results of the ICS process at least three times a year and discusses the alignment of the ICS with management and the external auditors. Nevertheless, there are inherent limitations in every ICS. No control system – even if it is deemed to be appropriate and effective – can ensure that all relevant control risks are identified and are being completely and effectively addressed by means of controls.

> For further information on our integrated control and monitoring system, please refer to the section "Governance and other disclosures."

Strategy

ESRS 2 SBM-1 – Strategy, business model, and value chain

Our Group is divided into five operating segments plus the Group Headquarters & Group Services segment, each of which we describe below.

Our Germany operating segment comprises all fixed-network and mobile business activities for consumers and business customers, including separate sales entities in Germany to allow a customer-centric sales approach. The Wholesale business delivers wholesale telecommunications services for third-party telecommunications companies.

Our United States operating segment combines all mobile activities in the U.S. market. The wireless communications portfolio comprises a variety of rate plan options for consumers and business customers, as well as mobile devices. In addition to its wireless communications services, T-Mobile US offers high-speed internet utilizing its nationwide 5G network.

Our Europe operating segment comprises all fixed-network and mobile operations of the national companies in Greece, Hungary, Poland, the Czech Republic, Croatia, Slovakia, Austria, North Macedonia, and Montenegro. In these countries, we are an integrated provider of telecommunications services. In Romania, our focus is on mobile communications. Besides traditional B2C and B2B fixed-network and mobile business, most of the national companies also offer ICT solutions for business customers.

Our Systems Solutions operating segment offers B2B ICT services in the core DACH market (Germany, Austria, and Switzerland) under the T-Systems brand. T-Systems primarily addresses the ICT growth areas of advisory, cloud services, and digitalization with a corresponding portfolio of products. Security solutions and networking are integral components of its service offering, supported by strategic partnerships.

Our Group Development operating segment actively manages entities, subsidiaries, and equity investments to grow their value while giving them the entrepreneurial freedom they need to promote their continued strategic development.

Group Headquarters & Group Services comprises all Group units that cannot be allocated directly to one of the operating segments, as well as our Board of Management department Technology and Innovation, which unites the cross-segment technology, innovation, IT, and security functions of our Germany, United States, Europe, and Systems Solutions operating segments.

> For further information on our business operations and segment structure, please refer to the section "Group organization."

Of the segments presented, the Germany, United States, Europe, and Systems Solutions operating segments make a significant contribution to the Group's sustainability performance. As the Group Headquarters, Deutsche Telekom AG exercises strategic and cross-segment management functions and provides services to other Group companies.

Number of employees by geographical areas

FTEs

	Dec. 31, 2024	Dec. 31, 2023
Germany	74,550	78,600
International	123,644	121,052
Total number of employees	**198,194**	**199,652**
Of which: other EU member states	48,169	48,305
Of which: rest of Europe	2,105	2,174
Of which: North America	65,355	62,902
Of which: rest of world	8,015	7,672

Contribution of the segments to net revenue

millions of €

	2024	2023
Germany	25,711	25,187
United States	75,046	72,436
Europe	12,347	11,790
Systems Solutions	4,004	3,896
Group Development	10	115
Group Headquarters & Group Services	2,226	2,305
Intersegment revenue	(3,575)	(3,744)
Net revenue	**115,769**	**111,985**

Sustainability-related goals

No.	Goal	Scope by geographical areas
1	**Environment**	
1.1	Climate change	
1.1.1	We will be climate neutral in terms of our own emissions (Scope 1 and 2) by the end of 2025. To achieve this, we will reduce emissions from our own business activities by up to 95 % against the 2017 level. We will offset the remaining emissions from our CO_2e footprint with high-quality carbon offsets.	Group-wide/global
1.1.2	Reduce CO_2e emissions (Scopes 1 to 3) by 55 % against the 2020 level by 2030	Group-wide/global
1.1.3	By 2040, we will reduce our emissions along the entire value chain by 90 % in absolute terms compared with 2020 and achieve net zero.	Group-wide/global
1.2	Resource use and circular economy	
1.2.1	We want our technology and devices to be almost completely circular by 2030 (Deutsche Telekom excluding T-Mobile US).	Europe (incl. Germany) and global for the Systems Solutions segment
2	**Social aspects**	
2.1	Own workforce	
2.1.1	Increase the proportion of women in management positions to 30 % by the end of 2025	Group-wide/global
2.2	Consumers/end-users	
2.2.1	>80 million people (Beneficiaries – Digital Society ESG KPI: cumulatively in the period 2024–2027) who will benefit from Deutsche Telekom's social commitment in the Digital Society area	Group-wide/global

The following table shows the assessment of the currently most significant products and services, as well as significant markets and customer groups, in relation to Deutsche Telekom's sustainability-related goals.

Assessment of the significant products and services, markets, and customer groups in relation to the sustainability-related goals

Customer groups	Products and services	Germany (incl. Systems Solutions)	Europe (excl. Germany; incl. Systems Solutions)	North America (incl. Systems Solutions)	Sustainability-related goal (no.)
Consumers	Mobile communications	x	x	x	1.1.1, 1.1.2, 1.1.3, 1.2.1 (Deutsche Telekom excluding T-Mobile US), 2.2.1
	Fixed network	x	x		1.1.1, 1.1.2, 1.1.3, 1.2.1, 2.2.1
	TV	x	x	H1 2024 (discontinued)	1.1.1, 1.1.2, 1.1.3, 1.2.1 (Deutsche Telekom excluding T-Mobile US)
Business customers: SMEs (small and medium-sized enterprises)	Mobile communications	x	x	x	1.1.1, 1.1.2, 1.1.3, 1.2.1 (Deutsche Telekom excluding T-Mobile US), 2.2.1
	Fixed network	x	x		1.1.1, 1.1.2, 1.1.3, 1.2.1, 2.2.1
	Cloud	x	x	x	1.1.1, 1.1.2, 1.1.3, 1.2.1 (Deutsche Telekom excluding T-Mobile US)
	Security	x	x	x	1.1.1, 1.1.2, 1.1.3
Business customers: L	Journey-to-Digital (standard applications, process transformation and integration, data analytics)	x	x	x	1.1.1, 1.1.2, 1.1.3
	Scalable telecommunications platforms	x	x	x	1.1.1, 1.1.2, 1.1.3, 1.2.1 (Deutsche Telekom excluding T-Mobile US)
Business customers: XL	Advisory	x	x	x	1.1.1, 1.1.2, 1.1.3
	Security	x	x	x	1.1.1, 1.1.2, 1.1.3, 1.2.1 (Deutsche Telekom excluding T-Mobile US)
	Digital	x	x	x	1.1.1, 1.1.2, 1.1.3, 1.2.1 (Deutsche Telekom excluding T-Mobile US)
	Connectivity	x	x	x	1.1.1, 1.1.2, 1.1.3, 1.2.1 (Deutsche Telekom excluding T-Mobile US)
	Productivity, e.g., UCC (Unified Communication Collaboration tools)	x	x	x	1.1.1, 1.1.2, 1.1.3, 1.2.1 (Deutsche Telekom excluding T-Mobile US)
Public sector	Digitalization and connectivity at public institutions (e.g., local authorities and schools)	x	x	x	1.1.1, 1.1.2, 1.1.3, 1.2.1 (Deutsche Telekom excluding T-Mobile US), 2.2.1
Wholesale	Telecommunications	x	x	x	1.1.1, 1.1.2, 1.1.3
	App and IT landscapes	x			1.1.1, 1.1.2, 1.1.3

Sustainability has been a component of our corporate activities for more than two decades. We see ourselves as a responsible company and have made this part of our Group strategy. By doing so, we commit ourselves to implementing sustainability along our value chain – and to playing an important role in meeting environmental, economic, and social challenges.

Our CR strategy is derived from the Group strategy. It focuses on good governance and on four environmental and social areas in which we aim to lead by example:

1. Our strict commitment to climate-neutral business practices: We want to play a pioneering role on the way to a climate-neutral future and enable our customers and society as a whole to complete this journey together with us by 2040. We want to cut emissions by at least 90 % compared with 2020, so that we only need to offset up to 10 %.
2. Our efforts to ensure products and services are compatible with the circular economy: We want to make almost all of our technologies and terminal equipment circular across the entire value chain by 2030 (Deutsche Telekom excluding T-Mobile US).
3. Our pursuit of diversity, equity, and inclusion as well as our investments in training for our employees: We want to provide a safe, supportive environment where we promote equity among people – across all dimensions of diversity.
4. Our commitment to help shape a digital society that is based on fundamental democratic values and in which all people can participate safely, competently, and with autonomy: We want to help make the digital world a tolerant, safe space for everyone and enable society to bridge the digital divide.

Good governance is the basis of these strategic pillars. To implement this, we concentrate on a number of different but equally important aspects:

- Data protection, cybersecurity, and information security
- Compliance and risk and opportunity management system
- Application of the basic principles of digital responsibility
- Respect for human rights and the sustainable development of supply chains
- Investment based on environmental and social criteria and transparent communication about our activities relating to ecological and social sustainability
- Effective management for sustainability topics in the Group

In terms of the associated challenges, we are working on solutions to address the most important challenges. We intend to further develop and integrate them in the coming years. For us, this involves:

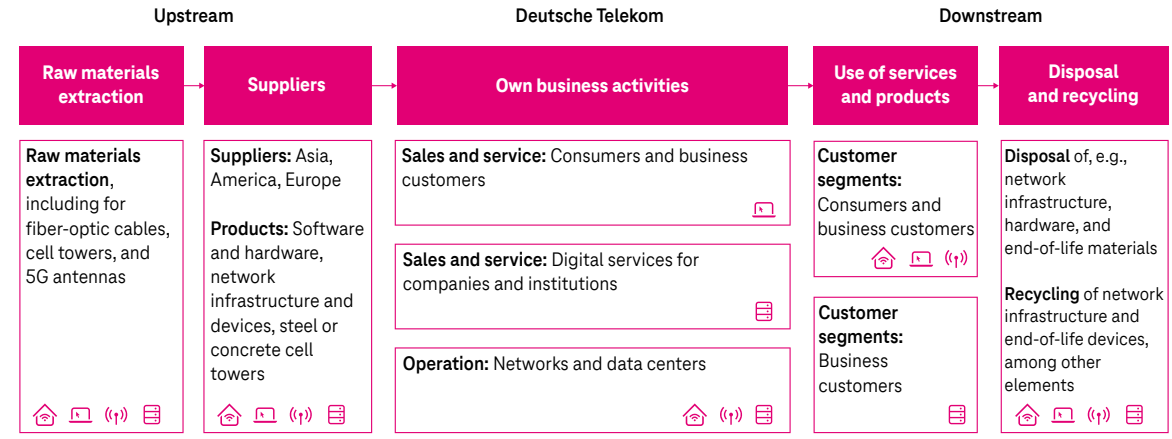
- integrated ESG management in the Group's value chain, e.g., through a project on supplier management with regard to Scope 3 emissions or by implementing a management system to meet the requirements of the German Act on Corporate Due Diligence in Supply Chains (Lieferkettensorgfaltspflichtengesetz – LkSG),
- developing cross-industry standards for the key sustainability indicators in the value chain through collaborations, and
- enabling employees and managers to overcome specific sustainability challenges in their respective roles through the Telekom Sustainability Campus, a learning platform for digital ESG training.

We are one of the leading telecommunications companies worldwide. We have structured our business into the areas of fixed network, mobile communications, merchandise (sale of hardware for using the network), and the systems solutions business (business customers).

For further information on our business model, please refer to the sections "Group organization" and "Group strategy."

The following figure shows our value chain along our business areas, including the inputs used and outputs generated by our Company. We have considered the impacts, risks, and opportunities for the telecommunications industry as part of our double materiality assessment and examined a potential relationship with our value chain and business model. We explain material potential impacts, risks, and opportunities in the relevant topical standards.

Value chain



- **Fixed network:** Fiber-optic technology (focus on FTTH), copper cable (recycling only) with related telecommunications services
- **Mobile communications:** Mobile communications network components with related telecommunications services
- **Merchandise and sales:** Smartphones, tablets, (mobile) routers, fixed-network phones, and others
- **Systems solutions business:** Data centers, solutions for various industries

Our goal is to make our product portfolio increasingly sustainable. To achieve this, we take a holistic approach to resource conservation and are committed to the responsible use of resources along our entire value chain. Reusing products and materials and extending their use phase not only saves on resources, but also reduces energy consumption and emissions. By 2030, we aim to ensure that almost all of the products we bring into the market are circular. This also applies to the network technology we use. T-Mobile US does not have any formal targets for the circular economy.

> For further information on our approach to the extraction of raw materials as well as disposal and recycling, please refer to the section "ESRS E5 – Resource use and circular economy."

The most important economic actors for Deutsche Telekom are its suppliers, customers, and investors.

- **Suppliers:** For the build-out of our network infrastructure, our suppliers from the civil engineering sector and manufacturers of fixed-network and mobile devices and ICT network technology are particularly important. They provide the infrastructure services, technology, devices, and network technology required to operate and develop the telecommunications infrastructure. Deutsche Telekom works closely with its suppliers to achieve common sustainability-related goals, for example reducing emissions from CO_2 equivalents (CO_2e) and promoting a circular economy. In addition, we have requested our suppliers of network technology and terminal equipment (Deutsche Telekom excluding T-Mobile US) to make their products and services almost completely circular by 2030. The relationship between Deutsche Telekom and its economic actors is distinguished by close cooperation on the one hand and by interdependencies on the other hand. The two sides are working to achieve common goals and promote sustainable practices.
- **Customers:** Our customer portfolio comprises consumers, business customers, the public sector, and wholesale. These customer groups use the different telecommunications services and products that Deutsche Telekom offers, such as mobile communications, fixed-network, internet, and TV services. Our relationship with our customers is shaped by our high standards in terms of service quality and customer satisfaction. We also attach great importance to the protection of their privacy and data.

- **Investors:** One of the main objectives of our finance strategy is to ensure unrestricted access to capital markets. Investors are therefore critically important to us as a company, providing the capital we need to grow, innovate, and expand. They enable us to share risks and offer strategic support and valuable networks that help us to secure our ability to obtain financing and optimize our value chain. The liquidity this provides us with is indispensable for scaling up our business model. The support received from investors thus strengthens our long-term competitiveness and sustainability, enabling us to efficiently achieve our business goals and continuously evolve.

ESRS 2 SBM-2 – Interests and views of stakeholders

Interaction with our stakeholder groups does not only help us to find support for our concerns. It also provides input that helps us identify key trends early on. In this way, it facilitates our innovation processes. Our stakeholder groups are listed below:

- Shareholders
- Providers of debt capital
- Workers (employees, managers, members of the Board of Management, applicants and potential employees, trade union and works council members, apprentices, and students)
- "Entrepreneurs within the enterprise"
- Society (from a sustainability perspective, broken down into: customers, potential customers, end-users and their representatives, analysts, NGOs and interest groups, media, companies in the supply chain and their workforce, science, research and education, endowed chairs, business and its representatives, politics and public administration)

> For further information on our stakeholder groups, please refer to the section "Management of the Group."

We involve our stakeholder groups in our business activities. We have developed an appropriate approach to do this. It is based on the AA1000 principles developed by AccountAbility, a non-governmental organization (NGO): materiality, inclusivity, and responsiveness. In the reporting year, we continued to intensify our dialogue with employees to embed the topic of sustainability even more firmly in our internal processes, e.g., at the CR management meeting in Bonn and through regular virtual meetings with the CR network.

We organize our stakeholder engagement in three forms: participation, dialogue, and information. We use our recurring case-related relevance analysis to determine how intensively we involve our stakeholders. The more relevant a stakeholder group is to the topic or project concerned, the more intensively that stakeholder group is to be engaged. We list some examples of our active stakeholder management below:

- **Data Privacy Advisory Board:** The Data Privacy Advisory Board is an independent advisory body to Deutsche Telekom AG's Board of Management. It advises on key data privacy and data security issues. The Advisory Board also covers aspects of digitalization, societal developments, and ethical issues. It includes members of stakeholder groups from science, business, politics, and independent organizations.
- **"Telekom hilft" (Telekom helps out):** We include customers and end-users by giving them the opportunity to ask questions and provide answers in the community, as well as to take part in discussions, read and comment on blogs on Deutsche Telekom topics, and test new Deutsche Telekom products.
- **"Telekom Ideenschmiede" (Telekom's Ideas Forge):** Deutsche Telekom's Ideas Forge also facilitates dialogue with customers, end-users, and interested parties and gives them the opportunity to share and assess ideas for innovations. Our employees can also submit ideas and suggestions for improvement through our idea management program.
- **Deutsche Telekom's Municipal Advisory Board:** The board provides the framework for direct dialogue between municipalities and Deutsche Telekom. It functions as a platform for discussing ideas, interests, and expectations and for finding a rapid resolution to certain issues. The board may also invite outside experts to attend individual meetings. It consists of 14 members from municipalities and municipal umbrella organizations.
- **Dialogue with our employees:** Our employees can exchange ideas in various areas of interest through our internal communities, such as GreenPioneers, the Human-Centered Technology Community, and Telekom@School.
- **Town hall meetings:** The members of the Board of Management regularly enter into dialogue with our employees and answer questions on current topics.

The feedback we receive from our stakeholders is incorporated into the alignment of our CR activities and has an impact on the CR program.

Our approach is to address the concerns of stakeholders, if possible, where dialogue with the stakeholder takes place. The areas involved in the dialogue receive direct feedback and can incorporate this directly into the organization of their work. They are responsible for referring concerns that cannot be resolved locally to the appropriate bodies within the Group. This also applies accordingly to the specific topics that are relevant in the context of the due diligence process and the materiality assessment. If a topic proves to be of particular interest to certain stakeholders, we initiate a topic-specific response and, if necessary, develop special dialogue formats. We are also committed to respect for human rights and are dedicated to protecting them in connection with our business operations, our suppliers, and our customers at both global and regional level. Our actions are based, among others, on the relevant recognized international standards and guiding principles, which we describe in section "ESRS S2-1 – Policies related to value chain workers." In addition, we express our commitment to this in our Code of Human Rights.

The Supervisory Board and the Board of Management of Deutsche Telekom AG were informed in the 2024 financial year about the views and interests of affected stakeholders with regard to the Company's sustainability-related impacts in the context of the presentation of the materiality assessment.

ESRS 2 SBM-3 – Material impacts, risks, and opportunities and their interaction with strategy and business model

Deutsche Telekom's material impacts on society and the environment, risks and opportunities, and their interactions with our strategy and business model are described in the relevant topical standards. There we describe in detail the ESRS topics identified as being material and report on corresponding policies, targets, actions, and metrics in conjunction with the material impacts, risks, and opportunities.

We continuously review the current and anticipated effects of the impacts, risks, and opportunities on our strategy, business model, value chain, and decision-making and their interaction and develop actions to address these. Neither the identified impacts, risks, and opportunities nor the actions taken and planned led to a change in strategy or the business model in the reporting year. Furthermore, the material risks and opportunities did not have any relevant current financial effects on our financial position, financial performance, and cash flows in the reporting year. We aim to foster change towards greater sustainability through new technologies and innovative ideas and by offering more sustainable products and services. This is our response to the effects of climate change. We always take care to comply with the due diligence process and consider all aspects for sustainable governance. The results of the recurring risk analysis pursuant to the LkSG in our own business areas and in the upstream value chain serve, for example, as a basis for deriving actions and are also integrated into corporate decision-making processes (Deutsche Telekom excluding T-Mobile US). As a company listed in the US, T-Mobile US carries out a company-specific risk assessment using its own methodology. The Company regularly reports the results to representatives of Deutsche Telekom AG, among others.

The actual and potential impacts on the different stakeholders, on which we report under ESRS S1, S2, and S4, arise from our strategy or our business model (ESRS S1) or are connected with these through the procurement of goods (ESRS S2) and our focus on the advancing network build-out (ESRS S4). All material negative impacts on the affected stakeholders that we identified in the double materiality assessment are of a systemic nature; they are not connected with individual incidents or with specific business relationships of Deutsche Telekom. In addition to reporting on how we deal with significant impacts, we also disclose information in the social topical standards on the relationship between significant risks and opportunities arising from impacts and dependencies with regard to our different stakeholders.

Deutsche Telekom's Business Continuity Management (BCM) is a process within operational security and risk management that helps protect business processes from the consequences of damaging incidents and disruptions. By continuously analyzing, assessing, and managing risks, BCM aims to ensure the continuity of business processes and to guarantee the resilience of the Group.

In addition, Deutsche Telekom reports on its climate risk analysis taking into consideration the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in order to ensure resilience, particularly with regard to risks arising from the consequences of climate change.

> For further information, please refer to the section "ESRS E1 – Climate change."

The following table provides an overview of the impacts, risks, and opportunities covered by additional entity-specific disclosures.

Entity-specific disclosures

Impacts, risks, and opportunities	Entity-specific disclosure	Reference
T-Systems' data centers are cooled using between around 30 % and 50 % adiabatic (evaporative) cooling systems. The remaining energy requirements are met with electricity generated from renewable sources. In addition, the growing demand for cloud-based services also requires data center services and increases energy demand.	PUE ESG KPI (Power Usage Effectiveness)	ESRS E1-3 – Actions and resources in relation to climate change policies
Using and maintaining the networks provided by Deutsche Telekom also requires large amounts of energy.	Energy Intensity ESG KPI	ESRS E1-5 – Energy consumption and mix
Deutsche Telekom's ongoing network build-out facilitates access to information. The ability to share opinions with a wider audience has a fundamentally positive impact on the exercise of the right to freedom of expression. The network build-out will thus also help to ensure that all people have equal opportunities to be a part of the digital society.	Community Contribution – Digital Society ESG KPI Beneficiaries – Digital Society ESG KPI	ESRS S4-4 – Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions
The network build-out is helping to ensure that all people have access to Deutsche Telekom's products and services and can therefore participate in the digital society. Initiatives such as No Hate Speech also promote non-discrimination in the digital world. Our involvement in these initiatives and the changes they have achieved are shown by company-specific metrics such as the Community Contribution – Digital Society and Beneficiaries – Digital Society ESG KPIs.	Community Contribution – Digital Society ESG KPI Beneficiaries – Digital Society ESG KPI	ESRS S4-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Impact, risk, and opportunity management

ESRS 2 IRO-1 E5 – Description of the process to identify and assess material impacts, risks, and opportunities

We performed a double materiality assessment to identify our impacts, risks, and opportunities. The objective of the double materiality analysis was, first, to identify all actual and potential material impacts on society and on the environment that are caused by our business activities and locations along the entire value chain. Second, our objective was to obtain a thorough understanding of the financial risks and opportunities for Deutsche Telekom that may arise from the responses of stakeholder groups and from climate change.

The double materiality assessment for this sustainability statement was based on extensive research with reference to studies, other publicly available information, as well as internal and external stakeholder engagement in the form of qualitative interviews.

For the double materiality assessment, the functional units addressed the disclosure requirements of all ESRS in the reporting year and considered their relevance for Deutsche Telekom's business. They also compared the maturity of the existing management systems with the requirements of the sustainability standards. The findings were used to review and update the materiality assessment from the previous year and to identify impacts, risks, and opportunities. In addition, the experts compared the results with all the datapoints required by the ESRS to ensure that all disclosure requirements had been reviewed and that Deutsche Telekom was complying with its disclosure obligations.

We considered both the negative and the positive impacts of our business activities and locations on society and on the environment and along the entire value chain. We considered factors such as the impacts on pollution, on water and marine resources, and dependencies on biodiversity and ecosystems. We then assessed our financial sustainability opportunities and risks, also considering transition risks and physical risks and opportunities connected with biodiversity and ecosystems. This process also considered systemic risks. The results were subsequently validated in an internal workshop with attendees from various functional units. They also raised the concerns of different external stakeholders whose positions they are well aware of due to their work. In this context, we conducted a biodiversity analysis that identified social and environmental impacts along Deutsche Telekom's entire value chain. Fixed-network and mobile communications infrastructure is primarily installed in built-up urban areas. In rural areas and biodiversity-sensitive areas, any intervention takes place in accordance with the national legal requirements (e.g., environmental impact assessments) and is coordinated with the local environmental authorities as required. However, our activities do not have any material impacts on these areas. Nevertheless, Deutsche Telekom attaches great importance to this topic and will continue to track it.

We made the following basic assumptions to allow us to analyze Deutsche Telekom's business activities and value chain realistically and efficiently:

- We have structured our business into the areas of fixed network, mobile communications, merchandise (sale of hardware for using the network), and the systems solutions business (business customers).
- As a service provider that generally does not manufacture products itself, we distribute the products of our suppliers. These are primarily manufacturers of mobile devices. Deutsche Telekom only has a very limited influence on the extraction of raw materials for its merchandise and does not establish a direct link between these activities and its own business model.

Our due diligence process is based on the ESRS dimensions of severity and likelihood of occurrence. Based on these criteria, we used an assessment scheme to evaluate the relevance of positive and negative actual and potential impacts. We considered the following aspects and determined the severity when assessing actual and potential impacts:

- Scale: How grave is the impact?
- Scope: How widespread is it?
- Irreversibility: How difficult is it to reverse it? (only for negative impacts)

In addition, potential impacts are assessed based on their likelihood of occurrence and the time horizon (short, medium, or long term), and we used a five-point scale for this which is based on the recommendations of the December 2023 Implementation Guidance of the European Financial Reporting Advisory Group (EFRAG). We also identified the stage in the value chain where each impact occurs or could occur.

The structure of the financial materiality assessment follows the four-level assessment logic of our established risk and opportunity management system. To determine our financial risks and opportunities, we inventoried and assessed them, allocated them to the ESRS subtopics, and identified correlations with the impacts. The risks are divided into the following categories:

- Strategic risks
- Operational risks
- Regulatory risks
- Legal and antitrust proceedings (risks only)
- Compliance risks
- Financial risks

> For a more precise description of our risk management process, please refer to the section "Risk and opportunity management."

We also identified the stages of the value chain where risks and opportunities arise. Likewise, we assigned the time horizon during which they may arise for us to the risks. The two criteria we use – probability of occurrence and risk extent – are taken from the established criteria in our Group-wide risk and opportunity management. Any individual risks or opportunities that exceed GCR's internal monitoring thresholds are reported as part of the Group-wide risk and opportunity management process. In the reporting year, we continued to apply the assessment scheme from our risk and opportunity management, which is linked to our materiality processes. GCR has been using the risk and opportunity inventory since 2022 as part of the materiality assessment to track new sustainability-related risks and take the assessment scheme into account accordingly in the Group-wide risk management system.

After identifying our sustainability-related impacts, risks, and opportunities, we prioritized these on the basis of a threshold. The negative and positive impacts close to the materiality threshold are subject to internal control processes and are continuously observed to determine their potential materiality.

Responsible, appropriate management of risks and opportunities is a core component of our governance. The Board of Management has implemented systems for risk identification and mitigation, in particular the risk and opportunity management system and the internal control system, including the compliance management system. Sustainability topics are integrated into both the risk and opportunity management system and the internal control system. Both systems incorporate sustainability aspects, which are becoming increasingly important as regulatory requirements continue to evolve.

The Group-wide risk and opportunity management system covers risks and opportunities of all segments and central departments. In addition, all material risks and opportunities are measured and disclosed separately based on ESG criteria. Sustainability-related goals are also a component of the Group's risk reporting. The internal control system includes controls that address the Group-wide, IT-based collection process for ESG data from the ESRS E1, E5, and S4 topical standards.

The risk and opportunity inventory for the reporting year is based on the previous year's inventory. It was enhanced and reviewed for plausibility following the analysis of the ESRS datapoints. We used the insights gained from this to adjust and update individual ratings.

The outcome of the double materiality assessment shows that Deutsche Telekom does not have any material impacts through sites located in or near biodiversity-sensitive areas. No mitigation measures are therefore required.

ESRS 2 IRO-1 E1 – Description of the processes to identify and assess material climate-related impacts, risks, and opportunities

We calculate GHG emissions for our climate-related targets for our own energy consumption (Scope 1 and 2) as well as the energy consumption in our upstream and downstream activities along our value chain (Scope 3). We align ourselves with the internationally recognized Greenhouse Gas Protocol. Indirect GHG emissions from upstream and downstream activities make up the majority of our total emissions. Collecting this data helps us to identify ways of reducing emissions in our own business activities and also of working with our suppliers and customers to reduce emissions in our value chain through targeted actions. As part of our materiality assessment, we identified actual and potential sources of greenhouse gas emissions for our own operations and along the value chain. The main levers have been systematically analyzed.

Deutsche Telekom reports on its climate risk analysis taking into consideration the recommendations of the TCFD.

In the course of the climate risk analysis, we identified the material climate-related opportunities and risks with experts from the areas of technology, procurement, and strategy and risk management, and began weighting them on this basis. In the process, we considered the consequences for our business activities that may result from the physical impacts of the ongoing climate change. On the other hand, we analyzed the potential impacts as a result of political, technological, and social developments associated with the transition to a low-emission economy that has already begun. The analysis also involves a financial quantification of transition risks. This process was last carried out in full in 2023; in the reporting year, we reviewed the defined risks and updated the data basis for the physical climate risks.

In 2023, we analyzed selected Deutsche Telekom locations in Germany, Hungary, Greece, and Croatia with regard to their physical climate risks. The analysis included all data centers as well as critical infrastructure in the fixed network and sampling in the mobile communications network. We extended this analysis to Austria, Poland, Slovakia, the Czech Republic, and the US in 2024. The analysis thus comprises our German and international units that made up a total of 97 % of our revenue in 2023. Locations related to mobile communications, fixed networks, and data centers whose functionality has a material influence on our business activities were taken into account. In total, we analyzed more than 8 thousand sites using a recognized software platform that is based on the climate scenarios developed by the Intergovernmental Panel on Climate Change (IPCC).

The analysis comprised nine climate indices. We considered the risks for the various sites in light of two climate scenarios of the IPCC: a business-as-usual scenario (RCP 4.5/SSP2-4.5), with a global temperature increase of more than two degrees, and a four-degree scenario (RCP 8.5/SSP5-8.5).

In addition to the climate scenarios, we examined the risks in different time periods: in the reporting year for the years 2030, 2040, and 2050.

Deutsche Telekom has defined short-, medium-, and long-term time horizons based on the existing time horizons from the Group-wide risk and opportunity management system. Our intention is to ensure that climate risks are integrated into our risk and opportunity management system and that all business risk categories follow a comparable approach. We also selected a time horizon up to 2050 for the scenario analysis. On the one hand, this matches the time horizons of international agreements on climate change mitigation, such as the Paris Agreement. On the other, it corresponds to a realistic planning horizon for internal strategic planning and the useful life of classic Deutsche Telekom assets such as infrastructure components.

When assessing climate risks, we assessed the probability of occurrence and risk extent. We assessed both the physical climate risks and the transition hazards, taking into account the geographical coordinates of Deutsche Telekom's key locations. We also analyzed the upstream and downstream value chain for the transition risk assessment. Due to the prioritization of our own business activities, our upstream and downstream supply chain was not included in the physical climate risk analysis for the time being.

To identify transition opportunities and risks, we also applied the Net Zero Emissions (NZE) 2050 scenario described under "ESRS 2 SBM-3 E-1 – Material impacts, risks, and opportunities and their interaction with strategy and business model." The process for assessing the opportunities and risks associated with climate change includes:

- identifying and quantifying the important trends
- calculating the impacts on the undertaking
- analyzing the impacts on the value chain

As part of our risk management activities, we quantify a number of risks and publish these in the questionnaire for the CDP, a tool for disclosing climate-related indicators to investors, for example. We factor the extent of the risks into our corporate planning. We also assess the applicability and benefits of management tools that we use to regularly integrate sustainable, attractive financing models, e.g., related to climate protection aspects in investment decisions.

We have not identified any assets and business activities that are incompatible with a transition to a carbon-neutral economy or that require significant effort to be compatible with a transition to a carbon-neutral economy. No critical climate-related assumptions have been used to date to measure assets and liabilities in the consolidated financial statements.

ESRS 2 IRO-2 – Disclosure requirements in ESRS covered by the undertaking's sustainability statement

The following table contains a list of the disclosure requirements that we complied with in preparing the sustainability statement, following the outcome of the double materiality assessment, as well as the disclosures required by Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation). The datapoints to be reported and hence the material information were determined using qualitative mapping based on an in-depth examination at a content level of the identified impacts, risks, and opportunities. The mapping is based on the criteria defined in para. 31 of ESRS 1. Following a comprehensive examination of our business activities and locations, we assessed the topical standards ESRS E2 – Pollution, ESRS E3 – Water and marine resources, ESRS E4 – Biodiversity and ecosystems, and ESRS S3 – Affected communities as not material. By contrast, the following topical standards were assessed as material:

ESRS Index

Disclosure requirement with reference
General information
ESRS 2 – General Disclosures
Environment
Disclosures pursuant to Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)
ESRS E1 – Climate change
ESRS E5 – Resource use and circular economy
Social aspects
ESRS S1 – Own workforce
ESRS S2 – Workers in the value chain
ESRS S4 – Consumers and end-users
Governance
ESRS G1 – Business conduct

The following table contains all the datapoints that derive from other EU legislation, as listed in ESRS 2 Appendix B, and also indicates where the datapoints can be found in our report and which datapoints are assessed as “not material,” “not reported,” and “not relevant.”

List of datapoints in cross-cutting and topical standards that derive from other EU legislation

Disclosure requirement	Data-point	Name	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Materiality	Section
ESRS 2 GOV-1	21d	Board’s gender diversity	x		x			ESRS 2 GOV-1 – The role of the administrative, management, and supervisory bodies
ESRS 2 GOV-1	21e	Percentage of board members who are independent			x			ESRS 2 GOV-1 – The role of the administrative, management, and supervisory bodies
ESRS 2 GOV-4	30	Statement on due diligence	x					ESRS 2 GOV-4 – Statement on due diligence
ESRS 2 SBM-1	40d-i	Involvement in activities related to fossil fuel activities	x	x	x		Not relevant	–
ESRS 2 SBM-1	40d-ii	Involvement in activities related to chemical production	x		x		Not relevant	–
ESRS 2 SBM-1	40d-iii	Involvement in activities related to controversial weapons	x		x		Not relevant	–
ESRS 2 SBM-1	40d-iv	Involvement in activities related to cultivation and production of tobacco			x		Not relevant	–
ESRS E1-1	14	Transition plan to reach climate neutrality by 2050				x		ESRS E1-1 – Transition plan for climate change mitigation
ESRS E1-1	16g	Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		x	x			ESRS E1-1 – Transition plan for climate change mitigation
ESRS E1-4	34	GHG emissions reduction targets	x	x	x			ESRS E1-4 – Targets related to climate change mitigation and adaptation
ESRS E1-5	38	Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors)	x					ESRS E1-5 – Energy consumption and mix
ESRS E1-5	37	Energy consumption and mix	x					ESRS E1-5 – Energy consumption and mix
ESRS E1-5	40–43	Energy intensity associated with activities in high climate impact sectors	x					ESRS E1-5 – Energy consumption and mix
ESRS E1-6	44	ESRS E1-6 – Gross Scopes 1, 2, 3 and total GHG emissions	x	x	x			ESRS E1-6 – Gross Scopes 1, 2, 3 and total GHG emissions
ESRS E1-6	53–55	Gross GHG emissions intensity	x	x	x			ESRS E1-6 – Gross Scopes 1, 2, 3 and total GHG emissions

Disclosure requirement	Data-point	Name	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Materiality	Section
ESRS E1-7	56	GHG removals and carbon credits				x		ESRS E1-7 – GHG removals and GHG mitigation projects financed through carbon credits
ESRS E1-9	66	Exposure of the benchmark portfolio to climate-related physical risks			x		Not reported (phase-in option)	–
ESRS E1-9	66a, 66c	Disaggregation of monetary amounts by acute and chronic physical risk/Location of significant assets at material physical risk		x			Not reported (phase-in option)	–
ESRS E1-9	67c	Breakdown of the carrying value of its real estate assets by energy-efficiency class		x			Not reported (phase-in option)	–
ESRS E1-9	69	Degree of exposure of the portfolio to climate-related opportunities			x		Not reported (phase-in option)	–
ESRS E2-4	28	Amount of each pollutant listed in Annex II of the EPRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water, and soil	x				Not material	–
ESRS E3-1	9	Water and marine resources	x				Not material	–
ESRS E3-1	13	Dedicated policy	x				Not material	–
ESRS E3-1	14	Sustainable oceans and seas	x				Not material	–
ESRS E3-4	28c	Total water recycled and reused	x				Not material	–
ESRS E3-4	29	Total water consumption in m^3 per net revenue on own operations	x				Not material	–
ESRS 2 SBM-3 E4	16a-i		x				Not material	–
ESRS 2 SBM-3 E4	16b		x				Not material	–
ESRS 2 SBM-3 E4	16c		x				Not material	–
ESRS E4-2	24b	Sustainable land/ agriculture practices or policies	x				Not material	–
ESRS E4-2	24c	Sustainable oceans/seas practices or policies	x				Not material	–
ESRS E4-2	24d	Policies to address deforestation	x				Not material	–
ESRS E5-5	37d	Non-recycled waste	x					ESRS E5-5 – Resource outflows
ESRS E5-5	39	Hazardous waste and radioactive waste	x					ESRS E5-5 – Resource outflows

Disclosure requirement	Data-point	Name	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Materiality	Section
ESRS 2 SBM-3 – S1	14f	Risk of incidents of forced labor	x				Not material	–
ESRS 2 SBM-3 – S1	14g	Risk of incidents of child labor	x				Not material	–
ESRS S1-1	20	Human rights policy commitments	x					ESRS S1-1 – Policies related to own workforce
ESRS S1-1	21	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8			x			ESRS S1-1 – Policies related to own workforce
ESRS S1-1	22	Processes and measures for preventing trafficking in human beings	x					ESRS S1-1 – Policies related to own workforce
ESRS S1-1	23	Workplace accident prevention policy or management system	x					ESRS S1-1 – Policies related to own workforce
ESRS S1-3	32c	Grievance/complaints handling mechanisms	x					ESRS S1-3 – Processes to remediate negative impacts and channels for own workforce to raise concerns
ESRS S1-14	88b, 88c	Number of fatalities and number and rate of work-related accidents	x		x			ESRS S1-14 – Health and safety metrics
ESRS S1-14	88e	Number of days lost to injuries, accidents, fatalities, or illness	x					ESRS S1-14 – Health and safety metrics
ESRS S1-16	97a	Unadjusted gender pay gap	x		x			ESRS S1-16 – Remuneration metrics (pay gap and total remuneration)
ESRS S1-16	97b	Annual total remuneration ratio of the highest-paid individual to the median annual total remuneration for all employees	x					ESRS S1-16 – Remuneration metrics (pay gap and total remuneration)
ESRS S1-17	103a	Incidents of discrimination	x					ESRS S1-17 – Incidents, complaints, and severe human rights impacts
ESRS S1-17	104a	Non-respect of UNGPs on Business and Human Rights and OECD Guidelines	x		x			ESRS S1-17 – Incidents, complaints, and severe human rights impacts
ESRS 2 SBM3 S2	11b	Significant risk of child labor or forced labor in the value chain	x					ESRS 2 SBM-3 S2 – Material impacts, risks, and opportunities and their interaction with strategy and business model.

Disclosure requirement	Data-point	Name	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Materiality	Section
ESRS S2-1	17	Human rights policy commitments	x					ESRS S2-1 – Policies related to workers in the value chain
ESRS S2-1	18	Policies related to value chain workers	x					ESRS S2-1 – Policies related to workers in the value chain
ESRS S2-1	19	Non-respect of UNGPs on Business and Human Rights and OECD Guidelines	x		x			ESRS S2-1 – Policies related to workers in the value chain
ESRS S2-1	19	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8	x					ESRS S2-1 – Policies related to workers in the value chain
ESRS S2-4	36	Human rights issues and incidents connected to its upstream and downstream value chain	x					ESRS S2-4 – Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions
ESRS S3-1	16	Human rights policy commitments	x				Not material	–
ESRS S3-1	17	Non-respect of UNGPs on Business and Human Rights, ILO Principles or OECD Guidelines	x		x		Not material	–
ESRS S3-4	36	Human rights issues and incidents	x				Not material	–
ESRS S4-1	16	Policies related to consumers and end-users	x					ESRS S4-1 – Policies related to consumers and end-users
ESRS S4-1	17	Non-respect of UNGPs on Business and Human Rights and OECD Guidelines	x		x			ESRS S4-1 – Policies related to consumers and end-users

Disclosure requirement	Data-point	Name	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Materiality	Section
ESRS S4-4	35	Human rights issues and incidents	x					ESRS S4-4 – Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions
ESRS G1-1	10b	United Nations Convention against Corruption	x					ESRS G1-1 – Business conduct policies and corporate culture
ESRS G1-1	10d	Protection of whistleblowers	x					ESRS G1-1 – Business conduct policies and corporate culture
ESRS G1-4	24a	Fines for violation of anti-corruption and anti-bribery laws	x		x			ESRS G1-4 – Incidents of corruption or bribery
ESRS G1-4	24b	Standards of anti-corruption and anti-bribery	x					ESRS G1-4 – Incidents of corruption or bribery

Environment

Disclosures pursuant to Article 8 of Regulation 2020/852 (Taxonomy Regulation)

The EU Taxonomy is designed to promote investment flows from the finance sector to businesses that are involved in environmentally sustainable activities. The EU Taxonomy is therefore aimed at helping implement the European Green Deal. As a basis for this, the EU Taxonomy provides a binding definition of the environmental sustainability of activities and investments. The EU Taxonomy Regulation requires companies to report on these economic activities.

Under the EU Taxonomy Regulation, the first step is to ascertain the taxonomy-eligible economic activities of a company. These are activities that are covered by the EU Taxonomy and that therefore potentially contribute significantly to achieving the environmental objectives. The second step is to check whether these activities are taxonomy-aligned. An activity is defined as taxonomy-aligned if it meets the technical screening criteria for a significant contribution to at least one environmental objective listed in the Annexes to Delegated Regulations (EU) 2021/2139, (EU) 2022/1214, (EU) 2023/2485, and (EU) 2023/2486. At the same time, it must not do any significant harm to any of the other environmental objectives and must meet the minimum social standards (“minimum safeguards”) set out in Taxonomy Regulation (EU) 2020/852, which in particular require compliance with human and labor rights.

Deutsche Telekom is a company in the information and telecommunications industry. The following two economic activities are therefore relevant to our core business in connection with the “Climate change mitigation” (CCM) environmental objective under the EU Taxonomy:

- Data processing, hosting, and related activities (CCM 8.1)
- Data-driven solutions for GHG emissions reductions (CCM 8.2)

Additionally, we also lease devices to our customers as part of our core business, so the following economic activity, which is assigned to the “Circular economy” (CE) environmental objective, is also relevant for Deutsche Telekom:

- Product-as-a-service and other circular use and result-oriented service models (CE 5.5)

No economic activities relevant to the environmental objective “Climate change adaptation” (CCA) were identified.

The EU Taxonomy does not currently include criteria for an economic activity "Provision and operation of electronic communication networks and services." This means that most of our business model is not yet covered by the EU Taxonomy. As a result, the EU Taxonomy does not give us an opportunity to indicate our contribution to climate change mitigation in the area of fixed and mobile network build-out and operation. We are active in various business and industry associations to ensure that relevant and appropriate criteria are added to the EU Taxonomy to reflect our core activities in the area of fixed and mobile networks. To this end, we developed a joint position paper in 2024 with industry associations including Connect Europe, GSMA, and Ecta. This paper underscores the significant contribution our sector is making to achieving Europe's digital transformation and climate goals.

The EU Taxonomy provides a list of cross-cutting activities outside of our core business that are potentially relevant for our general business activities, such as for fleet and building management and energy production. In the 2024 financial year, Deutsche Telekom carried out the following taxonomy-eligible cross-cutting activity for the environmental objective "Climate change mitigation" (CCM) to a financially material extent:

- Transport by motorbikes, passenger cars, and light commercial vehicles (CCM 6.5)

The three tables below provide an overview of our taxonomy-eligible and taxonomy-aligned economic activities. They break the figures down into both absolute values and the applicable percentage of Deutsche Telekom's turnover, capital expenditure, and operating expenditure.

Method for ascertaining taxonomy eligibility and alignment

When ascertaining the taxonomy-eligibility of economic activities, we focused on our core business activities taking cost-benefit aspects into account.

Those activities identified as taxonomy-eligible were checked individually for their taxonomy alignment. However, proof of conformity for avoiding significant harm to the environmental objective "Climate change adaptation" (CCA) was provided comprehensively for all taxonomy-eligible activities, as we manage climate risks centrally at Group level. We monitor compliance with minimum social safeguards using a Group-wide management system.

To avoid significant harm to the environmental objective "Climate change adaptation" (CCA), checking for taxonomy alignment of all of the economic activities listed above requires an analysis of potential physical climate risks. As part of our risk management, we carried out a comprehensive analysis of physical climate risks in 2023 and extended it to include the United States operating segment in 2024. The climate risk analysis was carried out using a recognized software platform based on the most recent climate scenarios defined by the Intergovernmental Panel on Climate Change (IPCC). In connection with the taxonomy-eligible activities, no significant harm to the environmental objective "Climate change adaptation" (CCA) was identified, as individual local climate risks are minimized by existing mitigation measures.

The minimum social safeguards require a management system to monitor compliance with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the ILO Core Conventions and the International Bill of Human Rights. We have made an express commitment to the principles listed above. We perform human rights-related due diligence using a risk-based management system encompassing both the Group and our supply chain that we use to monitor compliance with social and environmental standards. We also maintain a process of trust-based dialogue with employees' representatives and trade unions. To prevent corruption and safeguard fair competition, Deutsche Telekom has established a compliance management system that is aligned with the company's risk situation and is externally certified at regular intervals.

> You can find more information on the minimum social standards in the sections "ESRS S1 – Own workforce," "ESRS S2 – Workers in the value chain," "ESRS S4 – Consumers and end-users," and "ESRS G1 – Business conduct."

Economic activities that are relevant to turnover

The taxonomy-eligible economic activity **Data processing, hosting and related activities (CCM 8.1)** covers "Storage, manipulation, management, movement, control, display, switching, interchange, transmission or processing of data through data centers, including edge computing." Of our Group-wide business activities, our Systems Solutions operating segment (T-Systems) comes under this sector. As well as data centers operated by T-Systems, we also included data centers operated on co-locations in the assessment. Only data centers that comply with the European Code of Conduct for Energy Efficiency in Data Centres can be considered as making a substantial contribution to climate change mitigation in accordance with the EU Taxonomy. All of the nine locations directly managed by T-Systems comply with this code. As we have not yet verified compliance with the Code of Conduct through external audits in accordance with EU Taxonomy requirements, we are classifying the data centers used for economic activity CCM 8.1 as not taxonomy-aligned in the reporting year. In addition, in accordance with the EU Taxonomy, the global warming potential of refrigerants that need to be used in data center cooling systems may not exceed a value of 675 GWP (Global Warming Potential). This criterion is currently met by one data center that was fully refurbished in 2022. The other sites currently still use industry-typical refrigerants that meet the criteria of the EU regulation on fluorinated greenhouse gases. We will make the change to taxonomy-aligned refrigerants as

part of the regular refurbishment program for our data centers. We will carry out a detailed review of the individual data centers' compliance with the criteria for preventing significant harm to the remaining environmental objectives in each case as soon as they fulfill the aforementioned climate change mitigation requirements in full.

We associate those solutions and products in the Group that, in accordance with the description in the EU Taxonomy, are "predominantly aimed at the provision of data and analytics enabling GHG emission reductions" with the economic activity **"Data-driven solutions for GHG emissions reductions" (CCM 8.2)**. These are solutions and products that have clear potential to enable users to save CO_2 emissions. We thus identified the following taxonomy-eligible services within our Group-wide business activities:

- Business-related video conferencing solutions (save travel-induced CO_2 emissions)
- Workplace and cloud solutions (increase energy efficiency by improving server utilization)
- IoT solutions (save CO_2 emissions)

We provide these services to a significant financial extent in the Germany operating segment, in our major national companies in the Europe operating segment, and local business units in the Systems Solutions operating segment.

The technical screening criteria require a life-cycle analysis as evidence of the taxonomy alignment of the solutions in question. This must show that a solution results in substantial greenhouse gas emission reductions both over and beyond its entire life cycle in comparison with the relevant reference solution available on the market. We understand reference solutions to be alternative solutions that would typically be used in a company in our footprint markets. This assumes that the companies are aligned with best practices. The technical screening criteria do not stipulate a specific threshold for "substantial" reductions in greenhouse gases in comparison with the reference solution. In 2022, we therefore defined a threshold based on scientific findings; greenhouse gas reductions resulting from taxonomy-eligible solutions exceeding this threshold value are thus considered "substantial." We update the necessary life-cycle analyses on an ad hoc basis to reflect relevant technological developments and market trends. For the reporting year, we rely on the life-cycle analyses that we conducted in 2023 for business-related web conferencing solutions and for the Future Cloud Infrastructure, Open Telekom Cloud, and SAP Cloud Services cloud solutions. Deutsche Telekom also offers IoT solutions that can reduce CO_2 emissions. As we have not yet prepared any life-cycle analysis to demonstrate the effects of these solutions, they are reported as not taxonomy-aligned.

The taxonomy-eligible business-related web conferencing solutions were analyzed by comparing them with hybrid meetings. This provided evidence for significant greenhouse gas savings. For instance, compared with hybrid meetings, virtual-only meetings reduce greenhouse gas emissions by around 62 % (small meetings) or 32 % (large meetings).

Of the workplace and cloud solutions covered by the life-cycle analysis, the Future Cloud Infrastructure, including the SAP Cloud Services run on this infrastructure, reduced greenhouse gas emissions by around 9.7 % in comparison with decentralized data centers operated by our customers themselves. However, this effect was below the threshold value defined in the 2022 financial year. Future Cloud Infrastructure and SAP Cloud Services are hence also reported as not taxonomy-aligned for the 2024 financial year. The life-cycle analysis also found that using the Open Telekom Cloud reduced greenhouse gas emissions by 47 % compared with the reference scenario. The reference scenario is based on the assumption that our customers use their own, decentralized server infrastructure for storing and processing data rather than the cloud solution. We therefore classify the Open Telekom Cloud and all web conferencing solutions included in a life-cycle analysis as taxonomy-aligned.

For the aforementioned solutions, we exclusively use infrastructure located in Germany. The requirements for the "Transition to a circular economy" (CE) conform to current EU legislation, which we implement as part of our environment management activities at our EU sites. We also require our business partners to provide evidence that the hardware used in the data centers is actually reconditioned or recycled at the end of its service life.

We primarily record leases of devices to business customers and consumers in the Germany operating segment under the taxonomy-eligible economic activity **"Product-as-a-service and other circular use and result-oriented service models" (CE 5.5)**. By leasing new and returned used devices instead of selling them to our customers, we are enabling a longer use phase and hence making a material contribution to circular economy – including by using environmentally friendly packaging for the devices. Our climate strategy for the upstream and downstream value chain enables us to help minimize greenhouse gas emissions in connection with the manufacturing and transportation of devices. Moreover, our business partners use processes for reconditioning leased devices that do not significantly impact water bodies and biodiversity. We meet the requirements for preventing and mitigating pollution (Appendix C to Annex II of Commission Delegated Regulation (EU) 2023/2486) in part by complying with applicable EU law when manufacturing and marketing devices. This includes the EU Directive on the restriction of the use of certain hazardous substances in electrical and electronic equipment (RoHS). Deutsche Telekom has set itself the goal of only using devices that do not contain any substances of very high concern. However, suitable technical alternatives are not yet available for all substances. In individual cases, we therefore make use of the exemptions defined in the Taxonomy criteria. We are able to verify compliance with Appendix C for the more recent generations of our devices. We therefore classify the service described above as proportionately taxonomy-aligned. Using the number

of leased and Appendix C-compliant devices, taxonomy-aligned turnover and capital expenditure were calculated as a percentage of total turnover and capital expenditure.

Cross-cutting activities

Deutsche Telekom has a vehicle fleet that includes both company cars and service vehicles. The economic activity **"Transport by motorbikes, passenger cars, and light commercial vehicles" (CCM 6.5)** is therefore relevant as a cross-cutting activity that applies to the purchase, the lease, and the operation of vehicles of the classes M1 (passenger cars) and N1 (light commercial vehicles with a maximum weight of 3.5 t). As we are pushing forward with the transition to a fully electric fleet, especially in Germany and the EU, some of the new vehicles purchased already meet the CO_2 thresholds set by the EU Taxonomy. We were also able to provide evidence of the alignment of these vehicles with the other key EU Taxonomy requirements, which are based on current EU legislation for new vehicles. As the choice of tires is left to the vehicle users themselves, we could not provide evidence of the taxonomy alignment of tires for the reporting year. We therefore report capital expenditure associated with our vehicle fleet as not taxonomy-aligned.

Calculation of the Taxonomy KPIs

Deutsche Telekom's total figures used as the basis for calculation in accordance with the EU Taxonomy in the reporting year amounted to EUR 115.8 billion in turnover (2023: EUR 112.0 billion), EUR 25.6 billion in capital expenditure (2023: EUR 24.3 billion), and EUR 0.5 billion in operating expenditure (2023: EUR 0.4 billion). The definition of turnover according to the EU Taxonomy is equivalent to net revenue in our consolidated income statement contained in the consolidated financial statements. The relevant capital expenditure was determined on the basis of the consolidated statement of financial position contained in the consolidated financial statements and is determined as the sum of additions under property, plant, and equipment, intangible assets (excluding goodwill), and right-of-use assets. It also includes additions from these assets acquired as a result of business combinations and additions recognized under non-current assets and disposal groups held for sale. In line with the EU Taxonomy requirements, the disclosures on capital expenditures do not form part of a capital expenditure (capex) plan. The EU Taxonomy defines costs that relate to building remediation measures, short-term leases, maintenance and repair, research and development, and any other direct expenditures relating to the day-to-day maintenance of property, plant, and equipment as relevant operating expenditure.

The disclosures on taxonomy eligibility and taxonomy alignment in terms of turnover, capital expenditure, and operating expenditure are directly assigned at the level of product groups to either the operation of data centers in accordance with economic activity CCM 8.1, the provision of ICT solutions in accordance with economic activity CCM 8.2, and lease of devices in accordance with economic activity CE 5.5. We do not generate any turnover with cross-cutting activities. Exclusively capital expenditure was assigned to economic activity CCM 6.5.

To avoid double counting within the meaning of the EU Taxonomy, we have almost exclusively allocated taxonomy-eligible cloud solutions from T-Systems to economic activity CCM 8.2; we report those few solutions portfolios under economic activity CCM 8.1 that are not taxonomy-eligible in accordance with economic activity CCM 8.2. The lease of devices to our customers in accordance with economic activity CE 5.5 does not overlap with the solutions that fall under economic activities CCM 8.1 and CCM 8.2. In the case of the capital and operating expenditure allocated to the cross-cutting activity CCM 6.5, a direct connection with the turnover-related economic activities reported is excluded.

As the EU Taxonomy does not yet adequately cover our core business, an aggregate view of the taxonomy eligibility of all economic activities results in very low proportions again in 2024 of turnover of 2.5 % (2023: 2.5 %), of capital expenditure of 2.2 % (2023: 2.1 %), and of operating expenditure of 29.1 % (2023: 33.2 %) for Deutsche Telekom.

The largest proportion of taxonomy-eligible turnover of 1.0 % (2023: 1.0 %) can be allotted to economic activity CCM 8.1, which comprises data processing and hosting, followed by economic activity CCM 8.2 of 0.8 % (2023: 0.8 %), to which the business-related web conference solutions make a substantial contribution. We generated relevant taxonomy-eligible turnover from the lease of terminal equipment in accordance with economic activity CE 5.5 that accounted for 0.6 % (2023: 0.6 %) of total turnover.

Economic activity CCM 8.1 also accounts for the largest proportion of taxonomy-eligible capital expenditure (1.0 %; 2023: 0.9 %). For economic activity CE 5.5 we invested 0.6 % (2023: 0.7 %) of the relevant capital expenditure. Cross-cutting activity CCM 6.5 has only a supporting function for Deutsche Telekom's core business. The taxonomy-eligible proportion here is 0.6 % (2023: 0.5 %). The largest proportion of taxonomy-eligible capital expenditure can be allotted to property, plant, and equipment (71.0 %; 2023: 76.4 %), followed by right-of-use assets (19.4 %; 2023: 15.5 %) and intangible assets (9.6 %; 2023: 8.0 %).

Economic activity CCM 8.1 accounts for the largest proportion of direct operating expenditure with 16.5 % (2023: 19.1 %). This is followed in second place by economic activity CCM 8.2 with 12.7 % (2023: 14.1 %).

In the 2024 financial year, the taxonomy-aligned proportion of all of Deutsche Telekom's economic activities was 0.5 % of turnover (2023: 0.2 %), 0.3 % of capital expenditure (2023: 0.0 %), and 0.0 % of operating expenditure (2023: 0.5 %). The taxonomy-aligned proportion of turnover results both from economic activity CE 5.5, whose taxonomy alignment we are disclosing for the first time for this reporting year in accordance with legal requirements, and from economic activity CCM 8.2. In the 2024 financial year, only economic activity CE 5.5 contributed to the taxonomy-aligned capital expenditure.

EU Taxonomy KPIs

				Substantial contribution to environmental objectives [a]						Do no significant harm to environmental objectives									
Economic activities	Code	Turnover 2024 millions of €	Turnover 2024 %	Climate change mitigation Y, N, EL, N/EL	Climate change adaptation Y, N, EL, N/EL	Water Y, N, EL, N/EL	Pollution Y, N, EL, N/EL	Circular economy Y, N, EL, N/EL	Biodiversity Y, N, EL, N/EL	Climate change mitigation Y/N	Climate change adaptation Y/N	Water Y/N	Pollution Y/N	Circular economy Y/N	Biodiversity Y/N	**Minimum safeguards** Y/N	Taxonomy aligned (A.1.) or eligible (A.2.) proportion of turnover 2023 %	**Category enabling activity** E	**Category transitional activity** T
A. Taxonomy-eligible activities																			
A.1. Environmentally sustainable activities (taxonomy-aligned)																			
Data-driven solutions for GHG emissions reductions	CCM 8.2	255	0.2	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.2	E	
Product-as-a-service and other circular use- and result-oriented service models	CE 5.5	307	0.3	N/EL	N/EL	N/EL	N/EL	Y	N/EL	Y	Y	Y	Y	Y	Y	Y	-		
Turnover of environmentally sustainable activities (taxonomy-aligned) (A.1.)		**562**	**0.5**	**0.2**	**0.0**	**0.0**	**0.0**	**0.3**	**0.0**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**0.2**		
of which: enabling		255	0.2	0.2	0.0	0.0	0.0	0.0	0.0								0.2	E	
of which: transitional		0	0.0	0.0													0.0		T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)																			
Data processing, hosting, and related activities	CCM 8.1	1,207	1.0	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1.0		
Data-driven solutions for GHG emissions reductions	CCM 8.2	718	0.6	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.6		
Product-as-a-service and other circular use- and result-oriented service models	CE 5.5	399	0.3	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0.6		
Transport by motorbikes, passenger cars, and light commercial vehicles	CCM 6.5	0	0.0	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0		
Turnover of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2.)		**2,324**	**2.0**	**1.7**	**0.0**	**0.0**	**0.0**	**0.3**	**0.0**								**2.2**		
A. Turnover of taxonomy-eligible activities (A.1. + A.2.)		**2,886**	**2.5**	**1.9**	**0.0**	**0.0**	**0.0**	**0.6**	**0.0**								**2.5**		
B. Taxonomy non-eligible activities																			
Turnover of taxonomy non-eligible activities		**112,884**	**97.5**														**97.5**		
Total		**115,769**	**100.0**														**100.0**		

[a] Meaning of abbreviations: Y: Yes, taxonomy-eligible and taxonomy-aligned activity with the relevant environmental objective; N: No, taxonomy-eligible but not taxonomy-aligned activity with the relevant environmental objective; EL: Eligible, taxonomy-eligible activity for the relevant objective; N/EL: Not eligible, taxonomy-non-eligible activity for the relevant environmental objective.

For further information on turnover, please refer to the consolidated income statement in the consolidated financial statements or to Note 20 "Net revenue" in the notes to the consolidated financial statements.

				Substantial contribution to environmental objectives [a]						Do no significant harm to environmental objectives									
Economic activities	Code	Capital expenditure (capex) 2024 millions of €	%	Climate change mitigation Y, N, EL, N/EL	Climate change adaptation [b] Y, N, EL, N/EL	Water Y, N, EL, N/EL	Pollution Y, N, EL, N/EL	Circular economy Y, N, EL, N/EL	Bio-diversity Y, N, EL, N/EL	Climate change mitigation Y/N	Climate change adaptation Y/N	Water Y/N	Pollution Y/N	Circular economy Y/N	Bio-diversity Y/N	Minimum safeguards Y/N	Taxonomy aligned (A.1.) or eligible (A.2.) proportion of capex 2023 %	Category enabling activity E	Category transitional activity T
A. Taxonomy-eligible activities																			
A.1. Environmentally sustainable activities (taxonomy-aligned)																			
Data-driven solutions for GHG emissions reductions	CCM 8.2	0	0.0	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.0	E	
Product-as-a-service and other circular use- and result-oriented service models	CE 5.5	75	0.3	N/EL	N/EL	N/EL	N/EL	Y	N/EL	Y	Y	Y	Y	Y	Y	Y	-		
Capex of environmentally sustainable activities (taxonomy-aligned) (A.1.)		**75**	**0.3**	**0.0**	**0.0**	**0.0**	**0.0**	**0.3**	**0.0**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**0.0**		
of which: enabling		0	0.0	0.0	0.0	0.0	0.0	0.0	0.0								0.0	E	
of which: transitional		0	0.0	0.0													0.0		T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)																			
Data processing, hosting, and related activities	CCM 8.1	248	1.0	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.9		
Data-driven solutions for GHG emissions reductions	CCM 8.2	1	0.0	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0		
Product-as-a-service and other circular use- and result-oriented service models	CE 5.5	89	0.3	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0.7		
Transport by motorbikes, passenger cars, and light commercial vehicles	CCM 6.5	150	0.6	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.5		
Capex of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2.)		**488**	**1.9**	**1.6**	**0.0**	**0.0**	**0.0**	**0.3**	**0.0**								**2.1**		
A. Capex of taxonomy-eligible activities (A.1. + A.2.)		**562**	**2.2**	**1.6**	**0.0**	**0.0**	**0.0**	**0.6**	**0.0**								**2.1**		
B. Taxonomy non-eligible activities																			
Capex of taxonomy non-eligible activities		**25,078**	**97.8**														**97.9**		
Total		**25,641**	**100.0**														**100.0**		

[a] Meaning of abbreviations: Y: Yes, taxonomy-eligible and taxonomy-aligned activity with the relevant environmental objective; N: No, taxonomy-eligible but not taxonomy-aligned activity with the relevant environmental objective; EL: Eligible, taxonomy-eligible activity for the relevant objective; N/EL: Not eligible, taxonomy-non-eligible activity for the relevant environmental objective.

[b] No economic activities that are taxonomy-eligible for the environmental objective "Climate change adaptation" (CCA) were identified in the 2024 financial year. According to Commission Notice C/2023/305 (question 18), only those economic activities must be disclosed as taxonomy-eligible for which, following a climate risk assessment, an action plan for climate change adaptation has been drawn up. This does not apply to our economic activities because the existing adaptation actions provide sufficient protection against possible climate-related hazards.

For further information on capital expenditure, please refer to Notes 6 "Intangible assets," 7 "Property, plant and equipment," 8 "Right-of-use assets" and to the section "Changes in the composition of the Group and other transactions" in the notes to the consolidated financial statements.

				Substantial contribution to environmental objectives [a]						Do no significant harm to environmental objectives									
Economic activities	Code	Operating expenditure (opex) 2024 millions of €	Operating expenditure (opex) 2024 %	Climate change mitigation Y, N, EL, N/EL	Climate change adaptation [b] Y, N, EL, N/EL	Water Y, N, EL, N/EL	Pollution Y, N, EL, N/EL	Circular economy Y, N, EL, N/EL	Bio-diversity Y, N, EL, N/EL	Climate change mitigation Y/N	Climate change adaptation Y/N	Water Y/N	Pollution Y/N	Circular economy Y/N	Bio-diversity Y/N	**Minimum safe-guards** Y/N	Taxonomy aligned (A.1.) or eligible (A.2.) proportion of opex 2023 %	**Category enabling activity** E	**Category tran-sitional activity** T
A. Taxonomy-eligible activities																			
A.1. Environmentally sustainable activities (taxonomy-aligned)																			
Data-driven solutions for GHG emissions reductions	CCM 8.2	0	0.0	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.5	E	
Product-as-a-service and other circular use- and result-oriented service models	CE 5.5	0	0.0	N/EL	N/EL	N/EL	N/EL	Y	N/EL	Y	Y	Y	Y	Y	Y	Y	-		
Opex of environmentally sustainable activities (taxonomy-aligned) (A.1.)		**0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**0.5**		
of which: enabling		0	0.0	0.0	0.0	0.0	0.0	0.0	0.0								0.5	E	
of which: transitional		0	0.0	0.0													0.0		T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)																			
Data processing, hosting, and related activities	CCM 8.1	78	16.5	EL	N/EL	N/EL	N/EL	N/EL	N/EL								19.1		
Data-driven solutions for GHG emissions reductions	CCM 8.2	60	12.7	EL	N/EL	N/EL	N/EL	N/EL	N/EL								13.6		
Product-as-a-service and other circular use- and result-oriented service models	CE 5.5	0	0.0	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0.0		
Transport by motorbikes, passenger cars, and light commercial vehicles	CCM 6.5	0	0.0	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0		
Opex of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2.)		**138**	**29.1**	**29.1**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**								**32.7**		
A. Opex of taxonomy-eligible activities (A.1. + A.2.)		**138**	**29.1**	**29.1**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**								**33.2**		
B. Taxonomy non-eligible activities																			
Opex of taxonomy non-eligible activities		**335**	**70.9**														**66.8**		
Total		**473**	**100.0**														**100.0**		

[a] Meaning of abbreviations: Y: Yes, taxonomy-eligible and taxonomy-aligned activity with the relevant environmental objective; N: No, taxonomy-eligible but not taxonomy-aligned activity with the relevant environmental objective; EL: Eligible, taxonomy-eligible activity for the relevant objective; N/EL: Not eligible, taxonomy-non-eligible activity for the relevant environmental objective.

[b] No economic activities that are taxonomy-eligible for the environmental objective "Climate change adaptation" (CCA) were identified in the 2024 financial year. According to Commission Notice C/2023/305 (question 18), only those economic activities must be disclosed as taxonomy-eligible for which, following a climate risk assessment, an action plan for climate change adaptation has been drawn up. This does not apply to our economic activities because the existing adaptation actions provide sufficient protection against possible climate-related hazards.

For further information on operating expenditure, please refer to Note 26 "Other operating expenses" in the notes to the consolidated financial statements.

ESRS E1 – Climate change

Digitalization is changing our society. We intend to support this change and simplify people's lives. However, increasing digitalization requires large quantities of energy. We want to play a pioneering role in climate change mitigation, which is why we set climate-related targets that apply throughout the entire Group.

The following index shows the disclosure requirements relating to the topical standard "Climate change" identified by the materiality assessment.

ESRS index under ESRS 2 IRO-2

Disclosure requirement	Name with reference
ESRS E1 – Climate change	
ESRS 2 GOV-3 E1	Integration of sustainability-related performance in incentive schemes
ESRS E1-1	Transition plan for climate change mitigation
ESRS 2 SBM-3 E1	Material impacts, risks, and opportunities and their interaction with strategy and business model (use of phase-in option for ESRS 2 SBM-3 para. 48e)
ESRS 2 IRO-1 E1	Description of the processes to identify and assess material impacts, risks, and opportunities
ESRS E1-2	Policies related to climate change mitigation and adaptation
ESRS E1-3	Actions and resources in relation to climate change policies
ESRS E1-4	Targets related to climate change mitigation and adaptation
ESRS E1-5	Energy consumption and mix
ESRS E1-6	Gross Scopes 1, 2, 3 and total GHG emissions
ESRS E1-7	GHG removals and GHG mitigation projects financed through carbon credits
ESRS E1-8	Internal carbon pricing
ESRS E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities (use of phase-in option)

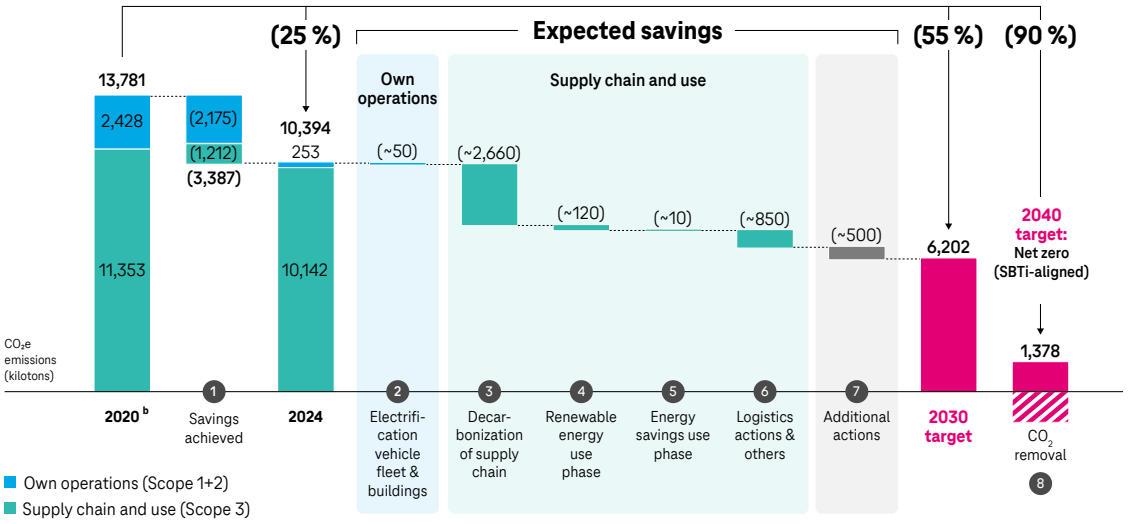
Strategy

ESRS E1-1 – Transition plan for climate change mitigation

We drew up a Transition Plan that we use for internal management and planning of our emission reduction actions. It also helps us to inform our stakeholders about our journey towards net zero emissions. The Transition Plan is based on greenhouse gas emissions calculations from previous years as well as our short-, medium-, and long-term climate-related targets. The Transition Plan has been approved by Deutsche Telekom AG's Board of Management and Supervisory Board.

> For more information on our GHG emission reduction targets, please refer to the section "ESRS E1-4 – Targets related to climate change mitigation and adaptation."

Transition Plan for net zero emissions [a]



1 **Savings achieved and expected savings:** Savings achieved between 2020 and 2024 were 8.2 % for Scope 1 emissions and 99.3 % for Scope 2 emissions. Scope 1 emission savings are expected at approximately 50 kilotons of CO_2e emissions by 2030. Savings achieved for Scope 3 emissions were approximately 10.7 % between the base year and 2024. We expect general savings of approximately 4,190 kilotons of CO_2e emissions by 2030.

2 **Electrification of vehicle fleet & buildings:** Electrification and reduction of the vehicle fleet and modernization of buildings and reduction of floor space are key actions for lowering Scope 1 emissions. Using 100 % green energy and increasing the number of electric vehicles helps to reduce emissions. The number of electric vehicles rose by 1,185 in the reporting year. Scope 1 emissions were reduced by 1.4 % year-on-year in the reporting year.

3 **Decarbonization of the supply chain:** In line with our sustainable procurement strategy, a Group-wide task force is leading an initiative to reduce GHG emissions at both the supplier and product level. Our efforts in this regard are guided by our own ambitious climate targets.

4 **Renewable energy use phase:** We expect the share of renewable energy in the countries' electricity mix to increase, which will lead to emissions savings in the use phase.

5 **Energy savings use phase:** In addition to increasing the efficiency of our suppliers' end products, we are also investing in our own product development. Increasing the efficiency of products and solutions in the use phase and hence reducing emissions in the downstream value chain will be key leverage here.

6 **Logistics actions & others:** Optimizing logistics solutions for deliveries to our retail and business customers and extending product life cycles, e.g., by reusing refurbished devices, reduces our Scope 3 emissions. In addition, considering criteria for sustainable sourcing supports the concept of a circular economy, e.g., through reparability.

7 **Additional actions:** Based on the assumptions made in the reporting year, we still have a gap of 4 percentage points to close in order to achieve our 2030 climate target. In addition to the actions already taken, we will need to implement further measures in the coming financial years.

8 **CO_2 removal:** To achieve our goal of climate neutrality by 2040 (net zero), we will offset up to a maximum of 10 % of our remaining total emissions using high-quality carbon offsets. We use internationally recognized standards (Oxford categories IV/V) for quality assurance.

[a] The figures are based in part on estimates, assumptions, and projections.

[b] The figures for 2020 were adjusted retrospectively in the reporting year due to adjustments to methods and structures applied. Since 2023, CO_2 emissions (Scopes 1 and 2) have also included fugitive emissions from refrigerants and fire suppressants.

The Transition Plan sets out key starting points for our decarbonization, such as the power consumption of our networks, fuel consumption in our fleet, thermal energy consumption in buildings, reducing emissions in our suppliers' production processes, and increasing product efficiency in the use phase. The decarbonization levers in the Transition Plan are broken down by Scope 1, 2, and 3. For Scope 3 emissions, they include both upstream and downstream emissions. We describe current and planned actions to reduce GHG emissions (Scope 1, 2, and 3) in the "ESRS E1-3 – Actions and resources in relation to climate change policies" section.

The financial quantification of our reduction actions is fully taken into account in the Transition Plan. In line with our Transition Plan, we are planning operating and capital expenditures (opex and capex) of around EUR 0.3 billion in the downstream value chain for the 2025–2028 period. Increasing the efficiency of products and solutions in the use phase will create key leverage here. This relates primarily to investments in property, plant, and equipment. In the supply chain, actions are mostly concentrated in the upstream value chain. Since the actions are implemented at the suppliers, they do not require significant opex or capex on our part. With regard to Scope 1 emissions, the electrification of our vehicle fleet provides key leverage. To achieve this, we are planning with opex and capex of approximately EUR 0.2 billion for the period referred to above. T-Mobile US is not included in the quantification of our actions at the present time. The key levers for decarbonizing our business activities mentioned are not yet covered by the EU Taxonomy, which is why taxonomy-eligible economic activities make up only a small part of our Transition Plan.

> For more information on the Taxonomy, please refer to the section "Disclosures pursuant to Article 8 of Regulation 2020/852 (Taxonomy Regulation)."

There are no locked-in GHG emissions from our key assets and products. Our data centers run exclusively on electricity generated from renewable energy sources. Fugitive GHG emissions, which may arise from leakages, ventilation systems, or other uncontrolled releases, do not jeopardize our GHG emission reduction targets and do not increase transition risks.

Due to our affiliation with the telecommunications/network technology industry, we are affected by the EU Paris-aligned Benchmarks, which are aligned with the Paris climate targets as "climate benchmarks" and are intended to create more transparency and better comparability of sustainable investments.

ESRS 2 SBM-3 E1 – Material impacts, risks, and opportunities and their interaction with strategy and business model

The table below shows the material **impacts** of our business activities on society and the environment that we have identified through the double materiality assessment.

> We provide overarching information on how material impacts, risks, and opportunities interact with our strategy and business model in the "ESRS 2 SBM-3 – Material impacts, risks, and opportunities and their interaction with strategy and business model" section.

Value chain	Nature of impacts	Description	Reference to business model/ strategy
Climate change mitigation and climate change adaptation			
Upstream	Negative (actual/short-term: <1 year)	Manufacturing and transportation of the products with relevance for Deutsche Telekom's business (including **software and hardware as well as fixed-network and mobile communications infrastructure**) generate GHG emissions that contribute to global warming, exacerbating man-made climate change. Significant emissions are generated in the upstream supply chain, particularly in the production of components such as cables, antennas, lines, and distributors.	Connection with the business model
Own business activities	Negative (actual/short-term: <1 year)	**Operating our own sites** (including heating, cooling, and power supply) as well as travel using vehicles in the vehicle fleet generate emissions. Overall, however, we source more than 90 % of our total energy requirements from renewable energy sources, with only a small proportion being covered by conventional (fossil) energy generation (for example, natural gas for heating). Reflecting the growing supply of and demand for cloud-based services, the **power requirements of the data centers** and the associated GHG emissions are likewise rising. Small sections of the **networks** still require diesel generators (for example, to restore and back up damaged network infrastructure or because they are located in remote areas). In addition, civil engineering works for the network build-out are causing relevant GHG emissions that are having a significant impact on the climate.	Based on the business model
Own business activities	Positive (actual/short-term: <1 year)	We conclude **power purchase agreements (PPAs)** to increase the share of renewable energy sources in the electricity mix. In addition, building data centers that are self-sufficient from an energy accounting perspective can have potentially positive impacts through the interaction of renewable generation, storage, and volatile electricity loads.	Based on the business model
Downstream	Negative (actual/short-term: <1 year)	In our European national companies, network infrastructure waste and returned devices are generally recycled, sold, or otherwise disposed of formally, and we are striving to do the same worldwide. Nonetheless, we cannot guarantee with absolute certainty that no electronic waste is exported and not recycled properly. The **treatment of electronic waste** and **low recycling rates** in the downstream value chain increase GHG emissions.	Connection with the business model
Downstream	Positive (actual/short-term: <1 year)	When physical processes are replaced by **online services**, this leads directly or indirectly to resource and carbon emission savings for business customers and individuals. Energy-efficient hosting on Deutsche Telekom's infrastructure and optimizing processes by using online services, enable customers to save energy directly or indirectly **(enablement)**.	Connection with the business model
Energy			
Own business activities	Negative (actual/short-term: <1 year)	T-Systems' data centers are cooled using between around 30 % and 50 % adiabatic (evaporative) cooling systems. The **energy requirements** are met with electricity generated from renewable sources. Growing demand for cloud-based services is also leading to increased IT performance requirements and energy requirements for data centers.	Based on the business model

The following overview illustrates Deutsche Telekom's material topic-specific **risks and opportunities** and their financial effects on our financial position, financial performance, and cash flows.

> Risks and opportunities that represent a top risk in the next two years are described in the "Risk and opportunity management" section.

Value chain	Risk/opportunity	Description
Climate change mitigation and climate change adaptation		
Own business activities	Opportunity	The growing demands of stakeholder groups, particularly investors, NGOs, and customers, may offer a strategic opportunity for more environmentally responsible behavior. The increasing expectations and demands of these groups are prompting us to make our business strategies and practices more sustainable. This also provides an incentive to develop innovative, environmentally friendly solutions, which in turn creates financial opportunities. Competitive advantages can likewise be achieved by positioning ourselves as a responsible, forward-thinking company.
Own business activities	Physical risk	The effects of climate change, e.g., extreme weather events, can lead to repair costs for network infrastructure failures, for example, due to flooding or forest fires. Insurance costs may also rise. The vehicle fleet is being gradually converted to e-mobility to adapt it to climate change and to avoid pollution and emissions. This also incurs costs.
Energy		
Upstream	Transition risk	Higher costs due to energy pricing may constitute a financial risk.
Upstream/own business activities	Transition risk	Financial risks may arise from increasing emissions and the associated rising costs for carbon offsets due to increased energy consumption, or from loss of reputation from missing targets in the upstream value chain and in internal processes.

We updated our climate scenario analysis in 2024 and carried out the associated resilience analysis. The scenario analysis shows that only minor physical risks apply for the majority of the Company's locations in Germany up to the year 2050. We anticipate moderate hazards at the locations of our Croatian and Hungarian national companies, for example due to heat, while in Greece, forest fires in particular represent a hazard. The most common potential physical risks facing T-Mobile US sites are related to heat stress, drought stress, and precipitation stress. We are prepared for the rising impacts of physical risks, such as changes in precipitation patterns and extreme weather variability, and have already implemented comprehensive adaptation actions. Our risk and opportunity management is based on multiple pillars: we structure our telecommunications networks with built-in resiliency. For most of our critical locations, we use uninterruptible emergency power supply systems incorporating batteries as well as mobile and stationary diesel generators. Our crisis management also helps with rapid recovery in the event of disruptions. We cover the risks of damage to buildings and to Deutsche Telekom's network infrastructure by taking out insurance policies.

We cannot guarantee absolute resilience with regard to some climate risks, such as fire or flood events. It is not possible to fully protect Deutsche Telekom's locations from these physical climate-related hazards. We therefore developed an action strategy with our Emergency Response Plan that is triggered when extreme weather events damage the network infrastructure, for example. This ensures that telecommunications networks can provide services even in the event of a crisis. The resilience analysis of physical climate risks in our own business activities focused on the overarching site types of data centers, mobile communications network, and fixed network. Material risks with a very high risk extent but a very low probability of occurrence may result from extreme weather events.

In addition, we analyzed how resilient our business model is to potential future consequences of climate change. For this we considered transition aspects, i.e., factors connected with the transition to a low-emission, climate-resilient economy. These may give rise to transition risks, e.g., as a consequence of political change or legislation. In this transitional resilience analysis, we only considered our own business activities, i.e., our data centers, mobile communications and fixed networks, and devices (smartphones, routers, etc.).

The critical assumptions for analyzing the resilience of our business model with regard to physical climate risks are based on climate scenario SSP5-8.5, which is used by the Intergovernmental Panel on Climate Change (IPCC), and for transition climate risks on the Net Zero Emissions (NZE) 2050 scenario of the International Energy Agency (IEA). The key critical assumptions are as follows:

- SSP5-8.5: This scenario results in a global temperature increase of 4°Celsius. It describes a societal development trajectory accompanied by steadily intensifying fossil fuel exploitation.
- NZE: According to the IEA's estimates, this scenario is the only one that will limit global warming to 1.5° Celsius by 2050.

When assessing risks and opportunities we considered financial effects and also included physical and transition climate risks, taking into account existing or planned adaptation and mitigation actions. This relates primarily to the implemented climate change mitigation strategy, which influences transition risk assessments, as well as to adaptation actions to mitigate negative financial effects arising from physical climate risks.

The analysis showed that Deutsche Telekom is highly resilient overall to both material transition risks and physical climate risks. This means that we are able to adapt our business model to climate change in the short, medium, and long term. We will not have to redeploy, upgrade, or decommission any of our assets, products, or services.

> For further disclosures on the resilience analysis, for example, relating to the scope or the use of climate scenarios, please refer to the section "ESRS 2 IRO-1 E1 – Description of the processes to identify and assess material climate-related impacts, risks, and opportunities."

Impact, risk, and opportunity management

ESRS E1-2 – Policies related to climate change mitigation and adaptation

Deutsche Telekom wants to play a leading role in climate change mitigation and environmental protection in the context of its current and future business activities and is constantly defining new goals to achieve this. We underpin our commitment in our Environmental Guidance (Deutsche Telekom excluding T-Mobile US), which takes into account all relevant environmental aspects in our own business activities as well as in the upstream and downstream value chain. T-Mobile US has also implemented its own environmental policy (T-Mobile Environmental Policy) that formulates the key elements and requirements of a sustainable business policy, such as a commitment to climate change mitigation and resource conservation.

These environmental policies are part of our Group-wide CR strategy. They are publicly accessible and make our Group-wide targets and voluntary commitments transparent to all of our stakeholders. The Environmental Guidance of Deutsche Telekom (excluding T-Mobile US) is the remit of GCR, which is also responsible for the direction taken with the content of the T-Mobile Environmental Policy and thus has overall responsibility. The Group companies are required to implement the requirements set out in these policies in their business activities and to ensure that they implement any systems needed to do this, instruct their employees accordingly, and provide regular training as needed. Implementation is documented by means of the existing data collection systems and controlling processes in the national companies. We review these environmental policies annually and adapt them if one of the following conditions applies:

- change in regulatory requirements;
- change in key references and the underlying standards, such as the ISO standards or the Greenhouse Gas Protocol (GHG Protocol);
- new findings concerning existing and insufficiently addressed environmental aspects, e.g., as a result of further refinements to the sustainability strategy;
- changes in the requirements of relevant stakeholders that we identify through our stakeholder communication and various dialogue formats.

If Group companies have implemented policies that go beyond the requirements of the Environmental Guidance, we give these preference.

Among other aspects, these environmental policies consider the negative impacts of our GHG emissions (Scope 1–3) in terms of climate change mitigation and adaptation, e.g., due to the energy-intensive operation of our data centers. They also include our mitigation actions.

Deutsche Telekom's Environmental Guidance (excluding T-Mobile US) also addresses the positive impacts associated with the extension of PPAs and the improvement in energy efficiency resulting from the modernization of our networks. In addition, it takes the climate strategy described below into account. Both are integrated into our CR strategy.

Climate-neutral business practices are one of the core elements of our overarching CR strategy. Our climate strategy focuses on the key areas of greenhouse gas emissions management, renewable energy, energy efficiency, and climate-friendly products. In addition to the climate-related targets specified in the "ESRS E1-4 – Targets related to climate change mitigation and adaptation" section, it covers actions that we describe in the "ESRS E1-3 – Actions and resources in relation to climate change policies" section.

The climate strategy is subject to a continuous review and update process to reflect changes in the market and internal requirements. In addition, Deutsche Telekom supports various internationally recognized standards and seals of quality for improving the energy efficiency of products and services – including the EU Code of Conduct for Data Centers and the Blue Angel seal in Germany – by participating in working groups to develop these further, for instance.

We have implemented a Group-wide environmental management system (EMS) for managing our environmental impacts. This is part of the Group-wide integrated QHSE (quality, health, safety, and environment) management system. The EMS covers all Group companies and is regularly certified by external auditors. The basic requirements of the system apply to all Deutsche Telekom employees. We successively integrate existing management systems and certificates outside the EMS into the Group certificate or, if they go beyond the Group EMS, adapt them to regional approaches in relation to management systems.

We take responsibility both for our own business activities and for our supply chains. We communicate our environmental and human rights-related requirements to our suppliers and outsourcing partners by means of our Supplier Code of Conduct. In signing our Supplier Code of Conduct, our suppliers are contractually obligated to comply with Deutsche Telekom's minimum sustainability requirements, as well as with statutory requirements and international standards. We regularly review the requirements for our products, services, and suppliers. Sustainability criteria are incorporated into our decisions on contract awards in tenders. Part of our sustainable procurement strategy is also contractually agreeing with our suppliers that they must increase transparency regarding GHG emissions and draw up mitigation plans.

ESRS E1-3 – Actions and resources in relation to climate change policies

Specific actions for reducing GHG emissions result from the identified key decarbonization levers that we described under "ESRS E1-1 – Transition plan for climate change mitigation". As a general rule, the actions have 2030 as their target year or the overarching target of climate neutrality (net zero) by 2040. For Scopes 1 and 2, these include the following:

- procurement of electricity from renewable sources, with a focus on increasing coverage through PPAs and our own generation;
- energy efficiency actions by using more efficient technologies and decommissioning outdated ones;
- reducing floor space in buildings and modernizing them;
- electrification and reduction of our vehicle fleet;
- electrification of heating with heat pumps.

In line with our sustainable procurement strategy, a Group-wide task force is currently leading an initiative to reduce GHG emissions at both the supplier and product level (Scope 3). This task force plays a key role in coordinating efforts across all segments and ensures a consistent approach is taken to reducing emissions. Other Scope 3 actions include extending the life cycle of products, improving the energy efficiency of devices sold, and more sustainable sourcing of materials and packaging.

We are continually improving the energy efficiency of our data centers through a range of actions. The Power Usage Effectiveness (PUE) metric serves as an indicator for the efficiency enhancement in our data centers. We determine this metric using the method recommended by the standard DIN EN 50600 for data centers, which takes the total energy consumed by data centers into account, not just that used to operate the servers. The PUE metric is calculated using the ratio between the total electrical energy consumed by the data center and the amount of electrical energy consumed by IT. In the reporting year, the average global PUE score for our T-Systems data centers was 1.56 (2023: 1.53).

Thanks to our adequate liquidity reserves and solid investment-grade rating, we have the necessary financial flexibility and unobstructed access to the capital markets. This means that there are no factors limiting our ability to finance capital spending and implement the actions planned.

Targets

ESRS E1-4 – Targets related to climate change mitigation and adaptation

The figure in section "ESRS E1-1 – Transition plan for climate change mitigation" shows our climate-related targets. It also specifies the key decarbonization levers that we have identified.

Our climate-related targets are:

- 100 % of electricity from renewable energy sources Group-wide (Scope 2, market-based method). We achieved this target by the end of 2021.
- We will achieve net zero in terms of our own emissions (Scopes 1 and 2) by the end of 2025. To achieve this, we will reduce emissions from our own operations globally by up to 95 % against the 2017 level. The fact that we source Group-wide 100 % of our electricity from renewable energy sources is a major step towards achieving this target. We plan to offset the remaining emissions of our CO_2e footprint through high-quality carbon offsets, for example, through reforestation.
- As an interim goal on the journey towards climate neutrality along the entire value chain, we aim to reduce CO_2e emissions across Scopes 1 to 3 by 55 % in absolute terms by 2030 compared with 2020. We are in close dialogue with our suppliers to reduce emissions in the production phase through more sustainable manufacturing and to develop products that consume less energy in the utilization phase.
- By 2040 at latest, we want to achieve net zero emissions along the entire value chain – across Scope 1, 2 and 3 emissions. To achieve this, we aim to reduce total emissions by at least 90 % from a 2020 baseline; only up to 10 % may be offset.

In general, we want to offset GHG emissions that we cannot avoid, (e.g., by using renewable energy sources, improving energy efficiency or agreeing on climate-related targets with suppliers) through compensatory actions so that they are permanently removed from the atmosphere. This can be achieved, for example, through natural sinks, where greenhouse gases are absorbed by natural ecosystems. We have set ourselves the quality requirement for offsetting that we only want to use high-quality offsetting projects in accordance with Oxford category IV and V, i.e., we strive to remove carbon from the atmosphere through short- and long-lived storage.

We have developed our climate-related targets in line with current scientific and regulatory conditions. In the reporting year, the Science Based Target initiative (SBTi) once again confirmed to us that our current climate-related targets contribute to compliance with the Paris Agreement even under its new, stricter guidelines. The initiative also reviewed the baseline value. When setting our reduction targets and forecasting our progress towards them, we considered a variety of factors: expected market developments (customer figures, sales figures), technical developments in our own operations and in products, and regulatory elements (e.g., expansion of renewable energy/electricity mix).

One of the ways in which we monitor our climate-related targets is through reduction of our GHG emissions. To achieve this, several KPIs are integrated in our internal controlling process, including multi-year planning and projections during the year. Our progress is in line with our original planning. The market-based method is used for Scope 2 emissions.

We continuously evaluate new technologies and processes in terms of whether they can help the Group act more efficiently in the market and conserve essential resources. This extends to both our own product development and our collaboration with strategic suppliers and also applies in particular to our own network technologies. Going forward, artificial intelligence (AI) will increasingly be used to optimize processes. We use an AI application in 5G towers, for example.

Metrics

The metrics in this standard are not additionally validated externally. The metrics are based in part on estimates, assumptions, and projections.

ESRS E1-5 – Energy consumption and mix

Total energy consumption decreased year-on-year from 12,241,281 MWh to 11,925,733 MWh. In the reporting year, 7,819 MWh of energy was generated from renewable sources. We are not active in high climate impact sectors.

Total energy consumption related to own business activities

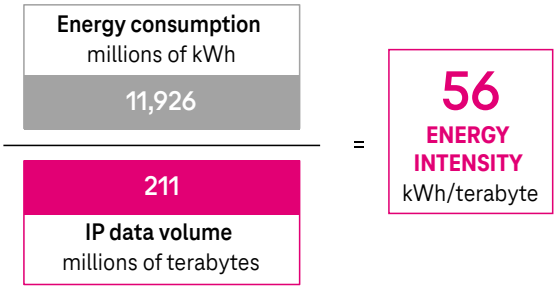
MWh

	2024	2023
Total fossil energy consumption	870,723	923,195
Consumption from nuclear sources	0	0
Total renewable energy consumption	11,055,011	11,318,086
of which: fuel consumption for renewable sources including biomass (also comprising industrial and municipal waste of biologic origin), biofuels, biogas, hydrogen from renewable sources, etc.	1,090	1,194
of which: consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	11,046,102	11,311,603
of which: consumption of self-generated non-fuel renewable energy	7,819	5,288
Total energy consumption	**11,925,733**	**12,241,281**

The disclosures are based on data reported by our operating segments. This data comes from consumption bills and figures supplied by local utilities. If it was not available in due time, projections were made to extrapolate consumption levels without precise consumption figures based on information about the significant consumers. Consumption data from the previous year and the relevant prior periods as well as additional information about adjustments to energy requirements were used for these calculations. All renewable electricity certificates are validated by an authorized or accredited certification authority.

We measure progress in improving energy efficiency through network modernization by means of the Energy Intensity ESG KPI. This KPI puts our energy consumption in relation to the transmitted data volume. Using data volume as a denominator makes it possible to create a direct link to the performance of our networks. This takes into account the data volume transported between our customers and the relevant service providers. Any multiple counting of a package across multiple sections of our networks is avoided by various assumptions, such as by limiting it to the first entry into the base network. The numerator of the KPI takes into account the total energy consumption of all energy sources – electricity, fuel, gas, and district heating. In the reporting year, energy consumption relative to IP data volume was approximately 56 kWh/terabyte (2023: 70 kWh/terabyte). The KPI is relevant because large quantities of energy are needed to operate and maintain the networks.

Energy Intensity ESG KPI



ESRS E1-6 – Gross Scopes 1, 2, 3 and total GHG emissions

We present our Scope 1–3 GHG emissions in a standardized format to make them comparable. To that end, emissions are converted into metric kilotons of CO_2 equivalents (CO_2e). Breaking down the GHG emissions along our value chain gives us an overview of the points in the value chain where the majority of them occur.

The factors that influence gross GHG emissions are regularly reviewed. We document any changes or additions in our Emission Calculation Manual. We communicate any significant changes that affect the annual comparability of our GHG emissions. We use the following sources of emission factors in our calculations: Department for Environment, Food and Rural Affairs (DEFRA) (2024), International Energy Agency (IEA) (2021/2024), United States Environmental Protection Agency (EPA) (2024), ecoinvent version 3.10, CDP (2024), the German heat and power association (AGFW) (2023), and World Resources Institute (WRI) (2015).

We apply the market-based and location-based methods to calculate GHG emissions, particularly in relation to usage of electricity. The market-based method considers specific emissions factors of the electricity suppliers that an entity actually uses. The location-based method uses average emissions factors for the geographical location in which the electricity is consumed. Our GHG emissions are largely generated by the vehicle fleet, fossil fuels, and district heating. We differentiate between the two methods, thereby adhering to the GHG Protocol Scope 2 Guidance. We disclose market-based and location-based emissions as CO_2 equivalents (CO_2e). We calculate Scope 1 and 2 emissions as well as Scope 3 emissions based on the GHG Protocol. We derive the latter from direct supplier data as well as from indirect statistical data.

From Deutsche Telekom's perspective, the market-based approach is the leading method in non-financial reporting. We use this method to calculate emissions with a specific emissions factor (provider factor) per company. This factor depends on a company's actual energy procurement (electricity mix); procuring renewable energy (direct purchase, certificates) has a decreasing effect on emissions.

For the location-based method, we always use the IEA emissions factors for the country in question (country mix factor). A company's actual energy procurement (electricity mix), including the procurement of renewable energy that goes beyond the country mix, is not taken into account.

Gross Scopes 1, 2, 3 and total GHG emissions

t CO_2e

	2024	2023
Scope 1 and 2 (market-based)	**252,568**	**257,559**
of which: t CO_2e emissions Scope 1	236,355	239,602
of which: t CO_2e emissions Scope 2 (market-based)	16,212	17,957
t CO_2e emissions Scope 2 (location-based)	4,002,218	3,979,565
t CO_2e emissions Scope 3 (total)	**10,141,734**	**10,360,124**
of which: t CO_2e emissions Scope 3 (upstream)	7,720,301	7,750,868
of which: t CO_2e emissions Scope 3 (downstream)	2,421,432	2,609,256
Total t CO_2e emissions Scopes 1–3 (location-based)	**14,380,307**	**14,579,291**
Total t CO_2e emissions Scopes 1–3 (market-based)	**10,394,301**	**10,617,683**

The figures for 2023 were adjusted retrospectively in the reporting year due to changes in methods and structures applied. Since 2023, CO_2 emissions (Scopes 1 and 2) have also included fugitive emissions from refrigerants and fire suppressants. Excluding these fugitive emissions, CO_2 emissions would have amounted to 206 kt CO_2e in 2024 (2023: 217 kt CO_2e).

Scope 1 biogenic emissions from the incineration of organic materials amount to 299 metric tons of CO_2e. The IEA factors we use do not allow for any breakdown by biogenic emissions, so the Scope 2 "location-based" figures do not include any additional biogenic emissions from electricity consumption.

Our Scope 1–3 GHG emissions can be broken down as follows:

CO_2e emissions (Scope 1–3) [a]

74.27 % (7,720 kt) | 2.27 % (236 kt) | 0.16 % (16 kt) | 23.3 % (2,421 kt)

- **Scope 3 emissions from upstream activities:** Upstream transportation and distribution, purchased goods and services, capital goods, waste generated in operations, fuel- and energy-related activities, business travel, and employee commuting.
- **Scope 1 emissions from Deutsche Telekom's own activities:** Primary energy requirements for operation of Deutsche Telekom's systems, buildings, and vehicles.
- **Scope 2 emissions from energy procured:** Generation of electricity and district heating/cooling procured by Deutsche Telekom. Renewable energy certificates are taken into account when Scope 2 emissions are determined.
- **Scope 3 emissions from downstream activities:** Transportation of products sold to the customer, use of sold or leased products, and disposal and recycling of sold products.

[a] As per the definition, operational control over a company, location, an establishment, or asset requires the undertaking to have the ability to control the operational activities and relationships. Based on our business models and investments, we did not identify any operational control over non-controlling interests. For this reason, the information is not broken down by the companies in which we have investments.

Scope 3 emissions declined from 10.4 million metric tons of CO_2e to around 10.1 million metric tons of CO_2e compared with the prior year. The vast majority of the Scope 3 emissions were generated in the categories of the manufacturing of products and components (in particular of devices and network technology) and from the use of our products and services (e.g., sold or leased fixed-network and mobile phones, routers, and media receivers) by our customers. The proportion of emissions calculated using primary data from suppliers was approximately 60 % in 2024. This is predominantly CDP data for the categories of purchased goods and services and capital goods, plus disposal company information for the category of waste generated in operations.

Gross Scope 3 GHG emissions

t CO_2e

	2024	2023
Indirect emissions (upstream)	**7,720,301**	**7,750,868**
of which: purchased goods and services	3,901,195	4,128,589
of which: capital goods	2,143,915	2,150,032
of which: fuel- and energy-related activities	313,079	275,285
of which: upstream transportation and distribution	1,048,758	807,772
of which: waste generated in operations	17,994	41,776
of which: business travel	58,107	63,592
of which: employee commuting	237,253	283,821
Indirect emissions (downstream)	**2,421,432**	**2,609,256**
of which: Transportation of products sold to customers	294,935	421,066
of which: use of sold products	1,258,060	1,299,516
of which: disposal and recycling of sold products	34,644	39,247
of which: downstream leased assets	795,914	814,588
of which: investments	37,879	34,838

The figures for 2023 were adjusted retrospectively in the reporting year due to changes in methods and structures applied. Since 2023, CO_2 emissions (Scopes 1 and 2) have also included fugitive emissions from refrigerants and fire suppressants.

Scope 3 GHG emission categories comprise all indirect GHG emissions that occur in a company's value chain, both upstream and downstream. These categories are described in the GHG Protocol and comprise 15 specific types of emissions ranging from the production of raw materials up to the use and disposal of the products. Deutsche Telekom does not cover category 8 "Upstream leased assets," category 10 "Processing of sold products," and category 14 "Franchises" because these are not relevant for our business model.

The following overview shows the reporting boundaries, calculation methods, and calculation tools based on the categories of Scope 3 GHG emissions in the GHG Protocol.

Calculation background to the categories of Scope 3 GHG emissions

Scope 3 GHG emissions category	Description
1. Purchased goods and services	Emission factors per euro, which are based on our suppliers' Scope 1–3 emissions data divided by their total revenue, are taken from CDP questionnaires and multiplied by the order volume in the relevant procurement categories.
2. Capital goods	Similar procedure to Scope 3 category 1.
3. Fuel- and energy-related activities	The emissions were calculated by certification company SGS based on our energy consumption. Emissions factors were calculated based on data from the ecoinvent database (v3) and the guidelines of the Federal Association for Freight Forwarding and Logistics Germany (Bundesverband Spedition und Logistik – DSLV).
4. Upstream transportation and distribution	The approach for calculating the corporate carbon footprint takes into account in this category the GHG emissions caused by the upstream transportation of purchased goods and capital goods, including purchased devices. Emissions are calculated based on estimates of the proportion of product/service costs that are attributable to transportation costs. The respective share of the procurement volume is multiplied by the weighted average emissions factor of our logistics service providers (similar to the calculation of categories 1 and 2).
5. Waste generated in operations	The calculation includes all waste produced during the reporting year and the annual generation of wastewater. Datasets from ecoinvent for waste treatment were used to calculate emissions.
6. Business travel	The actual data for business travel is tracked. Traffic-specific emissions factors are used to calculate the GHG emissions. The emissions factors applied for the different modes of transport are taken from the ecoinvent database. Emissions from hotel accommodation are also included in the stated figure.
7. Employee commuting	The calculation is based on Group-wide queries on employees' commuting patterns. Remote working emissions are also included here in some parts of the Group.

Scope 3 GHG emissions category	Description
8. Upstream leased assets	Category 8 emissions are not relevant to Deutsche Telekom.
9. Transportation of products sold to customers	Emissions from our customers' shop visits are reported under category 9. To calculate these emissions, we multiply the number of shop visits (based in part on extrapolations) by the average distance traveled and by an emissions factor for passenger transportation based on a study.
10. Processing of sold products	Category 10 emissions are not relevant to Deutsche Telekom.
11. Use of sold products	Direct emissions in the use phase were calculated by determining product-specific energy consumption and the average energy mix in the relevant countries. The number of devices sold in each device category (e.g., smartphones or routers) is multiplied by the average annual power consumption (based on average product usage) for the relevant device category per country, and the result is then multiplied by the average product life cycle (e.g., three years) and the country-specific electricity grid mix factor.
12. End-of-life treatment of sold products	The emissions calculation includes the average end-of-life emissions for each device sold, which are mainly taken from internal and external product carbon footprint studies. The number of devices sold is multiplied by the average end-of-life emissions per device.
13. Downstream leased assets	The number of pieces of equipment leased to end customers (in particular routers and TV set-top boxes) was multiplied by the corresponding energy consumption of the products used and the average country-specific emissions factor for electricity. The same energy consumption data was used as in category 11. Only the emissions from the use phase were considered. All devices leased to end customers in the reporting year were factored into the calculation. Life cycle assessments were prepared for T-branded devices.
14. Franchises	Category 14 emissions are not relevant to Deutsche Telekom.
15. Investments	We began to report emissions in this category in 2022. The carbon emissions of our largest financial assets were multiplied by our ownership percentage according to the published Scope 1 and Scope 2 emissions.
16. Other Scope 3 emissions in the upstream value chain	All upstream GHG emissions were recorded in the existing eight upstream categories in accordance with the GHG Protocol.
17. Other Scope 3 emissions in the downstream value chain	All downstream GHG emissions were recorded in the existing seven downstream categories in accordance with the GHG Protocol.

We are not aware of any biogenic CO_2e emissions from the incineration or bio-degradation of biomass in our upstream and downstream value chain. Furthermore, we are not releasing CO_2e emissions or other types of greenhouse gases from life cycles of biomasses that would be relevant for the calculation of our Scope 3 emissions.

We report the Carbon Intensity ESG KPI based on revenue. The numerator of the KPI takes into account total CO_2e emissions (Scopes 1–3) for all energy sources – electricity, fuel, gas, and district heating. Location-based carbon intensity in the reporting year was 124 metric tons of CO_2e/€ million. Market-based carbon intensity was 90 metric tons of CO_2e/€ million.

> For information on net revenue, please refer to the "Consolidated income statement" in the consolidated financial statements and to note 20 "Net revenue" in the notes to the consolidated financial statements.

Total GHG emissions, disaggregated by Scopes 1 and 2, and significant Scope 3 emissions

t CO_2e

	Retrospective				Milestones and target years			
	2020	2023	2024	Change against prior year %	2025	2030	2040	Annual % of target/ Base year %
Scope 1 GHG emissions								
Gross Scope 1 GHG emissions	257,360	239,602	236,355	(1.4)	235,000			
Percentage of Scope 1 GHG emissions from regulated emission trading schemes	n.a.	n.a.	n.a.	n.a.				
Scope 2 GHG emissions								
Gross Scope 2 GHG emissions (location-based)	4,815,423	3,979,565	4,002,218	0.6				
Gross Scope 2 GHG emissions (market-based)	2,170,492	17,957	16,212	(9.7)	17,000			
Significant Scope 3 GHG emissions								
Total gross indirect Scope 3 GHG emissions	11,353,367	10,360,124	10,141,734	(2.1)	9,873,000			
1. Purchased goods and services	4,023,919	4,128,589	3,901,195	(5.5)				
2. Capital goods	2,616,439	2,150,032	2,143,915	(0.3)				
3. Fuel- and energy-related activities	692,796	275,285	313,079	13.7				
4. Upstream transportation and distribution	1,226,450	807,772	1,048,758	29.8				
5. Waste generated in operations	33,284	41,776	17,994	(56.9)				
6. Business travel	17,996	63,592	58,107	(8.6)				
7. Employee commuting	209,451	283,821	237,253	(16.4)				
8. Upstream leased assets	n.a.	n.a.	n.a.	n.a.				
9. Transportation of products sold to customers	315,588	421,066	294,935	(30.0)				
10. Processing of sold products	n.a.	n.a.	n.a.	n.a.				
11. Use of sold products	1,038,634	1,299,516	1,258,060	(3.2)				
12. End-of-life treatment of sold products	42,534	39,247	34,644	(11.7)				
13. Downstream leased assets	1,053,875	814,588	795,914	(2.3)				
14. Franchises	n.a.	n.a.	n.a.	n.a.				
15. Investments	82,401	34,838	37,879	8.7				
Total GHG emissions								
Total GHG emissions (location-based)	16,426,150	14,579,291	14,380,307	(1.4)				
Total GHG emissions (market-based)	13,781,219	10,617,683	10,394,301	(2.1)	10,125,000	6,202,000	1,378,000	4.5

Individual values are not shown in the table because our planning is performed at an aggregated level. The figures for 2020 and 2023 were adjusted retrospectively in the reporting year due to changes in methods and structures applied. Since 2023, CO_2 emissions (Scopes 1 and 2) have also included fugitive emissions from refrigerants and fire suppressants. Excluding these fugitive emissions, CO_2 emissions would have amounted to 206 kt CO_2e in 2024 (2023: 217 kt CO_2e).

ESRS E1-7 – GHG removals and GHG mitigation projects financed through carbon credits

We did not carry out any offsetting activities in 2024 within our own business activities with regard to GHG removals and GHG mitigation projects financed through carbon credits. The focus in the reporting year was on projects and actions for actually reducing GHG emissions.

In addition, we purchased carbon credits to further reduce emissions outside our value chain, in particular to offset internal events. The total amount of carbon credits outside our value chain that were verified against recognized quality standards and canceled in the reporting period is 35,167 metric tons of CO_2e. Of the carbon credits from removal projects, 25,000 metric tons of CO_2e are attributable to biogenic sinks and 8,000 metric tons of CO_2e are attributable to technological sinks.

The following table provides an overview of the canceled carbon credits and lists, for example, the different standards that we have selected for our portfolio. These standards guarantee the integrity and credibility of the emission reductions and ensure that the credits meet international requirements.

Carbon credits canceled in the reporting year

%		2024
Share from removal projects		6.2
Share from reduction projects		93.8
Recognized quality standard: Verra		51.2
Recognized quality standard: Gold Standard		48.8
Share from projects within the EU		2.8
Share of carbon credits that qualify as corresponding adjustments		97.2
Total	t CO_2e	**35,167**

Carbon credits planned to be canceled in the future

t CO_2e	Amount until 2028
Total	**625,340**

Of the carbon credits from removal projects from 2025 to 2028, 455,140 metric tons of CO_2e are attributable to biogenic sinks and 170,200 metric tons of CO_2e are attributable to technological sinks. The total amount of carbon credits outside the value chain planned to be canceled and that are based on contractual agreements is 625,340 metric tons of CO_2e. This figure does not include T-Mobile US, as the contracts will not be concluded until 2025.

ESRS E1-8 – Internal carbon pricing

In the reporting year, internal carbon pricing systems were only used at T-Mobile US. Specifically, these are shadow prices that are used in activities related to capital expenditures, in procurement, and in operations. T-Mobile US's internal CO_2e price is calculated based on the cost of acquiring guarantees of origin for electricity from renewable sources (renewable energy certificates – RECs) for the 2023 calendar year. The figure was calculated using the Emissions & Generation Resource Integrated Database (eGRID) sub-regional file for 2022 so as to ensure accurate emissions factors. The internal CO_2e price applied was USD 7.33/t CO_2e. The internal CO_2e price is used to ensure an accurate assessment of the financial effects of reducing CO_2e emissions, alongside other project costs and benefits. Savings in RECs costs achieved through lower energy consumption are also taken into account. By evaluating the cost of purchasing renewable energy, T-Mobile US can identify opportunities for cost savings. This pricing approach underpins our strategy of reducing Scope 2 emissions by prioritizing the reduction of energy consumption and investing in energy-efficient technologies. 100 % of T-Mobile US' Scope 2 emissions are covered through the internal CO_2e pricing mechanism. In 2024, T-Mobile US' location-based Scope 2 emissions amounted to 2,633,330 metric tons of CO_2e.

T-Mobile US' internal CO_2e price is based on the RECs costs and is used to assess the financial effects of energy consumption and emission reduction, but not to measure assets or determine residual value.

ESRS E5 – Resource use and circular economy

We are committed to responsible use of resources along our entire value chain. In addition to conserving and avoiding resources, we aim to make products and materials as durable as possible and to ensure they are returned into circulation at the end of their lifetimes. By means of longer use phases and reusing, we are able to not only save on resources, but also to reduce energy use and emissions, thus contributing to climate change mitigation.

The following index shows the disclosure requirements relating to the topical standard “Resource use and circular economy” identified by the materiality assessment.

ESRS index under ESRS 2 IRO-2

Disclosure requirement	Name with reference
ESRS E5 – Resource use and circular economy	
ESRS 2 SBM-3 E5	Material impacts, risks, and opportunities and their interaction with strategy and business model (use of phase-in option for ESRS 2 SBM-3 para. 48e)
ESRS 2 IRO-1 E5	Description of the processes to identify and assess material impacts, risks, and opportunities
ESRS E5-1	Policies related to resource use and circular economy
ESRS E5-2	Actions and resources in relation to resource use and circular economy
ESRS E5-3	Targets related to resource use and circular economy
ESRS E5-4	Resource inflows
ESRS E5-5	Resource outflows
ESRS E5-6	Anticipated financial effects from material resource use and circular economy-related risks and opportunities (use of phase-in option)

Strategy

ESRS 2 SBM-3 E5 – Material impacts, risks, and opportunities and their interaction with strategy and business model

The table below shows the material **impacts** of our business activities on society and the environment that we have identified through the double materiality assessment.

> We provide overarching information on how material impacts, risks, and opportunities interact with our strategy and business model in section “ESRS 2 SBM-3 – Material impacts, risks, and opportunities and their interaction with strategy and business model.”

Value chain	Nature of impacts	Description	Reference to business model/ strategy
Resource inflows, including resource use			
Upstream	Negative (actual/short-term: <1 year)	We procure large quantities of products and components for the maintenance and build-out of fixed-network and mobile communications infrastructure (primarily for antenna or fiber-optic build-out). These **resource inflows for the network build-out** are associated with negative impacts on the depletion of non-renewable resources and the use of renewable resources.	Based on the business model
Downstream	Positive (actual/short-term: <1 year)	Through n**ew business models** such as leasing or selling refurbished technical equipment, we can have a positive impact. A leasing model for fixed-network equipment, for example, will help us achieve circular economy targets. With these models we minimize resource inflows and avoid the use of new materials. We also sell used network components through third parties to extend product life cycles.	Connection with the business model
Waste			
Own business activities and downstream	Negative (actual/short-term: <1 year)	The **construction and operation of office buildings**, which we need to provide our services, generates waste. The construction and operation of **data centers** also generates waste that can harm the environment if not disposed of properly. In addition, large quantities of electronic waste are generated during the **build-out and maintenance of the networks**.	Based on the business model
Own business activities and downstream	Positive (potential/long-term: >5 years)	Deutsche Telekom’s **zero waste ambitions** may – at least potentially – have positive impacts on the avoidance of waste.	Based on the business model

The following overview illustrates Deutsche Telekom's material topic-specific **risks and opportunities** and their financial effects on our financial position, financial performance, and cash flows.

> Risks and opportunities that represent a top risk in the next two years are described in the "Risk and opportunity management" section.

Value chain	Risk/opportunities	Description
Resource inflows, including resource use		
Upstream	Risk	The growing scarcity of raw materials due to wars, pandemics or the finite nature of resources poses a financial risk to our business activities. We are already facing rising material, production, logistics, and energy costs due to scarcity.

Impact, risk, and opportunity management

ESRS E5-1 – Policies related to resource use and circular economy

We aim to minimize our negative impact in the context of resource inflows and resource use in the field of network technology by taking a variety of approaches to achieve efficient use of resources and promote circular economy. The sourcing volume will remain high in the coming years due to the continuous network build-out. By promoting the reuse of products and materials, we are reducing our raw material requirements. In addition, we are endeavoring to repair more network technology components and to reuse them elsewhere, so as to reduce the amount of new equipment needed.

Starting in 2025, we aim to make our holistic approach to increasing our circularity measurable by means of a comprehensive set of KPIs (Telekom Circularity Score, TCS) and to facilitate management of the underlying strategic actions. This set of KPIs will also include a specific KPI for the circular material use ratio for network technology, which takes into account the proportion of reused or refurbished network technology and the share of circular materials when it comes to new procurement. This is another way in which we aim to counteract the negative impact of our resource inflows for the network build-out. Responsibility for implementing the circular business models lies with the relevant business units, i.e., at company level.

> For more information on the development of the TCS, please refer to the section "ESRS E5-3 – Targets related to resource use and circular economy."

Our procurement strategy and the implementation policies derived from it address sustainability throughout the entire sourcing process. We are committed to ensuring that our suppliers comply with our environmental, social, and ethical sustainability requirements. In the course of tenders, we weight our environmental objectives, our suppliers' GHG emissions and, in the case of individual product groups, other social sustainability criteria. By doing so, we seek to minimize the negative influences of resource inflows for network technology while at the same time promoting sustainable innovations at our partners. The carbon footprint of our suppliers and their commitment to achieving our Scope 3 climate-related targets are particularly important to us. When it comes to new procurement, we want to increase the use of recycled materials with our approach to increasing our circular material use ratio. In addition, we are working with the manufacturers of network technology and devices to develop roadmaps and actions as part of a program to reduce GHG emissions in production and to integrate circularity aspects, among other aspects.

We use KPIs and management tools to monitor the implementation of our procurement strategy. These include, for example, scorecards that can be used to assess the sustainability of individual providers and products. Responsibility for the topic of sustainable procurement lies with the Finance Board of Management department and the Group's procurement functions. Other functional units and the GCR unit provide support in terms of content.

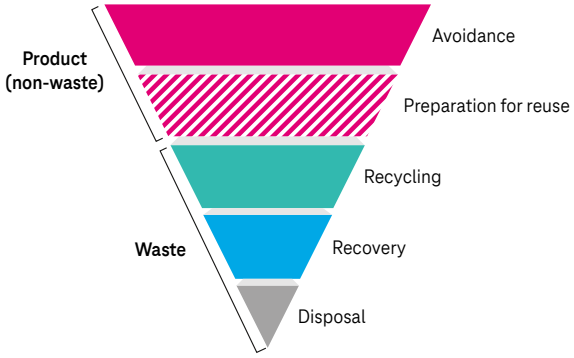
We also place particular emphasis on sustainable features when designing our products. Our holistic approach (Deutsche Telekom excluding T-Mobile US) comprises our telecommunications services, the related devices, including plastic-free packaging, and low-carbon shipping to customers. Together with our partners, for example various suppliers of buy-back, refurbishment or collection services, we create the conditions so that our customers can use the devices for longer, and for ensuring that the hardware can be reused or professionally recycled at the end of its service life. We use low-threshold return mechanisms for this, such as collection boxes in all stores. In addition, we engage in specific customer outreach or offer buy-back options to purchase used but still high-quality customer devices. This particularly affects our positive impacts in the context of our new business models. T-Mobile US utilizes global sustainability certifications to evaluate products, like handsets and tablets, and requires manufacturers to achieve a certain minimum UL ECOLOGO Certification Program or Electronic Product Environmental Assessment Tool (EPEAT) rating. The certifications covers a range of product sustainability topics, including material use and end-of-life management.

In addition, we (Deutsche Telekom excluding T-Mobile US) set requirements for the development of new devices that are sold under the T brand, which will increase the use rate of secondary raw materials, among other aspects. This design approach is driven by our Environmental Guidance. It considers factors such as the upstream negative impacts of resource inflows and – in order to mitigate these – defines actions to reuse products. In addition, the Guidance explains concepts for professional recycling and thus covers risks that may arise due to potential resource scarcity.

> For more information on our Environmental Guidance, please refer to the section "ESRS E1-2 Policies related to climate change mitigation and adaptation."

Our waste management (Deutsche Telekom excluding T-Mobile US) is organized in line with the International Waste Management Framework. We strive to avoid creating waste wherever possible and to recycle as much as possible of the waste we do produce. In this context, we pursue a variety of approaches to ensure, for example, controlled handling of electronic waste generated and to avoid disposing of it in landfills. The waste pyramid provides a methodological framework for these approaches: The first step is to avoid waste, followed by reuse, recycling, and other forms of recovery (e.g., energy recovery) – so that, in the end, only those materials remain for disposal that cannot be treated at the other levels of the pyramid.

Waste pyramid in connection with Deutsche Telekom's approach to circular economy



We monitor implementation of the waste management system with a set of KPIs that are continuously being refined. We not only focus on the waste generated by Deutsche Telekom itself, but also include the upstream and downstream value chain in our analysis. In the upstream value chain, this particularly refers to increasing the share of refurbished devices or prioritizing the modular design of network technology in order to avoid waste. Later reuse, refurbishment or recycling at the end of life is also taken into account in procurement and product design. In the downstream value chain, we take responsibility for electronic waste, such as by implementing the circular economy policies mentioned above (e.g., buy-back, refurbishment, collection). Our waste management approaches aim to counteract the negative impacts of the waste we produce, for example through the construction and operation of data centers or the network build-out. The individual segments are responsible for implementing the waste management system. The most important metrics in waste management are incorporated into the TCS described above. T-Mobile US is also committed to effectively reducing and responsibly disposing of waste. Efforts are targeted to train and empower internal teams and external partners to avoid waste. In addition, we actively work with partners who help us with the repair, reuse, and resale of equipment.

Because our supply chains are international, the associated geographical regions related to the policies for resource conservation and circular economy and to the procurement strategy must be considered globally. The policies for product design and waste are focused primarily on Europe.

ESRS E5-2 – Actions and resources in relation to resource use and circular economy

The following actions are in line with our approach to circularity, our procurement strategy, and our waste management. They are ongoing with no defined end date and are applicable in Europe and, in part, globally. Some of the topics are also incorporated into the TCS, for example, the recycling of electronic waste or the refurbishment of devices. The factor of sustainability is also used in T-Mobile US' procurement assessment. The remaining actions mentioned below apply only to Deutsche Telekom excluding T-Mobile US.

The following actions apply primarily to the upstream value chain:

- We weight the sustainability factor in our procurement assessment and thus make it an economic differentiation factor in procurement. By doing so, we seek to minimize the negative influences of resource inflows while at the same time promoting sustainable innovations at our suppliers.
- We are currently introducing an internal platform for used network technology to make it available for reuse in other areas of the Company and at other locations. This aims to reduce use and procurement of new equipment.
- We collaborate with our strategic suppliers for the network build-out to reduce the quantity and size of packaging for network equipment/technology and hence also minimize negative environmental impacts, e.g., due to the high use of plastics.

The following actions apply primarily to the downstream value chain:

- Our business model in the area of customer premises equipment (CPE) – such as modems, routers, or TV receivers – has always been based on the principle of circular economy, since the devices are predominantly leased by customers and their return is thus usually ensured. We resell or re-lease the returned products, which means that they have a longer useful life than the devices that customers themselves buy or own. We also advocate the refurbishment and professional recycling of CPE, with the aim of recovering the valuable raw materials they contain.
- We also try to avoid electronic waste by informing our customers about our take-back offers and encouraging them to make use of these offers and return their end-of-life devices to us for our recycling processes.
- We have adopted a binding policy concerning the recycling of copper cables. Such cables are being partially replaced over the course of our fiber-optic build-out.

Targets

ESRS E5-3 – Targets related to resource use and circular economy

As part of our Europe-wide resource efficiency strategy, our European national companies have voluntarily committed to being fully circular in technology and devices by 2030. In this context, we aim to ensure by 2030 that almost all of the products we bring into the market are circular. This includes all network technology, most T-branded products, and a large share of the mobile devices we sell. In addition to recycling, the goal also includes aspects such as design, material selection, useful life, and durability. T-Mobile US does not have any formal targets for the circular economy.

The sub-target “zero ICT waste to landfill,” which was already achieved by the end of 2022, also contributes to our European circularity target: EU law requires all electronic waste or returned devices, such as smartphones, routers, or laptops, attributable to Deutsche Telekom throughout Europe to be properly disposed of or recycled. We are also working to avoid the incineration of electronic waste. Our minimum target in this regard is to fully recycle electronic waste – both our own and that of our customers. Our target (Deutsche Telekom excluding T-Mobile US) was defined in cooperation with the segments. We monitor implementation and target achievement through overarching, consistent sustainability-related reporting. Progress is going according to plan. T-Mobile US remains committed to responsibly managing network equipment and electronic waste across the network, which is why it aims to recover as much as possible by repairing and reusing what they can and sending the rest to certified recyclers. For customers, there is a Device Reuse and Recycling program, extending the device lifecycle through reuse, recycling and resale.

Our goal of being almost fully circular in technology and devices by 2030 calls for a holistic approach across the entire value chain. We are currently developing a specific target for increasing our circular material use ratio for network technology, as mentioned before in section “ESRS E5-1 – Policies related to resource use and circular economy.” Target development has already been initiated and is expected to be completed in 2025. In addition, we are currently defining various circularity KPIs that address the topics of procurement and development, packaging, use and extension of life cycle, collection of electronic waste, recycling and proper waste treatment of end-of-life devices and network technology.

Our approach to defining our circularity targets and prospectively defining targets for the TCS is based on scientific studies, case studies (including from the Ellen MacArthur Foundation), and existing policies such as the waste pyramid already described. These are intended to help us to ensure that our approaches are methodologically sound and that their substance is robust. The interests and views of our external stakeholder groups are indirectly taken into account in target setting, for example through information collected from committee work.

We aim to expand circular product design, to increase the circular material use rate and minimize use of primary raw materials, and to promote sustainable sourcing and use of renewable resources. This is the reason we are currently working on defining specific, measurable targets within this framework that will be mapped in the TCS. We plan to roll out the targets by early 2026 and make it possible to measure progress going forward.

Metrics

The metrics we report in this topical standard are based on measurements and, in part, on estimates and projections. The metrics are not additionally validated externally.

ESRS E5-4 – Resource inflows

The material resource inflows for the network build-out include, in particular, mobile communications antennas and optical fiber. Raw materials and materials for mobile communications antennas include iron, aluminum, copper, nickel, magnesium, cobalt, silicon, precious metals (gold, platinum), rare earths, plastics and fiber-reinforced plastics (FRP). The essential materials used in optical fiber are glass and plastics (PE, PC).

The overall total weight of products and technical and biological materials used during the reporting period

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	2024
Optical fiber	1,473
Mobile communications antennas	6,371
Total weight	**7,844**

Use of sustainably sourced biological materials for the build-out and maintenance of the network infrastructure is mainly limited to packaging for network technology. Specifically, this relates to the proportion of sustainably sourced fresh fibers used for network technology packaging. These fresh fibers are added to recycled fibers to increase the stability of the (cardboard) packaging. In addition, sustainably sourced fresh wood is used for cable drums. Due to the low weight of the packaging in relation to the total weight, the corresponding proportion is estimated at 5 % of the total weight. Since manufacturers did not submit any information on this, an estimate was made based on experience from previous years. The level of accuracy of the estimate is therefore limited. For certification, we primarily focus on responsible forestry labels, such as the internationally recognized certificate issued by the Forest Stewardship Council (FSC).

We use recycled materials primarily in packaging, as well as in network technology materials and components. This mainly concerns recycled metals such as iron, aluminum, and copper, and – to a lesser extent – recycled plastics. It also relates to recycled sources for packaging. Specifically, this includes recycled fibers for (cardboard) packaging in network technology and recycled or reused wood for cable drums. The recycling rate is estimated at 15 % of the total weight. This corresponds to approximately 1,177 metric tons. The level of accuracy of the estimate is considered low because no data is disclosed and the estimate is based on assumptions derived from experience in previous years.

We use historical average weights to record data on fiber-optic cables and mobile communications antennas. For cables, these are based on data on the total length of cables used and the average weight per unit of length. To calculate the total weight of the antennas, we multiply the number of antennas by the average weight per unit. When collecting data for both cables and antennas, we use two weight categories in order to measure the weights of different cable and antenna types per unit as precisely as possible.

We are not aware of any overlap between reuse and recycling.

ESRS E5-5 – Resource outflows

At Deutsche Telekom, we distinguish between the following categories of technical waste: electronic waste, cables, and other. Non-technical waste is sorted into paper waste, municipal waste, and other waste. We divide these items into “hazardous” and “non-hazardous” waste. How we treat the waste depends on its categorization. To calculate the waste quantities per recovery method, the waste quantities are multiplied by quotas per recovery type depending on the type of waste. To calculate the proportion of non-recycled waste, the corresponding quantity is divided by the total amount of waste. If no separate data is available, which is the case in particular for municipal and office waste due to data collection limitations, the figures are extrapolated using average values per workplace.

Waste generation based on waste classification – hazardous waste

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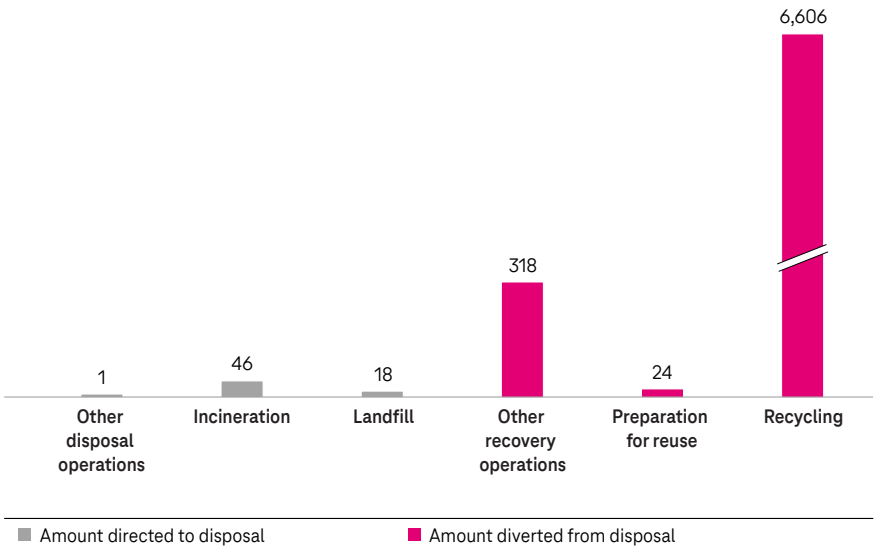

Waste generation based on waste classification – non-hazardous waste

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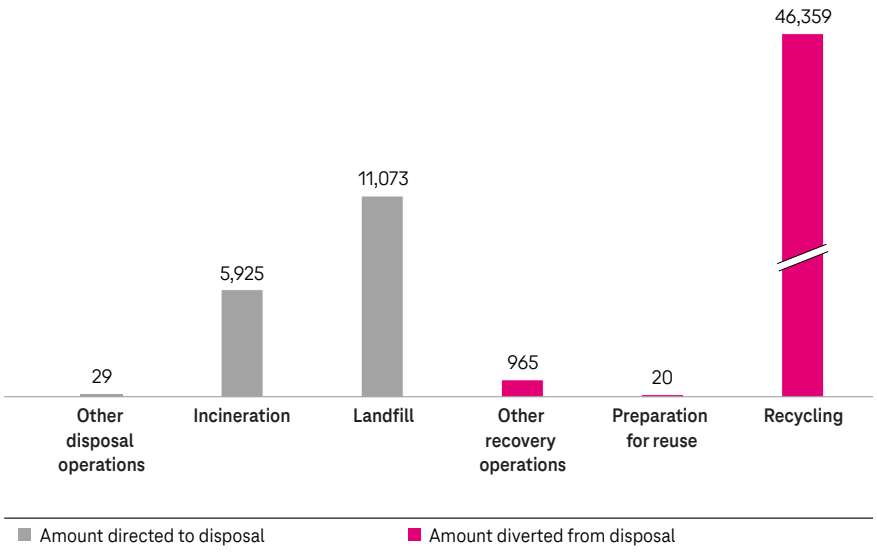


The waste processing category “preparation for reuse” does not include our refurbishing initiatives for devices, as these do not form part of our volume of waste.

Our total volume of waste generation in the reporting year was 71,385 metric tons. Of this figure, 18,420 metric tons were non-recycled waste, representing a share of 26 %. The total volume of hazardous waste generated was 7,013 metric tons. No radioactive waste was generated in the reporting year. The biomass we generate primarily relates to biowaste in office buildings and canteens. In the field of network technology and IT, the following waste is generated: metals, rare earths, nonmetallic minerals, and plastics. These elements can be found both in the waste generated by active technology (transmitter and receiver technology, storage technology, etc.) and in passive technology (e.g., cables, technology housings). The same applies to the devices taken back from customers in the fixed network (routers, TV boxes, etc.) and mobile communications businesses (e.g., smartphones, tablets). A small quantity of textiles accumulates in the office buildings from textile floor coverings and work clothing.

Social

ESRS S1 – Own workforce

Our approximately 200 thousand employees are of crucial importance for our business success. We attach great importance to employee involvement and fair behavior toward colleagues, promote diversity, and engage in systematic health management.

The following index shows the disclosure requirements relating to the topical standard “Own workforce” identified by the materiality assessment.

ESRS index under ESRS 2 IRO-2

Disclosure requirement	Name with reference
ESRS S1 – Own workforce	
ESRS 2 SBM-2 S1	Interests and views of stakeholders
ESRS 2 SBM-3 S1	Material impacts, risks, and opportunities and their interaction with strategy and business model (use of phase-in option for ESRS 2 SBM-3 para. 48e)
ESRS S1-1	Policies related to own workforce
ESRS S1-2	Processes for engaging with own workforce and workers’ representatives about impacts
ESRS S1-3	Processes to remediate negative impacts and channels for own workforce to raise concerns
ESRS S1-4	Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions
ESRS S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities
ESRS S1-6	Characteristics of the undertaking’s employees
ESRS S1-8	Collective bargaining coverage and social dialogue
ESRS S1-9	Diversity metrics
ESRS S1-12	Persons with disabilities
ESRS S1-14	Health and safety metrics
ESRS S1-16	Remuneration metrics (pay gap and total remuneration)
ESRS S1-17	Incidents, complaints, and severe human rights impacts

Strategy

ESRS 2 SBM-3 S1 – Material impacts, risks, and opportunities and their interaction with strategy and business model

The table below shows the material **impacts** of our business activities on society and the environment that we have identified through the double materiality assessment.

> We provide overarching information on how material impacts, risks, and opportunities interact with our strategy and business model in section “ESRS 2 SBM-3 – Material impacts, risks, and opportunities and their interaction with strategy and business model.”

Value chain	Nature of impacts	Description	Reference to business model/ strategy
Working conditions			
Own business activities	Negative (potential/short-term: <1 year)	Wherever workers' representatives have been democratically elected, Deutsche Telekom collaborates constructively with these individuals in a spirit of trust. This ensures that appropriate consideration is given to employees' interests. The lack of collective representation of employee interests by, e.g., trade unions may have a negative impact on **social dialogue** and the right of employees to **freedom of association**. What is more, a lack of other options for workers' representatives to form alliances in the company, such as **works councils**, may also negatively impact the workforce's own interests. In the U.S., labor unions are less common in the ICT sector. The formation of unions follows applicable regulations in the U.S., and elections to establish a potential union can take place at any time.	Based on the business model
Own business activities	Negative (actual/short-term: <1 year)	Civil engineering work negatively impacts the **health and safety** of technicians and engineers as well as other Deutsche Telekom workers. We therefore pay close attention to occupational health and safety, specifically the accident and health rate in Germany. Activities such as working with power lines and high-voltage power lines and working at height increase the risk of accidents and consequently entail a health risk.	Based on the business model
Own business activities	Positive (actual/short-term: <1 year)	Our occupational health protection and safety actions promote **health and safety** among employees. This is confirmed by KPIs such as the health rate (sick leave) and the health index (mental health). In addition, other local programs help improve employees' physical fitness and increase employee satisfaction.	Based on the business model
Equal treatment and opportunities for all			
Own business activities	Positive (actual/short-term: <1 year)	**Diversity** is a focus topic at Deutsche Telekom. We are achieving positive impacts on our own workforce through a corresponding Group-wide portfolio of actions. In addition to a comprehensive training portfolio for our own employees, we actively support and promote employee networks, such as MagentaPride, Women@Telekom, BIPOC, and the Neurodiversity Network. Evaluations of employee surveys show that structural actions to increase diversity within and outside the Company's own workforce enhance the motivation and well-being of the employees concerned and can drive forward inclusion even beyond the boundaries of the Company.	Based on the business model
Own business activities	Positive (actual/short-term: <1 year)	Employing persons with disabilities has a positive impact on the **employment and inclusion of persons with disabilities** in society.	Based on the business model
Own business activities	Negative (potential/short-term: <1 year)	In the ICT industry, the pay gap has a negative impact on **gender equality and equal pay for work of equal value**. The gender pay gap has been shown to exist in Germany as well as in the United States and other European countries such as Greece. We follow the principle of gender-independent remuneration, but we cannot rule out the possibility that the gender pay gap at Deutsche Telekom may have a negative impact on our female employees.	Based on the business model

The following overview illustrates Deutsche Telekom's material topic-specific **risks and opportunities** and their financial effects on our financial position, financial performance, and cash flows.

> Risks and opportunities that represent a top risk in the next two years are described in the "Risk and opportunity management" section.

Value chain	Risk/opportunity	Description
Equal treatment and opportunities for all		
Own business activities	Risk	If demands from female employees regarding **gender equality and equal pay for work of equal value** are not met, this may result in staff shortages. Unfilled vacancies may give rise, for example, to recruitment costs and higher expenses resulting from a loss of productivity, but also erode innovation potential.

Employees affected by material impacts only include persons in our own workforce who are directly employed by Deutsche Telekom. Freelancers and workers from temporary employment agencies are not considered and not reported, since – in relation to internal, active workforce – they only account for a small number of people.

Impact, risk, and opportunity management

ESRS S1-1 – Policies related to own workforce

Working conditions (social dialogue, freedom of association, the existence of works councils and the information, consultation, and participation rights of workers) Across the globe, Deutsche Telekom is committed to freedom of association and collective bargaining and complies with the relevant national legislation. As the underlying laws and contracts vary from country to country, we manage co-determination matters locally.

Our approach to managing the material impacts in relation to social dialogue and freedom of association is enshrined in our Code of Human Rights. This Code outlines our values and standards, which are set forth in greater detail in our policies, instructions, and processes, creating our framework for action. The principles and expectations described in the Code are also aimed in equal measure at our employees and at our suppliers and business partners. We commit to respect and promote human rights and environmental matters everywhere we operate, including in our supply chains and at our business partners.

Our principles and expectations formulated in the Code include the following:

- Protection of freedom of association and the right to collective bargaining
- Promotion of occupational health and safety at work
- Prohibition of unequal treatment in employment
- Payment of adequate living wage
- Zero-tolerance approach to violence, discrimination, or harassment of any sort
- Training and skills development
- Prohibition of child labor, forced labor, and all forms of slavery as well as human trafficking.

Our Supplier Code of Conduct, which we describe in section "ESRS S2-1 – Policies related to value chain workers," requires our suppliers and business partners to comply with the principles and values set out there. These are based on the Code of Human Rights.

> The Code of Human Rights can be accessed on our website by all Deutsche Telekom employees, their representatives, and external parties.

> For further information on our Supplier Code of Conduct, please refer to section "ESRS S2-1 – Policies related to value chain workers."

The Code of Human Rights is an integral part of our policy statement on human rights. Since 2017, the Group Board of Management's commitment to respecting human rights in accordance with internationally recognized human rights standards has been manifested in the "Code of Human Rights & Social Principles". Because our focus topics in social and environmental matters may change as our Company evolves, we continuously review our related due diligence and amend the Code as needed. This was last updated in 2023. Content such as the existing Employee Relations Policy as well as additional information on shaping employee relations and employee concerns were integrated. The current structure of the revised Code of Human Rights is in line with the requirements of the German Act on Corporate Due Diligence in Supply Chains (Lieferkettensorgfaltspflichtengesetz – LkSG) and describes the implementation of our human rights and environment-related due diligence processes, including the internal complaints mechanism. The revised and externally published Code of Human Rights started to be adopted by the involved Group companies in 2023. The updated Code of Human Rights is required to be implemented by all Group companies over which Deutsche Telekom AG exerts a controlling influence as defined by the LkSG and which carry out relevant business activities that are established on a permanent basis and not limited to holding investments. A total of 144 Group companies meet these criteria. By December 31, 2024, 134 Group companies had implemented the updated Code of Human Rights.

T-Mobile US does not fall under the scope of the LkSG and applies its own Human Rights Statement that also addresses the above-mentioned principles and expectations. T-Mobile US expects its own workers as well as all its affiliated companies, business partners, suppliers, and stakeholders to comply with this commitment. All T-Mobile US employees and external parties can access its Human Rights Statement on the T-Mobile US website.

The Code of Human Rights is based on our human rights strategy. This strategy is implemented by GCR, for which the Chair of the Board of Management is responsible. Monitoring implementation of the rules set out in the Human Rights Statement by T-Mobile US is the responsibility of the senior management of Human Resources, Corporate Social Responsibility, and Legal Affairs at T-Mobile US.

The Code of Human Rights is our commitment to internationally recognized human rights and environmental law benchmarks, such as the United Nations International Bill of Human Rights, the core labor standards of the International Labour Organisation (ILO), the Guidelines for Multinational Enterprises of the Organisation for Economic Co-operation and Development (OECD), and the United Nations Guiding Principles on Business and Human Rights. In addition to this, we also commit to the minimum social safeguards which, in line with the provisions of the EU Taxonomy, are necessary conditions for the taxonomy alignment of economic activities. The minimum social safeguards require a management system that can monitor compliance with the benchmarks referred to above. We accordingly perform human rights due diligence using a risk-based management system encompassing both the Group (Deutsche Telekom excluding T-Mobile US) and our supply chain and that we use to monitor compliance with social and environmental standards. We also maintain a process of trust-based dialogue with employees' representatives and trade unions. Deutsche Telekom created the roles of human rights officer and LkSG officer in order to monitor the effectiveness of the LkSG management system. Where required to under national regulations, Group companies have appointed monitoring roles in the same form for their business areas. A company's own business activities are defined in § 2 (6) of the LkSG as "any activity of the company to achieve its business objective" and are the same as Deutsche Telekom's "own business activities" referred to consistently elsewhere in the Annual Report. T-Mobile US performs a risk assessment using its own methodology.

> For further information, please refer to the section "ESRS S2-4 – Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions."

If, on the basis of our performed risk analysis, we establish that a violation of our human rights obligations has already occurred or is imminent, our processes provide for taking immediate remedial action. These aim to prevent or end the violation or to minimize its extent.

> For further information, please refer to the section "ESRS S1-4 – Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions."

Since 2016, Deutsche Telekom has had a program in place to ensure compliance with its human rights and environment-related due diligence. This program is aligned with the international benchmarks specified above. We conducted a human rights impact analysis as part of the program. This was based on the international benchmarks and involved both external and internal experts. The analysis allowed us to identify groups of individuals that may be positively or negatively impacted by our business activities and to take their interests into consideration when preparing the Code of Human Rights. They include employees in our Group companies, employees at our direct and indirect suppliers, individuals at our customers, children and young people, as well as people in affected communities. When carrying out our due diligence processes, we therefore pay special attention to the interests of particularly vulnerable groups such as children, young people, women, migrant workers and other members of national or ethnic, religious or linguistic minorities. We are constantly refining our procedures for identifying vulnerable groups. We review them at least once a year after conducting our annual human rights and environmental risk analysis.

Working conditions (health and safety) Occupational health and safety is firmly incorporated in our structures through certified management systems as well as suitable policies and guidelines. This helps us address the material impacts on the health and safety of our employees caused by office-based activities and by network development activities such as civil engineering. To do this, we use an integrated management system for health, safety, and environment (HSE). It is based on the international standards ISO 45001 and ISO 14001 and takes into account the Luxembourg Declaration on Workplace Health Promotion in the European Union and the United Nations Global Compact. Some of our Group companies use an integrated HSE quality management system that also covers the ISO 9001 international standard for quality management. Some of the Group companies are not covered by an umbrella certificate because they have their own certifications. In the Code of Human Rights, we also commit to providing occupational health and safety in the workplace for our employees that is at least equal to the level required by applicable law, and we are continuously working to further improve our working conditions.

Our HSE management system contributes to making sustainability a component of all our business processes and of our employees' everyday lives. It helps us to systematically plan, implement, and improve our HSE processes. It also assists us in bidding on new projects in which potential commercial customers require their suppliers to provide HSE certificates. The general responsibilities, duties, and programs for health and safety management are defined in our manual for the management system for quality, health, safety, and environmental protection. The manual serves to harmonize our management systems across the Group and align them in a targeted manner. The HSE management system supports health management by positively influencing the health of our employees. Deutsche Telekom also uses the management system to reduce the number of accidents at work. This system enables us to develop an action plan for occupational health and safety to further improve employees' safety, keep employees healthy, and to improve their performance. To ensure that the requirements of ISO 45001 are met, we regularly carry out internal audits at selected locations and engage independent external certification authorities to conduct annual reviews.

The HSE management system is applicable throughout the Group and covers all our activities, products, and services: fixed network/ broadband, mobile communications, internet, internet-based TV products and services, as well as information and communication-related solutions for business customers of Deutsche Telekom. Our HSE responsibility also extends to monitoring of outsourced processes.

The Board of Management department for Human Resources and Legal Affairs has overarching responsibility for managing occupational health and safety. Information about Deutsche Telekom's HSE management system is documented centrally in the intranet, where it is accessible to all employees (Deutsche Telekom excluding T-Mobile US). T-Mobile US employees are provided with the relevant documents by central HSE certification management in Germany. In accordance with the requirements of ISO 45001, all employees can participate actively in designing our occupational health and safety actions.

Equal treatment and opportunities for all (diversity; employment and inclusion of persons with disabilities; gender equality and equal pay for work of equal value). Fostering diversity, equity, and inclusion (DE&I) is an integral part of our corporate identity. We offer all employees – irrespective of age, ethnic origin and nationality, gender and gender identity, physical and mental abilities, religion, faith and belief, sexual orientation, and social origin – a wide range of development opportunities. Moreover, we do not tolerate any form of direct or indirect violence, discrimination, or harassment in the workplace. Our Diversity, Equity, and Inclusion (DE&I) Policy, which was revised and implemented throughout the Group in 2021, and our Code of Human Rights constitute important cornerstones for promoting the various aspects of diversity and eliminating discrimination.

The DE&I Policy applies to all our employees. This also includes people who are functionally equivalent to employees, for example temporary agency workers. The Deutsche Telekom Group units are responsible for implementing the Policy in their own organizations. At least every three years, the responsible HR department reviews the provisions of the Group policy to determine whether they need to be amended or adapted, and revises them if necessary. When the Policy was prepared and updated, the interests of our own workforce were taken into account through repeated consultation with selected employees. Besides the fundamental international human rights benchmarks, the Policy complies with the requirements of the EU anti-discrimination directives and applicable local laws in the countries in which we operate. Ultimate responsibility for implementing the Policy lies with the Board of Management department for Human Resources and Legal Affairs.

> The DE&I Policy can be downloaded from Deutsche Telekom's website.

In addition to the DE&I Policy, we actively promote accessibility, equality, and the inclusion of people with disabilities through a comprehensive portfolio of actions. Our aim is not just to provide them with a secure livelihood, but also to continuously promote their career advancement. To make our working environment even more inclusive and implement our DE&I Policy in the business units, we are developing both area-specific and cross-divisional action plans. These address all dimensions of diversity.

> For further information on the implementation of selected actions, please refer to the section "ESRS S1-4 – Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions."

ESRS S1-2 – Processes for engaging with own workforce and workers' representatives about impacts

We pursue dialogue-oriented employee relations throughout the Group and engage in trust-based, constructive collaboration with employees' representatives and trade unions. We manage co-determination matters locally. The Group Board of Management is generally involved in issues of particular importance.

Works councils, central works councils, and the Group Works Council represent the interests of employees in Germany. Our social partner representing the employees' interests on a European level is the European Works Council (EWC). Even in non-European nations like the United States, all of our employees enjoy the right to form and join trade unions. We also have executive staff representation committees and representatives of persons with disabilities at unit, company, and Group level. The employees' representation bodies represent the employees in different committees, such as at the meetings of the health and safety committee for occupational safety and occupational medicine matters.

Our employee surveys are a key participation format and indicator of the relationship between the Company and our workforce. These surveys are carried out in all Group companies at least every two years. The results of the surveys help us to identify weak points and determine where there is room for improvement. We use the engagement score, which we determine based on the findings of the most recent surveys at the time, as a benchmark for employee satisfaction (Deutsche Telekom excluding T-Mobile US).

> For more information on our non-financial performance indicator for employee satisfaction (engagement score), please refer to the section "Management of the Group."

T-Mobile US conducts its own employee survey ("Our Voice Survey"), which is sent at least annually to all employees. The survey measures sentiment across six key areas of employee engagement that span belonging, well-being, career development, culture, and leadership support.

We also involve our workforce – for example our employee networks – when preparing policies and guidelines or when developing learning and upskilling formats. We are working with our employee networks to identify and break down systemic barriers – for example, by asking how inclusive our recruitment processes are. This aims to ensure that all employees are continuously included in these processes. Furthermore, our employees are involved in numerous initiatives aimed at promoting a low-carbon society.

Unless otherwise stated, we engage with people from our workforce on both an ongoing and an ad hoc basis.

ESRS S1-3 – Processes to remediate negative impacts and channels for own workforce to raise concerns

To provide or contribute to remediation of negative impacts on people in our own workforce, we set up a complaints mechanism incorporated in our risk management system. As soon as a due diligence breach is identified in the annual or ad hoc risk analysis, our processes provide for taking immediate remedial action, as outlined under "ESRS S1-1 – Policies related to own workforce." The effectiveness of these actions is reviewed annually or on an ad hoc basis. If necessary, adjustments are made to the complaints mechanism or the action taken.

Deutsche Telekom offers all employees an opportunity to report violations of legal requirements and internal policies with the TellMe whistleblower portal and the T-Mobile US Integrity Line – anonymously if they so choose. Reports about human rights or environment-related risks can also be shared.

Risks of physical or mental violence among employees, in contact with customers, or in a private context can also be reported to the Threat Management unit. In addition, employees at our Germany sites can report grievances/complaints to the works council or to designated representatives. Other local channels are also available to our own workforce so that employees can raise their concerns or needs directly to Deutsche Telekom and have them addressed. A digital portal is available in Germany for reporting accidents and near misses, and we are currently evaluating whether this channel could be deployed throughout the entire Group. We diligently investigate all grievances/complaints and instigate suitable actions based on our findings.

Both the TellMe complaints mechanism and T-Mobile US' Integrity Line can be easily accessed through our website and via the websites of the Group companies. The rules of procedure for the TellMe portal are currently available in twelve languages. To ensure that not only our employees but also business partners and third parties are able to access the complaints mechanism, we accept reports both by phone via a toll-free, international service number as well as via email, post, or online submission through the relevant portal. All employees can find information about the availability and use of the above-mentioned channels on the intranet.

Incoming tip-offs and grievances/complaints that relate to people from our own workforce are recorded dividing them into the topic areas “human rights” (including the right to freedom of association), “occupational health and safety,” and “discrimination.” The effectiveness of TellMe is reviewed once a year in line with the requirements of the LkSG. We also perform ad hoc reviews if the Company is expecting a significant change in or expansion of the risk situation in its own business area or at direct suppliers. This may be necessary, for example, when launching new products, projects, or a new business area. The effectiveness assessment includes the continuous evaluation of feedback from whistleblowers, the review of the implementation and accessibility of the complaints mechanism, and the risk-based evaluation of stakeholder engagement, e.g., through employee surveys. We also involve employees’ representatives and works councils when necessary in relation to our own business operations.

> You can find further information on the way we track and monitor the grievances/complaints that have been raised and addressed under “ESRS G1-1 – Business conduct policies and corporate culture.” There, we also discuss to what extent our employees are aware of the mechanism and trust in it if they wish to report concerns or needs and have them investigated. We also describe the strategies we have in place regarding the protection of individuals that use them against retaliation in this section.

ESRS S1-4 – Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

Working conditions (social dialogue, freedom of association, the existence of works councils and the information, consultation, and participation rights of workers) We rely on close cooperation with employees’ representation bodies so as to mitigate any negative impacts on our own workforce in countries where there are no trade unions. We appreciate and make use of the dialogue with both company-based and unionized employees’ representatives. It is crucial in this context that employees are aware of their right to freedom of association and that this is not restricted by the employer.

In July 2023, we updated our existing human rights training and made it available in additional languages to raise employee awareness of the right to freedom of association and collective bargaining, health and safety, and other matters. This training also addresses aspects of diversity, equity, and inclusion. The human rights training is designed to do more than just impart basic knowledge to our employees. It enables them to apply their new knowledge in practical decision-making scenarios directly in the context of Deutsche Telekom. For example, employees are informed as part of their training that grievances, such as an infringement of the right to freedom of association, can be reported through the TellMe whistleblower portal, regardless of circumstances specific to a particular country. The overarching target of the human rights training is to empower employees to actively protect themselves and others in their own working environment. The training is available in fourteen languages on Deutsche Telekom’s online training platform. Employees of T-Mobile US do not have access to the platform. They receive annual training on T-Mobile’s Code of Business Conduct, including how to report grievances.

We monitor the effectiveness of the updated human rights training by measures such as recording the number of employees who have taken part in the training since it became available on a six-month basis. We also evaluate employee feedback and analyze participation rates, access options, and any language barriers.

As part of the LkSG management system, we carry out annual risk analyses (Deutsche Telekom excluding T-Mobile US), also for the internal business units in the included Group companies. The analyses are designed to enable us to derive targeted follow-up actions and therefore effectively eradicate or mitigate risks.

> For further information on the risk analysis under the LkSG, please refer to the section “ESRS S2-4 – Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions.”

T-Mobile US conducts quarterly enterprise-wise risk assessments that consider a range of factors, including operations and social risks that impact its own workforce. The results are regularly reported to the relevant bodies, including representatives of Deutsche Telekom AG.

As part of the processes for identifying and assessing material impacts, risks, and opportunities as described in section “ESRS 2 IRO-1 – Description of the processes to identify and assess material impacts, risks, and opportunities,” we have carefully addressed the potential and actual material negative impacts of our business activities on our own workforce. This was done quantitatively as well as qualitatively. We have not identified any further areas in which our practices could have a material negative impact on our own workforce that go beyond the topics described in section “ESRS 2 SBM-3 – Material impacts, risks, and opportunities and their interaction with strategy and business model.” For this reason, we refrain from describing further approaches beyond the actions already reported on in this section.

The processes for monitoring our LkSG management system described under "ESRS S1-1 – Policies related to own workforce" apply to ensure compliance with our due diligence obligations. No specific budget is allocated for managing material risks arising from social dialogue and freedom of association. In general, the actions described in this topical standard do not require any significant operating or capital expenditure.

Working conditions (health and safety) Our focus in the area of health and safety is on providing and implementing mitigation and prevention measures. If it is not possible to avoid or eliminate sources of danger, we follow the hierarchy of occupational safety and health measures. This hierarchy is structured as follows:

1. Safety-related actions to ensure physical separation between the source of danger and our workforce (e.g., barriers or covers on machines)
2. Organizational measures (e.g., restricting or prohibiting access to the danger zone)
3. Use of personal protective equipment (e.g., helmets, safety shoes, or hearing protection)
4. Behavior-related actions (e.g., instructions, for example in connection with fire safety or the use of ladders, or operating instructions)

A range of occupational health and safety standards apply across the Group. They govern the safe and ergonomic configuration of buildings and vehicles, among other aspects. In addition to services available to all employees, there are also target group-specific actions for occupational health and safety. These include driver safety training for certain areas of work or special safety training for employees who are deployed to work at cell tower sites. In addition to preventing accidents, these actions aim at promoting the health and productivity of employees.

We also have an extensive range of options available for our employees in offices to counteract lack of movement. For many years, our offices in Germany, for example, have been equipped exclusively with height-adjustable desks to create an ergonomic working environment. In addition, our health program in Germany includes course options for regular exercise. The health promotion program also includes courses on nutrition, stress prevention, and mindfulness. The programs are generally open to all employees. Furthermore, our Employee and Executive Advisory Service provides support in the area of psychosocial health. Offered in different languages, the service extends to advice in cases of discrimination and other misconduct, overwhelming situations in life and extreme events as well as crisis prevention. We are currently examining the extent to which we can enhance our digital health promotion offerings, which are available to all employees across the Group, regardless of location or time. Our activities to promote health awareness and health literacy among our employees not only help the individual employees and safeguard long-term business success, they also have a positive impact beyond the boundaries of the Company. For example, we also make selected preventive healthcare services available to the families of our employees.

> For further information on our actions to mitigate negative impacts on both our own workforce and the workers in the value chain, see the section on civil engineering work related to network development activities in the section "ESRS S2-4 – Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of these actions."

We determine risks to health and safety on a regular basis. To enable a safe working environment, we prepare risk assessments for all types of jobs and derive appropriate measures from them. In line with the PDCA cycle (plan, do, check, act), which is a key tool for continuously developing and improving our management systems, we systematically review and measure the effectiveness of our actions. We regularly investigate how occupational health and safety are integrated into management and leadership activities and derive improvement actions as needed. To do so, we review the results of our employee survey, evaluating stress prevention measures under collective agreements, competitor benchmarks, and other relevant indicators. External experts check that mandatory actions such as fire safety instructions or risk assessments are carried out regularly and successfully. In addition, we receive monthly reports from our service providers regarding which and how many occupational health and safety services, products, and programs are being made use of, and we use this information to manage our actions.

In the Group companies, health & safety managers are responsible for specific processes and offerings that take into account legal requirements and conditions at operational level. The budget for occupational health and safety at the individual companies is calculated based on the employees' working hours. We use this data to predict the minimum amount we expect to need for the coming year. We also provide financial resources for in-depth actions or voluntary services to promote health in the workplace. However, the actions described above do not require significant operating or capital expenditure.

Equal treatment and opportunities for all (diversity; employment and inclusion of persons with disabilities; gender equality and equal pay for work of equal value). We provide our employees with competitive, performance-related remuneration that is aligned with the overall conditions of the relevant national labor markets. With our Global Compensation Guideline for executives, collective agreements, and other provisions under collective and works agreements, we aim to ensure a transparent and gender-neutral pay structure and remuneration at Deutsche Telekom excluding T-Mobile US. These arrangements are designed to ensure that remuneration at Deutsche Telekom is based on the type and scope of the work performed and the requirements of the relevant position, irrespective of the diversity characteristics described in section "ESRS S1-1 – Policies related to own workforce." This aims to counteract the potential material negative impacts on our own workforce in connection with the gender-specific pay gap in the ICT industry. T-Mobile US is implementing the following actions to enable gender-neutral pay, including: equal pay for equal performance (irrespective of gender or origin), regular review of salary packages, and legal salary transparency through disclosure in job advertisements.

We compiled a report on equal pay and equality for the first time for 2016 in order to comply with the legal requirements of the Act to Promote Transparency of Wage Structures among Women and Men in Germany. The report is updated every five years. The most recent report, which is for the 2021 financial year, has been published in the Company Register. We have agreed action plans with our segment heads to increase the proportion of women in management positions, with the aim of supporting the work-life balance by means such as flexible working hours, hybrid working models, or part-time employment. We also want to support the cultural transformation with regard to work-life balance through training and workshops, to improve chances for equal participation of women in the labor market.

> We describe our goal of increasing the proportion of women in management positions in section "ESRS S1-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities."

We constantly monitor the increasing demand for skilled workers, particularly IT and tech experts, and compete for the best talents. We continuously evaluate experience reports and feedback to obtain a better understanding of the well-being of our female talents and to assess how they rate us as a company. We manage the risk of any potential staff shortages that could arise as a result of the gender pay gap in the ICT industry by organizing targeted recruitment initiatives emphasizing diversity, equity, and inclusion. We use partnerships and events to specifically address female talent, promote generational change between male managers who will soon be retiring and female junior managers (mentoring), and increasingly fill management positions with female talents. We also work closely with universities and service providers to find joint ways of providing even more support for women in technical professions. We evaluate the quality of our programs in feedback sessions and on the basis of the results of our employee survey, and we regularly review how we can further advance diversity, equity, and inclusion in dialogue with our partners. The increasing demands of employees on employers are identified by operational risk management and considered by the competent HR department: To address these challenges, we are continuously strengthening Deutsche Telekom and T-Mobile US as attractive employer brands and proactively seeking out new specialist staff and talent worldwide. All aspects outlined above are part of operational risk management.

By offering a wide variety of training options, we also aim to promote a common understanding of diversity, equity, and inclusion within Deutsche Telekom and to raise awareness for unconscious bias among our employees. We also endeavor to break down barriers that exist in the use of products and technology. In 2024, we rolled out our first entirely barrier-free training, the "DE&I Baseline" e-learning. We developed the training program together with external experts and our employee networks. It includes personal stories of employees linked to all relevant diversity dimensions and is available to all employees in eleven languages on Deutsche Telekom's online training platform. A diversity glossary comprising over 100 terms related to diversity, equity, and inclusion, published both internally and externally, complements the training. T-Mobile US employees do not have access to the platform, but do receive training opportunities that likewise integrate the topics of diversity, equity, and inclusion.

In 2024, we additionally placed a special focus on promoting multipliers for diversity, equity, and inclusion within our own workforce. To do so, we increased the involvement of our employee networks, among other aspects. They play an important role in raising awareness among our employees of the diversity dimensions referred to in section "ESRS S1-1 – Policies related to own workforce."

Deutsche Telekom also has various initiatives in place to ensure an inclusive working environment. These help us to make the working environment accessible for people with disabilities, adapt workplaces accordingly, and provide technical assistance. The IT and application landscape will also be improved in terms of internal and external accessibility. In addition to the overarching Group activities, the units introduced own actions tailored to their operations. They are designed to raise awareness for the needs of persons with disabilities and to meet the specific requirements of the job in question. One such example is driver safety training for field staff who are wheelchair users or with hearing difficulties.

Detailed information on our actions and initiatives to advance diversity, equality, and inclusion will be disclosed in our DE&I Report, which we plan to publish for the first time in the future for Deutsche Telekom excluding T-Mobile US.

We measure the effectiveness of our initiatives to advance material positive impacts on diversity, equity, and inclusion within our own workforce using the standard processes described in section "ESRS S1-2 – Processes for engaging with own workforce and workers' representatives about impacts."

We use the processes of risk analysis under the LkSG to determine which actions are necessary and appropriate to manage certain actual or potential negative impacts on our own workforce.

> For further information, please refer to the section "ESRS S2-4 – Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions."

The central diversity team is responsible for managing the material impacts relating to our work to advance diversity, equity, and inclusion. Area-specific contact persons were also appointed for the individual segments and countries. A central budget for Group-wide actions and local budgets for country-specific actions are available to implement the individual actions. The Competitive Workforce (CWF) department is responsible for implementing actions to manage material negative impacts in connection with gender equality and equal pay. The actions described above do not require additional significant operating or capital expenditure. Unless specified otherwise, all actions described in connection to this standard to mitigate negative impacts and advance positive impacts are ongoing and have no defined end date.

Targets

ESRS S1-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

We carry out actions designed to steadily increase the proportion of women in management positions at Deutsche Telekom. In this way, we address the main impacts and risks that arise for us in connection with gender equality within our workforce. The Board of Management of Deutsche Telekom AG has set itself the goal of increasing the proportion of women in management positions to 30 % by 2025. Progress will be measured against the prior-year figure.

> We map the current percentage in the new sustainability reporting in section "ESRS S1-9 – Diversity metrics."

We have not set any further specific time-bound or outcome-oriented targets for mitigating the negative and advancing the positive impacts on our employees. We review the effectiveness of our policies and actions related to our own workforce in the context of the LkSG risk process and regularly report the results to the Board of Management of Deutsche Telekom AG.

Metrics

Beginning with the number of employees, which we map in the chapter "Results of operations of the Group" and in section "ESRS 2 SBM-1 – Strategy, business model, and value chain," the following data covers all consolidated Group companies. Unless specified otherwise, we use full-time equivalent (FTE) as the unit of measurement for the number of employees. FTE indicates the notional number of full-time equivalents. All figures are based on more precise data. Since some values are rounded, totals may differ slightly. We use annual averages to calculate some of the ratios.

The following data was collected as of October 31, 2024 to form the basis for the required extrapolations for year-end figures. Exceptions are the totals in the tables "Number of employees by gender" and "Number of employees by contract type, broken down by gender" and the two metrics divided by country (Germany and USA) in the table "Number of employees in countries" in section "ESRS S1-6 – Characteristics of the undertaking's employees." This data was collected and presented as of December 31, 2024. The same applies to all metrics in section "ESRS S1-17 – Incidents, complaints, and severe human rights impacts."

The data provided in sections "ESRS S1-14 – Health and safety metrics" and "ESRS S1-17 – Incidents, complaints, and severe human rights impacts" was collected from all companies with 1 FTE or more. The data in sections "ESRS S1-8 – Collective bargaining coverage and social dialogue," "ESRS S1-9 – Diversity metrics," "ESRS S1-12 – Persons with disabilities," and "ESRS S1-16 – Remuneration metrics (pay gap and total remuneration)" was collected from all companies with at least 100 FTEs. The same applies to the other not previously stated data in section "ESRS S1-6 – Characteristics of the undertaking's employees." As a result, 97 % of the total workforce is covered.

The metrics in this topical standard are not additionally validated externally.

ESRS S1-6 – Characteristics of the undertaking's employees

Number of employees by gender

	Dec. 31, 2024	
	Number of employees (FTEs)	Number of employees (headcount)
Male	128,880	132,306
Female	69,302	73,705
Other	12	15
Not reported		
Total number of employees	**198,194**	**206,026**

The figures in the "Other" and "Not reported" categories are identical because our HR master data system currently cannot distinguish between these two categories. To ensure that the totals are added up correctly, the corresponding figure is therefore only shown in the "Other" line.

Number of employees in countries where the Company has at least 50 employees representing at least 10 % of its total number of employees

	Dec. 31, 2024	
	Number of employees (FTEs)	Number of employees (headcount)
Germany	74,550	76,837
United States	65,355	69,840

Number of employees by contract type, broken down by gender

FTEs

	Female	Male	Other [a]	Not reported	Total
Total number of employees	**69,302**	**128,880**	**12**		**198,194**
of which: permanent employees	68,139	127,201	12		195,352
of which: temporary employees	1,164	1,679	0		2,842
of which: non-guaranteed hours employees	0	0	0		0

[a] Gender as specified by the employees themselves.

The figures in the "Other" and "Not reported" categories are identical because our HR master data system currently cannot distinguish between these two categories. To ensure that the totals are added up correctly, the corresponding figure is therefore only shown in the "Other" column.

A total of 26,617 employees left the Company during the reporting period. Employee turnover was at 13.3 %.

> For further information on the development of personnel costs and the average headcount, please refer to note 25 "Average number of employees and personnel costs" in the notes to the consolidated financial statements.

ESRS S1-8 – Collective bargaining coverage and social dialogue

The Group-wide coverage rate in 2024 was 45.8 %. We have collective agreements in place in the European Economic Area (EEA).

Collective bargaining coverage and social dialogue

	Collective bargaining coverage		Social dialogue
Coverage rate	Employees – EEA (for countries with >50 empl. representing >10 % total empl.)	Employees – Non-EEA (estimation for regions with >50 empl. representing >10 % total empl.)	Workplace representation (EEA only) (for countries with >50 empl. representing >10 % total empl.)
0–19 %		North America: 0.0 %	
20–39 %			
40–59 %			
60–79 %	Germany: 75.6 %		
80–100 %			Germany: 95.4 %

In 2004, an agreement was concluded for the first time on the establishment of the European Works Council (last amended in 2019). It represents the interests of our employees within the countries of the EU and the EEA.

ESRS S1-9 – Diversity metrics

Number of employees in upper management, by gender

	Dec. 31, 2024	
	Headcount	%
Male	1,684	72.0
Female	655	28.0
Total	**2,340**	**100.0**

The combined categories "Other" and "Not reported" were also included in the query, but are not relevant to determine the composition of upper management.

Employee headcount by age group

	Dec. 31, 2024	
	Headcount	%
Under 30	38,323	18.7
30 to 50	108,542	53.1
Over 50	57,549	28.2
Total	**204,414**	**100.0**

ESRS S1-12 – Persons with disabilities

In 2024, the percentage of persons with disabilities at Deutsche Telekom was 5.8 %.

Irrespective of country-specific legal requirements, we have established a uniform definition of disability to enable coordinated action and reporting across the Group: A person has a disability if they have physical, mental, cognitive, or sensory impairments that, in interaction with attitudinal and environmental barriers, may hinder or prevent their equal participation in society.

ESRS S1-14 – Health and safety metrics

Almost all Deutsche Telekom employees, or 95.5 % of the workforce, are covered by a health and safety management system. In 2024, there were 0 fatalities attributable to work-related injuries. The number and rate of recordable work-related injuries was 890 and 2.5 %, respectively. The number of days lost to work-related injuries and fatalities from work-related accidents was 13,944.

ESRS S1-16 – Remuneration metrics (pay gap and total remuneration)

The average unadjusted gender pay gap between female and male employees in 2024 was 14.5 %. The average adjusted gender pay gap was 7.7 %. We determined the average unadjusted gender pay gap as the weighted average of the unadjusted pay gap of the Group companies included in this report. For the average adjusted gender pay gap, we first determined the pay gap for each pay group for each Group company (as per the applicable definition in the company concerned) and then calculated the weighted average.

The annual total remuneration ratio of the highest paid individual to the median annual total remuneration for all employees (excluding the highest-paid individual) is 491 to 1.

For these remuneration metrics, we calculated the individual total remuneration of the employees as the sum of the fixed and variable (short- and long-term) gross cash remuneration received in the reporting period. To calculate the gender pay gap, it was converted into hourly pay, and for the total annual remuneration ratio, it was converted into a full-time annual equivalent.

In addition to the gross cash remuneration, we included all and any relevant remuneration in kind, share-based payments, and pension commitments in the total remuneration of the highest-paid individual. By contrast, the total remuneration of the other employees does not include remuneration in kind, share-based payments, or pension commitments. This simplification does not materially impact the reportable remuneration metrics.

ESRS S1-17 – Incidents, complaints, and severe human rights impacts

In 2024, 15 incidents of discrimination, including harassment, within our own workforce were reported through the TellMe and Integrity Line channels described in section "ESRS S1-3 – Processes to remediate negative impacts and channels for own workforce to raise concerns." In addition, seven complaints related to other social factors or aspects were received through these channels from our own employees. We have not paid any fines, penalties or damages in connection with the aforementioned incidents and complaints. No severe human rights incidents connected to our own workforce (e.g., forced labor, human trafficking, or child labor) were reported in 2024.

ESRS S2 – Workers in the value chain

Our perception of ourselves as a company that acts sustainably includes assuming responsibility along our entire value chain. We have made a commitment to respect and promote human rights and we also expect our business partners and suppliers to do the same.

The following index shows the disclosure requirements relating to the topical standard "Workers in the value chain" identified by the materiality assessment.

ESRS index under ESRS 2 IRO-2

Disclosure requirement	Name with reference
ESRS S2 – Workers in the value chain	
ESRS 2 SBM-2 S2	Interests and views of stakeholders
ESRS 2 SBM-3 S2	Material impacts, risks, and opportunities and their interaction with strategy and business model (use of phase-in option for ESRS 2 SBM-3 para. 48e)
ESRS S2-1	Policies related to value chain workers
ESRS S2-2	Processes for engaging with value chain workers about impacts
ESRS S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns
ESRS S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions
ESRS S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Strategy

ESRS 2 SBM-3 S2 – Material impacts, risks, and opportunities and their interaction with strategy and business model

The table below shows the material **impacts** of our business activities on society and the environment that we have identified through the double materiality assessment. We included the findings of our regular risk analysis in accordance with the German Act on Corporate Due Diligence in Supply Chains (Lieferkettensorgfaltspflichtengesetz – LkSG), which we conducted in 2023, in the assessment.

> We provide overarching information on how material impacts, risks, and opportunities interact with our strategy and business model in the "ESRS 2 SBM-3 – Material impacts, risks, and opportunities and their interaction with strategy and business model" section.

Value chain	Nature of impacts	Description	Reference to business model/ strategy
Working conditions			
Upstream (suppliers)	Negative (potential/short-term: <1 year)	Manufacturing electronic devices and network infrastructure, including their components, and the associated extraction of raw materials, as well as civil engineering work, can have negative impacts on the **health and safety** of workers. The activities in the upstream value chain are associated with numerous health and safety risks, e.g., accidents caused by the use of heavy machinery and inadequate safety precautions. The extent of the impacts can be very high, as long-term damage to health and psychological stress have been reported.	Connection with the business model
Upstream (suppliers)	Negative (potential/short-term: <1 year)	There may be negative impacts with regard to the payment of **adequate wages** in the case of manufacturing in the ICT industry and the associated extraction of raw materials, as well as in the case of civil engineering work. There is considerable cost pressure in the industries, which often translates into low pay for workers lower down in the supply chain.	Connection with the business model
Upstream (suppliers)	Negative (potential/short-term: <1 year)	Manufacturing in the ICT industry can have a negative impact on the right to **collective bargaining, including the proportion of the workforce covered by collective agreements**. In the global electronics industry, the level of trade union representation tends to be low, and companies are said to resist unionization. This can lead to a situation in which in particular workers lower down the supply chain are at a disadvantage compared with their employer when it comes to negotiating their employment contract and the aspects set out in it (e.g., pay, working hours. and health and safety).	Connection with the business model
Upstream (suppliers)	Negative (potential/short-term: <1 year)	The manufacture of electronic devices and network infrastructure, including their components, can have negative effects on the **freedom of association** of workers. Restricting or suppressing the right to associate freely with others and to unionize violates fundamental labor rights.	Connection with the business model
Equal treatment and opportunities for all			
Upstream (suppliers)	Negative (potential/short-term: <1 year)	In the ICT industry, potential pay gaps can have a negative impact on **gender equality and equal pay for work of equal value**. Gender-specific pay differentials (gender pay gaps) and classifications that do not correspond to abilities are widespread in some countries. We cannot therefore rule out that there may be negative effects on female employees.	Connection with the business model
Other work-related rights			
Upstream (suppliers)	Negative (potential/short-term: <1 year)	Manufacturing in the ICT industry and the associated extraction of raw materials can have negative effects on workers through **forced labor**. The risk of forced labor is a fundamental problem in global supply chains.	Connection with the business model

Workers in our value chain who are affected by material impacts include the following:

- All workers working for direct and indirect suppliers in the upstream value chain
- Workers who are particularly vulnerable to negative impacts whether due to their inherent characteristics or to the particular context, such as trade unionists, migrant workers, home workers, women, or young workers

They do not include:

- Workers who work at Deutsche Telekom locations but are not members of our own workforce. These include self-employed workers and workers provided by third-party entities primarily engaged in 'employment activities'
- Workers working for entities in our downstream value chain (e.g., those involved in the activities of logistics or distribution providers, franchisees, retailers)
- Workers working in the operations of a joint venture or special purpose vehicle in which Deutsche Telekom holds investments

In section "ESRS S1-1 – Policies related to own workforce," we explain in the context of describing our Code of Human Rights how we have identified whether workers with specific characteristics or in certain working environments and performing specific tasks may be at greater risk.

Impacts, risks and opportunities management

ESRS S2-1 – Policies related to value chain workers

We assess all material negative impacts on society and the environment related to value chain workers. Management of these impacts and the resulting requirements are embedded in our procurement practices, which we explain in the following.

With its Supplier Code of Conduct, Deutsche Telekom excluding T-Mobile US requires its suppliers to act in accordance with the principles and values set out in the Code of Conduct (see section "ESRS G1-1 – Business conduct policies and corporate culture") and the Code of Human Rights (see section "ESRS S1-1 – Policies related to our own workforce") and to implement them along their value chains. Both the Code of Human Rights and the Supplier Code of Conduct are based on the requirements of the LkSG.

The Supplier Code of Conduct is a component of Deutsche Telekom's general purchasing terms and conditions of purchase, but is not intended to replace the laws and regulations in force in any country where our suppliers operate. It seeks to encourage and respect these laws and regulations and ensure that they are faithfully and effectively enforced. In accepting our Supplier Code of Conduct, our suppliers make a commitment to respect internationally applicable human rights and, where necessary, to take effective actions to remedy human rights abuse of any kind and fair labor violations. They also agree to disclose any such incidents, including potential violations, and to cooperate in investigations into such happened or alleged violations. Our principles and expectations formulated in the Supplier Code of Conduct include the following:

- Protection of freedom of association and the right to collective bargaining
- Promotion of occupational health and safety at work
- Prohibition of unequal treatment in employment
- Payment of adequate living wage
- Prohibition of child labor, forced labor and all forms of slavery such as trafficking in human beings
- Prohibition of the use of raw materials that are the subject of conflict

With Deutsche Telekom AG's Supplier Code of Conduct, we have made a commitment to ensure compliance with the following internationally recognized standards:

- Conventions of the International Labour Organization (ILO) and the Organization for Economic Cooperation and Development (OECD)
- The United Nations' Universal Declaration of Human Rights (UN)
- UN Global Compact
- ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (MNU Declaration)
- United Nations Guiding Principles on Business and Human Rights (Ruggie Principles)

T-Mobile US does not fall under the scope of the LkSG and has its own Code of Conduct (see section "ESRS G1-1 – Business conduct policies and corporate culture"), Human Rights Statement, and Supplier Code of Conduct, which also addresses the above-mentioned principles and expectations. In addition, the T-Mobile US Responsible Sourcing Policy applies to purchases of goods that include raw materials potentially sourced from conflict and high-risk regions.

All persons who identify compliance issues along our supply chain with respect to the relevant supplier codes of conduct can report their observations through the channels described in detail in section "ESRS S2-3 – Processes to remediate negative impacts and channels for value chain workers to raise concerns". If we become aware of a violation of the requirements laid down in Deutsche Telekom's Supplier Code of Conduct, we have a risk incident process in place in accordance with the LkSG, which we describe in the following. The information we receive is incorporated into the regular LkSG risk analysis. This analysis is part of risk management and serves to identify human rights and environmental risks, including those at our direct suppliers. The information on the LkSG risk processes presented in this topical standard refers exclusively to the approach pursued by Deutsche Telekom's central procurement organization. T-Mobile US performs a risk assessment using its own methodology.

> We provide information on T-Mobile US' entity-specific risk assessment in section "ESRS S2-4 – Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions."

Responsibility for sustainability in procurement lies with the Board of Management department for Finance and the Group's procurement functions. Other functional units and sustainability management provide topic-specific support.

In section "ESRS S2-4 – Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions," we address cases in which the risk analysis to be carried out regularly in accordance with the LkSG has revealed that there are compliance risks related to the aforementioned requirements and standards in the upstream value chain, and explain the actions derived from these findings.

ESRS S2-2 – Processes for engaging with value chain workers about impacts

We (Deutsche Telekom excluding T-Mobile US) regularly review the working conditions at our suppliers' production sites within the scope of audit programs. To do this, we ask workers in the upstream value chain to incorporate their perspectives into our due diligence process as part of the mobile workers' surveys. This gives our suppliers' employees an opportunity to provide anonymous information about the social and ecological situation at their company. The surveys are primarily used to gain an impression of the local working conditions in order to then initiate further actions as needed, such as specific on-site reviews (social audits). The social audits are conducted by external auditors. T-Mobile US has not put a process in place to take into account the perspectives of the workers in the upstream value chain. However, the company does conduct audits of suppliers as needed in order to review the supplier requirements.

We focus our audit activities on strategically important and particularly risky suppliers. They are audited regularly. This is how we obtain transparency about the risks in our supply chain. If production facilities are outsourced, their operators – and therefore indirect suppliers – are also audited.

The social audits are conducted within the framework of our cooperation with the Joint Alliance for CSR industry initiative (JAC, formerly Joint Audit Cooperation), which comprises 29 globally active telecommunications companies (Deutsche Telekom excluding T-Mobile US). This alliance enables us to cover a larger number of relevant suppliers in our supply chain. At our suppliers, labor and social standards are audited this way.

ESRS S2-3 – Processes to remediate negative impacts and channels for value chain workers to raise concerns

If it is known that suppliers have violated specific human rights or environmental regulations, the risk incident process in place at Deutsche Telekom excluding T-Mobile US provides for the following. In the first step, the central procurement organization verifies the plausibility of the suspected case as part of an ad hoc risk analysis and, if the result is positive, forwards it to an expert committee. This committee comprises representatives from GCR, Law & Integrity, and Procurement and is coordinated by the corporate procurement organization. If the committee decides to obtain a statement from the supplier concerned, it contacts the supplier without delay in the second step of the process. Where the violation of a human right or environmental obligation is confirmed, we may require the supplier concerned, if necessary with support from Deutsche Telekom, to define mitigation measures and agree deadlines for their implementation with us. If the steps taken prove to be insufficient, the expert committee escalates the case to the "LkSG Risk Board." If there is a risk that the supplier will not meet the requirements, the expert committee can recommend the temporary suspension of business relations. If the violation is severe or cannot be ended, then termination of the business relationship may be considered as a last resort.

Where indirect suppliers infringe the rules, we likewise seek contact with our direct suppliers that have a business relationship with the indirect suppliers, as we ourselves do not have a contractual relationship with them. We are committed to working with all parties involved to create an approach for preventing, eliminating or minimizing human rights violations, including for indirect suppliers, and to implement this in a spirit of partnership.

T-Mobile US expects its suppliers to monitor their compliance with the Supplier Code of Conduct. They are expected to report any concerns or suspected violations of the requirements of the Supplier Code of Conduct through the T-Mobile US Integrity Line and to promptly remediate any violations that are identified. T-Mobile US reserves the right to audit suppliers to confirm that they comply with the supplier requirements. Violations of the requirements of the Supplier Code of Conduct may jeopardize the business relationship with T-Mobile US, up to and including termination of that relationship.

Deutsche Telekom's suppliers must give their workers effective processes and a safe environment to provide their grievances and complaints and feedback in accordance with the relevant supplier codes of conduct. We expect our suppliers to regularly inform their employees about the grievance mechanisms, train them how to use them and regularly review the reporting procedures. Additionally, they are expected to regularly document the progress made in clarifying the allegations made and resolving the reported issues. The grievance mechanisms must be accessible and include an option to report anonymously where reasonable or possible. Workers and/or their representatives must be able to openly communicate and share ideas and concerns with management regarding working conditions and management practices without fear of discrimination or retaliation.

> We describe our strategies for protecting individuals against retaliation in section "ESRS G1-1 – Business conduct policies and corporate culture."

Furthermore, our suppliers must inform their workers about how to use Deutsche Telekom's TellMe whistleblower portal or T-Mobile US's Integrity Line, both of which are publicly available. If a supplier does not have its own complaints mechanism, this information is sufficient.

> For more information on the whistleblower mechanism, see section "ESRS G1-3 – Prevention and detection of corruption and bribery."

The contracts entered into with our suppliers and the supplier codes of conduct make explicit reference to TellMe and Integrity Line and provide a link to these channels, which means that all contracting parties are aware of and have access to the complaints mechanism.

> For more information on how availability of the channels is supported, see sections "ESRS S1-3 – Processes to remediate negative impacts and channels for own workforce to report concerns" and "ESRS G1-1 – Business conduct policies and corporate culture."

We also receive information about potential grievances in the upstream value chain (Deutsche Telekom excluding T-Mobile US) through the audits described in section "ESRS S2-2 – Processes for engaging with value chain workers about impacts" as part of the multi-sector JAC initiative or through reports in the media.

No severe human rights incidents connected to workers in the upstream value chain (e.g., forced labor, human trafficking, or child labor) were reported through the aforementioned channels in the reporting year.

We describe how the grievances raised are tracked and monitored in section "ESRS G1-3 – Prevention and detection of corruption and bribery." We provide information on the effectiveness of our grievance mechanism related to reports from workers in the upstream value chain in section "ESRS S1-3 – Processes to remediate negative impacts and channels for our own workforce to report concerns."

ESRS S2-4 – Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions

As part of the LkSG management system, we conduct regular risk analyses for the own business operations of the consolidated Group companies (Deutsche Telekom excluding T-Mobile US) and their direct suppliers. We also perform ad hoc risk analyses of suppliers about whom we have substantiated knowledge of misconduct, as described above.

The LkSG risk analyses include information from internal and external sources. These include publicly available reports on country and industry risks, information from our existing management processes, grievance mechanisms, employee surveys, or audits. In addition, we make use of the knowledge of internal and external human rights experts. The information is checked for plausibility and prioritized. Thus, we have been preparing an annual risk matrix for our own business areas and for suppliers. A company's own business activities are defined in § 2 (6) of the LkSG as "any activity of the company to achieve its business objective" and are the same as Deutsche Telekom's "own business activities" referred to consistently elsewhere in the Annual Report. The results of the risk matrix are adopted by the Board of Management. They form the basis for deriving further actions.

In the case of selected high-risk, strategically important suppliers, we perform additional supplier assessments over and above this risk analysis. We use the EcoVadis platform throughout the Group for this purpose. This platform enables us to assess and monitor the environmental, social and governance practices of companies worldwide.

As a U.S.-listed company, T-Mobile US conducts its own enterprise risk assessments according to its own methodology, the results of which it regularly reports to the relevant bodies, including representatives of Deutsche Telekom AG. Additionally, before T-Mobile US selects suppliers, it utilizes a centralized third-party risk management process to screen potential suppliers for human rights violations and environmental risks, among other things. T-Mobile US also continuously subjects its suppliers to supplier risk assessments adapted to their risk profile and reserves the right to audit suppliers to confirm compliance with its Supplier Code of Conduct.

In 2023, we identified risks and human rights violations at our suppliers in connection with working conditions, equal treatment and equal opportunities for all, as well as other work-related rights, as part of the LkSG risk analysis. We assessed the risks based on various criteria, taking into account, e.g., the extent to which our suppliers contribute to the emergence of these risks as a result of their business activities. We have prioritized the following risks at our direct suppliers for follow-up: "Disregard for occupational safety and work-related health hazards," "Destruction of natural living conditions through pollution," and "Prohibition of unequal treatment in employment." We also know from press reports that there are human rights and environmental risks associated with the extraction of raw materials for the production of telecommunications terminal equipment as well as with civil engineering works. We have therefore developed industry-specific measures for both civil engineering and the procurement of raw materials that have verifiably been extracted in conflict or high-risk regions. We already implemented most of these in 2024.

We did not classify as high any risks that we identified in connection with collective bargaining, freedom of association and forced labor based on the results of the LkSG risk analysis in 2023. As part of the 2024 LkSG risk analysis, we prioritized risks related to the topics of "Forced labor at lower levels of the supply chain" and "Violation of freedom of association" at suppliers in the ICT and automotive sectors (fleet suppliers) and started developing further actions.

In the following, we describe the prevention and mitigation measures that we (Deutsche Telekom excluding T-Mobile US) have taken to address the prioritized risks identified in the 2023 LkSG risk analysis up to and including 2024. As a matter of principle, we have contacted all high-priority direct suppliers and discussed our human rights and environment-related expectations with them. Our dialogue with suppliers serves to raise awareness and can therefore avoid risks and violations.

Our influence is considerable when it comes to sourcing products for our own brands (e.g., T Phone and T Tablet). For this reason, we (Deutsche Telekom excluding T-Mobile US) took the following measures during the reporting period to mitigate negative impacts on workers in the upstream value chain when sourcing own-brand products manufactured using raw materials extracted in conflict or high-risk regions:

- Dialogues to raise supplier awareness of risks related to the extraction of raw materials
- Analysis of products to determine whether they contain raw materials from conflict and high-risk regions or a proportion of raw materials from certified smelters
- Defining processes and responsibilities for reducing risk

We completed these process stages at the end of June 2024. Regardless of whether they are our own or third-party brand products, our technical requirements for mobile devices additionally include the requirement that conflict minerals must not be used. If this is not possible for technical reasons, we require our suppliers to make the mineral supply chain transparent by using the Conflict Minerals Reporting Template (CMRT) developed by the Responsible Minerals Initiative (RMI).

The annual audits conducted as part of the JAC industry initiative also help to minimize negative impacts associated with the working conditions at the production sites of ICT suppliers. We also include suppliers at lower levels of the supply chain that produce or offer ICT hardware. As the production sites of most of the suppliers audited as part of the JAC audits are in Asia, the audits primarily happen there. Building on this, we concentrated in the reporting period on developing specific mitigation measures in a JAC working group, particularly in connection with working conditions at the locations of ICT suppliers. These actions include measures such as close collaboration with suppliers and the creation of greater transparency in the ICT supply chain. Through our involvement in networks and associations, such as the UN Global Compact, econsense, and the Global enabling Sustainability Initiative (GeSI), we also want to help ensure that the ICT industry does a better job of implementing sustainability requirements in the global supply chain over the long term. That is why we exchange information on best practices and pool resources for improving labor standards as part of the initiatives.

U.S. law requires companies to conduct due diligence on the source of conflict minerals necessary to the functionality or production of products that they manufacture or contract to manufacture. The T-Mobile US Responsible Sourcing Policy outlines that suppliers must source conflict minerals responsibly, either from recycled or scrap sources or from smelters or refiners that have completed or are progressing towards completing an audit by a recognized third-party verification program. Suppliers are required to conduct their own due diligence into the source and chain of custody of any conflict mineral used in products or components supplied to T-Mobile US. They must provide full transparency of the mineral supply chain, using a verifiable traceability system such as the RMI Conflict Minerals Reporting Template (CMRT). Additionally, suppliers must adopt a conflict minerals policy and supplier due diligence practices.

To mitigate negative impacts on workers in the field of civil engineering works in the optical fiber rollout in Germany, we have defined special contractual terms for our business partners in this industry. These include, for example, the stipulation that work may not be subcontracted from subcontractor to sub-subcontractor. This clause helps to avoid complex subcontracting chains that can increase the risk of human rights violations. In addition, safety and health inspectors monitor mandatory compliance with occupational safety and environmental protection regulations during construction site inspections, using a set of guidelines that has been aligned with the LkSG requirements since 2024. Moreover, we audit civil engineering suppliers and have also been factoring the LkSG requirements into these audits since 2024.

During the reporting period, we published an informational bulletin for our German-speaking civil engineering suppliers on our website for the first time. In this we draw the attention of our direct suppliers to their obligation to contractually ensure that employment contracts are drawn up and that workers in the upstream value chain, especially migrant workers, are able to understand the text of the contract. To minimize negative impacts on the workforce, we also expect our suppliers in the civil engineering industry to comply with the following principles when subcontracting.

Ensuring fair pay:

- Payment of fair wages, at the very least in accordance with statutory and industry-specific minimum requirements and standards, including payment of all social security contributions
- Correct payment of allowances and overtime work
- Pay slip transparency for employees, taking account of language barriers

Reduced risk of accidents:

- Preparation of the legally required threat assessment and implementation of the occupational health and safety actions to be developed from this
- Provision (free of charge) of the safety equipment needed for the specific threat
- Regular training and instruction material

Ensuring other work-related rights, for example compliance with the ban on exploitative or involuntary labor:

- No retention of identity documents
- Compliance with statutory working time
- Adequate, decent housing
- No threats or use of physical force or violence

To raise awareness for human rights-related risks in civil engineering, we have shown workers on construction sites how to report anything out of the ordinary, e.g., by handing them special business cards. Workers can report information to Deutsche Telekom via TellMe using a QR code printed on them: We also introduced web-based training for workers in civil engineering during the reporting period. This is intended to raise awareness for industry risks in civil engineering and provide information about processes with which they can be minimized.

Since most of the civil engineering projects are based in Germany, the focus of our actions is also there. They are geared towards construction site employees and their management in the upstream value chain, but also towards our own workforce. Large-scale civil engineering and infrastructure projects generally require a large number of workers, which is why migrant workers play an important role in the industry. Migrant workers are considered a vulnerable group who may be exposed to precarious employment and working conditions.

We review the effectiveness of the above-mentioned mitigation and prevention measures once a year or on an ad hoc basis as part of the LkSG risk process. We do this by evaluating predefined metrics that we developed when we drafted the individual actions. The effectiveness of the actions that followed from the 2023 LkSG risk analysis and were implemented in 2024 will be reviewed by the relevant departments in early 2025.

As an overarching action in connection with our own practices, we have incorporated, e.g., the LkSG obligations into the procurement policy and the general terms and conditions for suppliers of Deutsche Telekom. The procurement policy emphasizes the importance of sustainability in procurement. In addition, our procurement employees are continuously informed about the LkSG requirements through mandatory training courses so that they can comply with them. Where possible, we track the attendance rate to monitor the effectiveness of this action. We have also published a web-based training course for suppliers on Deutsche Telekom's website.

When selecting suppliers, we attach great importance to ensuring that our suppliers are familiar with our sustainability requirements as set out in the Supplier Code of Conduct. As part of the selection process, we also review the risk status of selected suppliers, including by using external data. This may result in no order being placed or no contract being entered into. In the course of tenders, we also weight sustainability criteria alongside quality and cost criteria, wherever possible. These include our suppliers' carbon emissions and, for certain product groups, respect for human rights. This also creates a strong incentive for suppliers to take greater account of sustainability and to offer more sustainable products and services.

As part of the introduction of the LkSG management system, we created the new role of LkSG officer and established an LkSG Risk Board.

> Further information on the monitoring of our LkSG management system by the LkSG officer can be found in the section "ESRS S1-1 – Policies related to our own workforce."

In addition, it is not possible to allocate human and financial resources for the management of the described measures with any degree of accuracy due to the complexity of our business activities. As a rule, all actions are implemented using the budgets of the individual units and normally do not require significant operating or capital expenditure.

> For more information, please also refer to other Deutsche Telekom publications on human rights on our website, e.g., the LkSG Annual Report and the reports to the supervisory authority in accordance with the LkSG.

Targets

ESRS S2-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

We monitor the effectiveness of our policies and actions related to the improvement of working conditions, equal treatment and equal opportunities, and other work-related rights in the upstream value chain through the LkSG risk process described in detail in this topical standard. Compliance with T-Mobile US's human rights policy and Supplier Code of Conduct is continuously monitored; TellMe and Integrity Line are used to record violations of supplier requirements. Over and above this, we have not defined any specific time-bound or outcome-based targets that apply to the entire Group.

ESRS S4 – Consumers and end-users

The internet has evolved into an indispensable part of our daily social lives. Despite the numerous advantages that digitalization brings, there are still people who face challenges in fully participating in the digital world. We are committed to ensuring that everyone has an opportunity to take part in the digital world. For us, this also includes protecting the rights of consumers and end-users – especially children and young people – as well as enabling assistance in emergency situations as part of the ongoing network build-out. We also address the protection of our customers' data and health concerns related to the mobile network build-out. We always align our actions with the challenges and requirements of the countries where we operate. The topics are therefore mainly managed locally.

The following index shows the disclosure requirements relating to the topical standard "Consumers and end-users" identified by the materiality assessment.

ESRS index under ESRS 2 IRO-2

Disclosure requirement	Name with reference
ESRS S4 – Consumers and end-users	
ESRS 2 SBM-2 S4	Interests and views of stakeholders
ESRS 2 SBM-3 S4	Material impacts, risks, and opportunities and their interaction with strategy and business model (use of phase-in option for ESRS 2 SBM-3 para. 48e)
ESRS S4-1	Policies related to consumers and end-users
ESRS S4-2	Processes for engaging with consumers and end-users about impacts
ESRS S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns
ESRS S4-4	Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions
ESRS S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Strategy

ESRS 2 SBM-3 S4 – Material impacts, risks, and opportunities and their interaction with strategy and business model

The table below shows the material **impacts** of our business activities on society and the environment that we have identified through the double materiality assessment.

> We provide overarching information on how material impacts, risks, and opportunities interact with our strategy and business model in the "ESRS 2 SBM-3 – Material impacts, risks, and opportunities and their interaction with strategy and business model" section.

Value chain	Nature of impacts	Description	Reference to business model/ strategy
Information-related impacts for consumers and/or end-users			
Downstream	Positive (actual/short-term: <1 year)	The ongoing build-out of Deutsche Telekom's network infrastructure facilitates **access to information**. The ability to share opinions with a wider audience has a fundamentally positive impact on the exercise of the right to **freedom of expression**. The network build-out will thus also help to ensure that all people have equal opportunities to be a part of the digital society.	Based on the business model
Personal safety of consumers and/or end-users			
Downstream	Positive (actual/short-term: <1 year)	The ongoing network build-out is making it easier to provide assistance in emergency situations. Improved positioning options have a positive impact on the security of persons – even in remote areas.	Based on the business model
Downstream	Negative (actual/short-term: <1 year)	Easier access to the internet also exposes children in particular to risks, making the **protection of children** more difficult.	Connection with the business model
Social inclusion of consumers and/or end-users			
Downstream	Positive (actual/short-term: <1 year)	The network build-out is helping to ensure that all people have **access to Deutsche Telekom's products and services** and can therefore participate in the digital society. Initiatives such as No Hate Speech also promote **non-discrimination** in the digital world. Our involvement in these initiatives and the change brought about as a result are shown by company-specific metrics such as the Community Contribution – Digital Society and Beneficiaries – Digital Society ESG KPIs.	Based on the business model

The following overview illustrates Deutsche Telekom's material topic-specific **risks and opportunities** and their financial effects on our financial position, financial performance, and cash flows.

> Risks and opportunities that represent a top risk in the next two years are described in the "Risk and opportunity management" section.

Value chain	Risk/opportunity	Description
Information-related impacts for consumers and/or end-users		
Downstream	Risk	Despite preventive actions and very well-established data privacy management structures, it is not possible to categorically rule out **data privacy incidents** in the ICT industry because almost all data processing/processes in the Group are relevant for data protection. This results in reputational, cost, and sanction-related risks.
Personal safety of consumers and/or end-users		
Downstream	Risk	Public debate about potential **health risks** from mobile communications and electromagnetic fields (EMF) may impact the build-out of mobile infrastructure and lead to regulatory intervention, such as stricter limits for electromagnetic fields or the implementation of precautionary measures for mobile communications, e.g., amendments to building laws or the risk of labeling requirements for devices. This could lead to increased operating and capital expenditure.

Consumers and end-users who may be affected by Deutsche Telekom's material impacts include:

- People who purchase our products or use our services that potentially negatively impact their rights to privacy, to have their personal data protected, to freedom of expression and to non-discrimination
- People who are particularly vulnerable to health or privacy impacts or impacts from marketing and sales strategies, such as children or financially vulnerable individuals

They do not include:

- Consumers or end-users of products that are inherently harmful to people or increase risks for chronic disease
- Consumers or end-users who are dependent on accurate and accessible product- or service-related information, such as manuals and product labels, to avoid potentially damaging use of a product or service

When analyzing the material financial risk in connection with data protection, we also consider the impact on Deutsche Telekom's business customers.

> For information on how we have developed an understanding of how consumers and end-users with particular characteristics may be at greater risk of harm, see section "ESRS S1-1 – Policies related to our own workforce."

Impact, risk, and opportunity management

ESRS S4-1 – Policies related to consumers and end-users

Information-related impacts for consumers and/or end-users (freedom of expression and access to (quality) information), personal safety of consumers and/or end-users (personal security), and social inclusion of consumers and/or end-users (non-discrimination and access to products and services). As a provider of digital infrastructure, we run our operations based on the principle of digital responsibility. As society becomes increasingly digital, we at Deutsche Telekom are making strenuous efforts to ensure everyone can take part in the digital world and lead their lives alongside each other on the basis of democratic principles. To ensure we can achieve these objectives across our Group, we have incorporated digital inclusion as a key topic in our CR strategy. With our approach to digital inclusion (access, affordability, and ability) and digital values, we want to advance our material positive impacts related to access to information, freedom of expression, personal security, and social inclusion, and mitigate negative impacts:

- Access to state-of-the-art information technology is key to participating in the information and knowledge society (Access). That is why we continue to rapidly expand our infrastructure and improve transmission speeds with new, secure technology. This build-out is based on the goals of our Europe-wide integrated network strategy, which we use to help achieve the EU Commission's network build-out targets and the Federal Government's Digital Agenda and broadband strategy. The strategy is founded on the two pillars of building out mobile and fixed networks, with the focus of the former being on 5G coverage – the most powerful technology standard currently available. In the fixed network, we are focusing on rolling out our optical fiber to provide our customers with a reliable connection at gigabit speeds.
- Ensuring that products and services are affordable is also important so that people can participate equitably in the information and knowledge society (Affordability). We offer rate plans and equipment tailored to the financial possibilities of different consumers and end-users.
- We also want to develop their skills and motivation to use digital media (Ability). We view media literacy as the key to safe interactions with digital media and a crucial skill for our work and private lives. Our approach begins with strengthening basic skills in using media and extends all the way to safeguarding privacy and dealing responsibly with hate and disinformation.

> For further information on the network build-out, please refer to the sections "Group strategy" and "Economic environment."

In addition, we aim to promote digital values and hence the social inclusion of consumers and end-users by developing their skills: The internet is supposed to be a space in which everyone can feel safe. That is why we are shaping the transition towards a positive culture of online debate and making a stand against hate speech and for civil courage online. We are working closely with non-governmental organizations (NGOs) toward that end.

In line with Deutsche Telekom's CR strategy, GCR develops our approach to digital inclusion and digital values. In accordance with the local network build-out strategy, responsibility for network build-out is decentralized and lies with the Board of Management departments of the Germany, Europe, and United States operating segments.

We use the Beneficiaries – Digital Society ESG KPI, among others, to measure the effectiveness of our activities to advance digital inclusion Group-wide. We also measure the reach of selected campaigns. In addition, we consider the impact measurement for our network build-out activities in terms of the progress we have made in network build-out.

> For further information on the Beneficiaries – Digital Society ESG KPI, please refer to the section "ESRS S4-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities."

Personal safety of consumers and/or end-users (protection of children). Protecting our customers' data and ensuring their safety is crucially important for consumer protection at Deutsche Telekom. In this context, we aim to protect children and young people in particular when they use digital media. Our commitment to protecting children and young people in the Germany and Europe operating segments is anchored in our Code of Human Rights. Beyond that, the Group does not have a uniform Group-wide approach for the protection of children because the topic is managed and actions are monitored locally in line with country-specific requirements.

To advance the protection of children when they use digital media, we provide an age-appropriate content portfolio for children and offer information for parents and guardians to help them shield their children from harmful content. We implement various actions to ensure that young people acquire media skills and can interact safely with online content. For detailed information, please refer to our approach to digital inclusion and digital values described above.

In addition, we collaborate closely with law enforcement authorities and NGOs as well as other partners from business, politics, and society to ban online content that is harmful to children and young people. In Europe, we have been committed to fighting child pornography on the internet since 2007. GSMA (an association representing the interests of mobile operators worldwide), of which we have been a member since 2008, pursues the same objectives at a global level. Other than this, in view of the decentralized management and country-specific regulations, we have not defined any specific time-bound or outcome-oriented targets or other targets in the Group that we can use to measure our progress in mitigating the negative impacts associated with the protection of children.

Information-related impacts for consumers and/or end-users (privacy). Deutsche Telekom practices an active data privacy and compliance culture that we have built up over many years. It forms the basis for countering impacts in the area of data privacy and for preventing the material risks arising from any data privacy incidents. The Group companies are subject to specific data protection requirements. In the EU, for example, the General Data Protection Regulation (GDPR) in particular applies. These requirements must be implemented and their compliance must be monitored. Our data privacy management system outlines the actions, processes, and audits we use to ensure compliance with laws, regulations, and self-commitments to uphold data privacy. Since data privacy regulations differ in the United States, T-Mobile US has adopted its own approach, which is presented at the end of this section.

We aim to ensure lawful processing of personal data, upholding fundamental human rights. We are committed to the fundamental right to data protection and informational self-determination applicable in the EU and promote its global recognition. Particularly when developing and using artificial intelligence (AI) or other algorithm-based applications, we ensure that these comply with data privacy regulations and take human rights-related matters into consideration. At the same time, we work to ensure that every individual retains control over the use of their data. This includes providing information on how data-driven business models work and how, for example, our customers can exert digital sovereignty.

Through our global data privacy organization, we are continually pursuing the objective of a transparent, high level of data protection in all of the Group companies. As far as legally possible, the companies of the Deutsche Telekom Group have additionally committed to complying with the Binding Corporate Rules Privacy policy, which are intended to ensure a uniform high level of data protection for our products and services in accordance with ISO 27701.

Similar to the data privacy organization, we have established a security organization which operates both on a centralized basis and in all Group entities. The Security policy contains Deutsche Telekom's key safety-related principles in relation to data security and is also based on the ISO 27701 standard. These components form the basis for ensuring an appropriate and consistent level of security within our Group.

The Board of Management department for Human Resources and Legal Affairs has overarching responsibility for data privacy. Responsibility for data security rests with the Board of Management department for Technology and Innovation.

T-Mobile US is subject to U.S. data privacy laws. The company has appointed a Chief Privacy Officer to ensure compliance with these laws. Confidential handling of information and personal data is incorporated in various areas of T-Mobile US, including in the T-Mobile US Code of Conduct. In addition, T-Mobile US provides its employees with annual data privacy and data security training and offers role-specific training designed to help them comply with data privacy laws.

> For further information on the T-Mobile US Code of Conduct, please refer to the section "ESRS G1-1 – Business conduct policies and corporate culture."

We publish an annual Group-wide transparency report on the principles of our cooperation with law enforcement authorities. On top of this, we disclose the type and scope of the information we provide to security authorities in the European national companies and at T-Mobile US in individual reports.

Personal safety of consumers and/or end-users (health and safety). There are public debates about potential health impacts of 5G and the EMF used by mobile communications surrounding the build-out of the 5G network. We have been providing information on the scientific evidence regarding mobile communications and health as well as on the statutory thresholds for more than 20 years now. Our collaboration with local authorities to expand the infrastructure is another focus of our communications.

We want to make our mobile communications infrastructure and our products, as well as the processes on which they are based, as resource-efficient, secure, and safe for health as possible. The EMF principles in force throughout the Group, which we updated in 2023, play a key role in this regard: Our EMF policy contains uniform minimum requirements for mobile communications and health that go far beyond the national legal requirements. It provides a mandatory framework that ensures that the topic of mobile communications and health is addressed in a consistent, responsible way throughout the Group, and it is based on the recommendations of the International Commission on Non-Ionizing Radiation Protection (ICNIRP). This policy is a reflection of our commitment to greater transparency, participation, and the provision of information and scientific facts. All Group companies that operate mobile networks have accepted the EMF policy and implemented most of the required actions.

Ultimate responsibility for mobile communications and health lies with the Board of Management department for Germany; however, the EMF policy is implemented decentrally by the individual Group companies, usually by top management in the technology division. The responsible EMF managers of the Group companies describe the relevant EMF situation in the EMF Core Team working group, thereby promoting the exchange of technical information. We have no other established process for monitoring the effectiveness of the EMF policy. We have also not set any specific time-bound or outcome-oriented or other targets for advancing and measuring progress in the management of material risks relating to the topic of mobile communications and health.

Human rights policy commitments relevant to consumers and/or end-users. We are committed to respect human rights and make efforts to enforce them in the context of our customers. Our actions are based on the universally accepted standards and principles that we have defined in Deutsche Telekom's Code of Human Rights.

> For further information, please refer to the section "ESRS S1-1 – Policies related to own workforce."

In relation to end-users and consumers, the Code of Human Rights defines principles and expectations in the context of:

- Privacy and informational self-determination
- Freedom of expression and information
- Protection of children and young people
- Mobile communications and health
- Digital responsibility and participation

T-Mobile US has its own Human Rights Statement, which does not explicitly address the principles and expectations outlined above in relation to consumers and end-users, with the exception of data protection and freedom of expression and information, but covers them as a whole.

Protecting human rights also plays a key role for us in responsibly shaping technological change and digitalization – because our aspiration is to apply a humanistic value system in the use of our technologies. This is another reason why we engage with end-users and consumers in the formats explained in section "ESRS S4-2 – Processes for engaging with consumers and end-users about impacts." In the Code of Human Rights, we also describe our approach to taking mitigation measures in the event of negative impacts on human rights. However, we only provide or enable remediation in the upstream value chain and in our internal business units – not in the context of end-users and consumers.

Both Deutsche Telekom's Code of Human Rights and the Human Rights Statement of T-Mobile US comply with relevant internationally recognized instruments, such as the UN Guiding Principles on Business and Human Rights. However, as our due diligence does not yet extend to the downstream value chain, human rights-related reports related to consumers and end-users are not systematically recorded. Participants in the downstream value chain can nevertheless use the Company's complaints channels.

ESRS S4-2 – Processes for engaging with consumers and end-users about impacts

In order to understand and address our material impacts, we engage with the interests and perspectives of end-users and consumers both on an ongoing basis and ad hoc, particularly in the context of the development and use of products and services and our network build-out plans. We do not have a procedure for directly engaging with children. That is why we involve legitimate proxies in the event of negative impacts on the protection of children. Consumer protection associations, NGOs, and public authorities play an important role in this context. Responsibility for engaging with consumers and end-users, or their legitimate representatives as well as legitimate proxies, is organized decentrally. We make a distinction between three inclusion formats: information, dialogue, and participation. The Design for All sounding board is an example of how the interests of consumers and end-users are taken into account. It is staffed with external experts and advises us (Deutsche Telekom excluding T-Mobile US) on ways of making our products and processes more accessible and easier to use.

> For further information on our stakeholder engagement process, please refer to the section "ESRS 2 SBM-2 – Interests and views of stakeholders."

ESRS S4-3 – Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

A variety of channels is available to consumers and end-users in all the countries where we operate to raise inquiries and complaints about Deutsche Telekom products or services. These include telephone hotlines, email, live-chats, and social media. Consumers and end-users can also contact Deutsche Telekom's data protection and data security teams directly via country-specific channels and report cases of data misuse on the internet in connection with Deutsche Telekom's systems. Consumers and end-users in Germany can also contact us directly via a free hotline and established mailboxes if they have health-related questions about the electromagnetic compatibility of mobile communications infrastructure or devices, as well as their impact on the environment, or if they wish to express any concerns. There are no comparable channels in the European national companies and at T-Mobile US that can be used explicitly for reporting complaints related to the topic of mobile communications and health. The other complaints channels are available for this. We provide information for consumers and end-users on the required contact information on our website.

We examine the reports received through the various channels mentioned above and forward them to the appropriate internal experts as needed. As part of our review of information received in connection with the data protection of our customers, we assess whether the supervisory authorities and the persons affected must be notified, and we act accordingly. We initiate mitigation measures if necessary and possible. To ensure the effectiveness of the process, we regularly test whether channels can be reached and evaluate customer feedback. We also monitor the number of reports received and use them to measure awareness and acceptance of the contact options.

> For more information on our non-financial performance indicator for customer satisfaction (TRI*M), please refer to the section "Performance management system."

> We describe our strategy for the protection of individual whistleblowers against retaliation in section "ESRS G1-1 – Business conduct policies and corporate culture."

ESRS S4-4 – Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions

Information-related impacts for consumers and/or end-users (freedom of expression and access to (quality) information), personal safety of consumers and/or end-users (personal security), and social inclusion of consumers and/or end-users (non-discrimination and access to products and services). We are continuously building out our network to enable technical access to the network. This allows us to provide broad accessibility in emergency situations, improving the personal safety of consumers and end-users. To this end, we also cooperate with partners – especially in more remote areas. The requirements and underlying conditions are different in each of the countries in which we operate, and taking appropriate action is the responsibility of the operating national companies.

Our network build-out in Germany follows the open access principle: The networks that we build are open for use by our competitors, regardless of whether they were involved in building the network. As such, network sharing agreements with other German network operators can contribute to broader mobile communications coverage. Similar agreements in various forms are also in place in the other European countries in which we operate. By cooperating with other companies, we are also helping to build out the fixed network more quickly in Germany. The US also has federal interconnection and roaming agreements to promote broad and accessible mobile coverage across the country.

In emergency situations, it is crucial for networks to function properly, so that emergency calls can be made and responses organized. In emergencies such as floods or large fires, in which network equipment is damaged to the point that mobile communications and fixed-network services cannot be quickly restored, our Disaster Recovery Management (DRM) comes into play. It provides mobile containers with communications technology, emergency power generators, and mobile radio masts to provide a replacement for the disrupted mobile communications and fixed-line networks. The movable masts are connected via radio relay and satellite links to restore mobile communications coverage within a few hours of extreme events. This allows us to quickly provide a connection to the network in an emergency. We also use the relay and satellite connections to quickly put regular mobile network sites (back) into operation if this is urgently needed and the planned or previously existing connection (e.g., in the form of optical fiber) is not yet or no longer available.

> For more information on how we deal with extreme weather events, please refer to the section "ESRS 2 SBM-3 E1 – Material impacts, risks, and opportunities and their interaction with strategy and business model."

The further we advance with the network build-out, the more effectively we can implement the related actions. Monitoring is performed decentrally in the operating segments, for example, by measuring network coverage, evaluating customer satisfaction, using external benchmarks, and recording the build-out obligations in connection with frequency auctions, e.g., by local regulatory authorities.

In addition to this, we are driving forward the development of technologies and products for a range of target groups. Making our products and services as accessible and non-discriminatory as possible is an increasingly important aspect of what we do. We drafted the Design for All product development guideline in 2023. This guideline is aimed at Group employees and aims to prevent exclusion, stigmatization, and discrimination right from the product development stage. This involves ensuring that our product development process takes full account of human diversity, including aspects such as physical and mental abilities, as well as other diversity dimensions such as age, gender, ethnic origin, and nationality. In adopting this approach, we are going beyond the legal obligations in Europe related to accessibility. We introduced a corresponding training concept in the reporting year that will help our employees to better grasp the principles of Design for All and help build awareness. The course is available on Deutsche Telekom's online training platform. For legal and other reasons, T-Mobile US employees do not have access to the platform, but the company is also supporting employees by providing training to enable them to develop accessible products and services.

To harness the potential of information technologies for the benefit of society, Deutsche Telekom promotes media literacy among consumers and end-users with a wide range of products and services available throughout the Group – always with the aim of ensuring that everyone can navigate the digital world safely and confidently. The Teachtoday International platform launched in the reporting year provides an overview of all the Group's media literacy initiatives worldwide. These also include measures that are explicitly designed to raise awareness on how to handle disinformation.

We (Deutsche Telekom excluding T-Mobile US) continued our No Hate Speech initiative, which was launched in Germany in the summer of 2020, in the reporting year. Through this campaign, we aim to raise awareness in society and enable people to put into practice and defend fundamental democratic values online. We are advocating for an internet in which everyone can utilize the opportunities of the digital world – without having to fear marginalization or hate speech. Our aim here is also to promote diversity in the digital world. We published the current campaign video "Feuerlöscher!" (fire extinguisher) in German-speaking countries in the reporting year as part of this initiative. Our aim with the video is to educate people and raise awareness on how to deal with disinformation. We are currently examining whether the campaign can be extended to other national companies.

To advance digital equity, T-Mobile US established Project 10Million to offer free and reduced internet connectivity and mobile hotspots to up to 10 million eligible student households. Through the end of 2024, T-Mobile US has connected over 6.3 million students since program launch. The company also works with its External Diversity and Inclusion Council, which includes of members from civil rights and social justice organizations representing a wide-range of underrepresented communities, to identify digital literacy and inclusion programs to support across the country.

We are also looking at how to use AI responsibly in the context of disinformation. In the reporting year, we took part in the collaborative innovation program X-Creation, which was initiated by T-Systems in the previous year, and developed the "News-Profi-App" (news professional). This is designed to enable users to verify information easily and simply by fact-checking it. True to the motto "share it with the app first, then with the world," the aim is to use AI to compare questionable content with trusted information and to be able to feed back the result to the person who spread the disinformation. The option to share the results with the original source is intended, above all, to reach people who are distant from socio-political issues, receptive to disinformation, and quick to share it without actively checking it. We started rolling out the app in Germany in the reporting year. We are currently looking for partners and sponsors who want to become involved in expanding and implementing the app.

We measure the effectiveness of our activities to advance digital inclusion with metrics such as the Beneficiaries – Digital Society ESG KPI. In order to identify the impacts of our products and projects on society, including their impacts on consumers and end-users, we have also developed a multi-level approach for the measurement of impacts. We describe the contributions of selected actions to impacts in order to obtain transparent and comparable results, using external frameworks such as the United Nations Sustainable Development Goals (SDGs). In addition, we take regulatory requirements and market trends into account. That allows us to evaluate our contributions to sustainable development. This process was validated externally in 2023. The outcome of the impact measurement helps us to steadily increase the positive impacts of our business activities and reduce negative impacts.

> For further information on the Beneficiaries – Digital Society ESG KPI, please refer to the section "ESRS S4-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities."

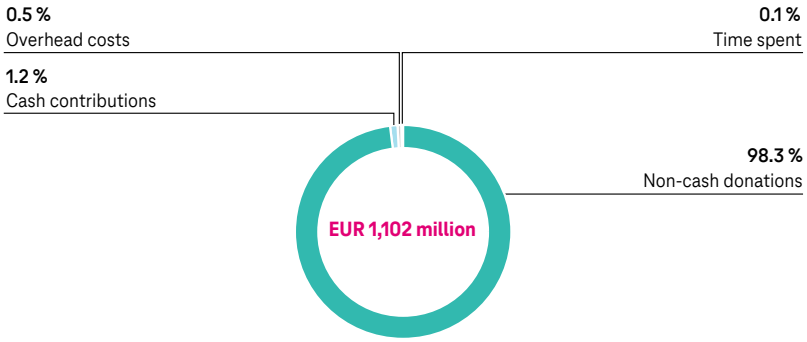
We want to avoid our own business activities contributing to negative impacts on consumers and end-users. That is why we are committed to human-centric, values-based digitalization (Corporate Digital Responsibility – CDR) and are striving for the responsible use of AI. Back in 2018, we were one of the first companies worldwide to adopt Digital Ethics Guidelines on AI. To supplement them, we developed the professional ethics guidelines in 2021 for all developers and product managers working with AI and have been continuously refining them since then. We founded the Digital Ethics interdisciplinary working group in 2022 that addresses the refining, monitoring, and implementation of digital ethics, further incorporating the topic within the Group. This is strengthened in the co-creation approach with the AI Competence Center (AICC) established in the reporting year. The interdisciplinary working group is also preparing the implementation of the EU AI Act. In the reporting year, we additionally offered a large number of training courses on the potential, functioning, and risks of generative AI. In our CDR framework, which we published in 2022, we set forth our perspectives on the far-reaching subject area of digital responsibility.

TMUS adopted its AI Principles in 2023, and published its Responsible AI Policy and Guidelines for the enterprise in the reporting year. A governance council has also been established with senior leaders that oversee the company's responsible use of AI.

We use the Community Contribution – Digital Society ESG KPI to measure our financial, human, and in-kind contribution to the digital society. With this approach we want to advance our material positive impacts related to access to information, freedom of expression, personal security, and social inclusion, and mitigate negative impacts: As previously outlined, we are taking a variety of measures to ensure everyone can take part in the digital world and lead their lives alongside each other on the basis of democratic principles. In the reporting year, our contribution to promoting the digital society amounted to a total of approximately EUR 1,102 million. We measure the effectiveness of our activities across the Group using the Beneficiaries – Digital Society ESG KPI. When measuring the two KPIs, we rely on methods employed by the organization Business for Societal Impact (B4SI), which incorporate the aspects "input" and "impact". The Community Contribution – Digital Society ESG KPI represents the "input," while the Beneficiaries – Digital Society ESG KPI represents the "impact." The Beneficiaries – Digital Society ESG KPI indicates the number of people who have benefited directly or indirectly (based on assumptions) from our commitment to promoting a digital society. These include, for example, people who use our media literacy platforms, attendees at workshops, and users of discounted rates (including household members). The metrics in this topical standard are not additionally validated externally.

> For further information on our target of improving the Beneficiaries – Digital Society ESG KPI, please refer to the section "ESRS S4-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities."

Community Contribution – Digital Society ESG KPI



For information on our investments in network build-out, please refer to the section "Group strategy."

When we develop actions to mitigate actual or potential negative impacts on consumers and end-users, we align ourselves with the legal requirements of the countries in which we operate. We keep the special protection that needs to be afforded to children in our sights at all times. We also draw on annual trend analyses, the findings of scientific studies, and our dialogue with NGOs. The feedback we receive through the formats described in section "ESRS S4-2 – Processes for engaging with consumers and end-users about impacts" is incorporated into the focus of our activities and the development of our products and services.

Personal safety of consumers and/or end-users (protection of children). Protecting minors from unsuitable media content poses a challenge that affects many industries. We therefore work together with different organizations for the protection of minors and participate continuously in coalitions that coordinate the involvement of companies and organizations from the internet and media sector. We are involved in various country-specific initiatives and support national programs to protect children and young people from age-inappropriate content on the internet and to raise awareness for ways to combat disinformation and promote respectful behavior online. One example of this is the online magazine AwareNessi, which is aimed at children and their adult caregivers. The issues are available in several languages.

Another focus of our actions is to raise parents' and legal guardians' awareness for technical solutions. Depending on the operating system, mobile devices in our distribution network have integrated parental controls that can be used to monitor or restrict content, applications, phone usage times, or location tracking. Our website and social media channels provide comprehensive support for child-proofing devices and user accounts. T-Mobile US offers customers the option of defining the user accounts of their children as Kids' Line accounts, for example. As a result, the Group company uses the data from these accounts only for basic services such as device operation or network administration, but not for targeted advertising. Kids' Line accounts are automatically excluded from the company's online advertising and marketing communications – marketing calls, emails, and text messages do not reach children thanks to this configuration.

In addition, we offer service plans for children and young people at some national companies that provide protection against fraudulent websites and theft of login or bank details through a specific security feature. Our MagentaTV platform, which combines services such as television, media libraries, and streaming services and which we offer in selected European countries, also features a parental control function that allows legal guardians to configure a supervisory function. For example, this allows them to block inappropriate content or to define usage criteria based on information from the content provider (e.g., "suitable for persons aged 18 and over"). We monitor the effectiveness of our actions to mitigate negative impacts on the protection of children by evaluating the usage rates of the above-mentioned products and services, for example, and – in relation to selected initiatives – also in the context of tracking the Beneficiaries – Digital Society ESG KPI.

Although our business activity is directly connected with negative impacts on the protection of children, we do not cause them. Our focus is therefore on developing and implementing mitigation and prevention measures. Since we do not implement or directly enable any specific mitigation measures, we have not established any procedures for measuring the effectiveness of such mitigation measures. As part of our No Hate Speech initiative, we also inform consumers and end-users about their digital rights. This includes providing information to people that, under the Digital Services Act (DSA), internet platforms are required to enable users to report input containing disinformation and hate speech. We take this risk very seriously, especially with respect to children and young people. Since Deutsche Telekom does not operate a platform itself, we do not fall within the scope of this EU regulation. For incidents related to right-wing extremism and child pornography, we encourage consumers and end-users to contact local law enforcement authorities directly. When designing content that is relevant to the protection of minors, we involve our youth protection officer in Germany; she suggests restrictions or changes, for example. In addition, it is not possible to allocate human and financial resources for managing the measures described above in the Group with any degree of accuracy due to the complexity of our business activities. As a rule, all

measures are implemented using the budgets of the individual units of the national companies responsible, and normally do not require significant operating or capital expenditure.

Unless specified otherwise, all actions and initiatives described in this standard are ongoing and have no specific time frame.

Information-related impacts for consumers and/or end-users (privacy). Protecting the data of all individuals and organizations that have a relationship with Deutsche Telekom is of the utmost importance to us; that is why our processes for managing material risks related to data protection and security are integrated into our existing data protection risk management process. We implement a range of different actions to mitigate reputation, cost, and sanction risks as well as risks to affected customers arising from data privacy incidents, and to enhance privacy. In doing so, we always keep a close eye on current developments, such as regulatory changes or technical advances, e.g., in the field of AI.

Data protection and security aspects generally play an important role in the development of our products and services. We review the technical and privacy-related security of our systems at every step of development using the Privacy and Security Assessment process (PSA) to update new and existing systems when the technology or method of data processing is modified. PSA is an important part of our risk management process. We regularly verify the effectiveness of the PSA process, both internally and through external, independent bodies, as part of the ISO 27001 and 27701 certifications, for example. We use a standardized procedure to also document the data privacy and data security status of our products throughout their entire life cycle. Rather than using the PSA process, T-Mobile US has established its own process for assessing data protection consequences, using this to identify the risks of data processing in new projects and the required safeguards. T-Mobile US also has processes in place to ensure data protection and performs a comprehensive data inventory of its systems.

To mitigate material risks arising from the effects and dependencies associated with business customers, T-Systems has been a member of the EU Cloud Code of Conduct General Assembly of SCOPE Europe – an association that advocates for a common regulatory framework in the European digital industry – since 2021. This expresses our commitment to the EU Cloud Code of Conduct, the first standard for cloud services to be recognized by the European data protection authorities. We are aligning T-Systems' cloud offerings with this. T-Systems and Google Cloud also signed a long-term cooperation agreement in 2021. Since 2022, the joint T-Systems Sovereign Cloud powered by Google Cloud combines the open-source expertise of both providers, enabling business customers to manage workloads in compliance with German and European regulatory requirements (GDPR and Schrems II). The joint service covers all three aspects of digital sovereignty in various solutions: data sovereignty, operational sovereignty, and software sovereignty, so that companies from regulated industries can process their sensitive data in the cloud in line with sovereignty requirements.

Telecommunications companies in Europe are required to train their employees on issues related to data privacy law when they begin their employment. To avoid our own business activities contributing to material negative impacts on consumers and end-users, our actions go beyond this legal requirement: In addition to the mandatory training that all Deutsche Telekom employees receive when they join the Group, we provide our employees with training in this area at least every two years and also place them under the obligation to uphold data and telecommunications secrecy. In this context, we also raise our employees' awareness for risks related to data security and privacy and inform them about existing procedures. This aims to ensure that our employees handle customer data confidentially.

Every two years, we (Deutsche Telekom excluding T-Mobile US) perform sample analyses to check the data protection and security awareness of our employees. Improvement actions are called for where needed. The effectiveness of the data protection training at T-Mobile US is regularly assessed as part of internal audits. The security of our systems is certified by external, independent bodies throughout the Group. We take any unusual audit findings into consideration when planning the follow-up audit. Aside from this process, we have not set any specific time-bound or outcome-oriented Group-wide targets for advancing and measuring progress in the management of material risks relating to data privacy.

Personal safety of consumers and/or end-users (health and safety). In the context of our Group-wide risk and opportunity management, we assess the risks that arise for us from the ongoing public, political, and scientific discussions about possible health risks from mobile communications in relation to the build-out of mobile infrastructure and from regulatory interventions. We aim to overcome concerns among the general public by providing objective, scientifically well-founded, and transparent information. Examples of our efforts to inform the public about the topics of technology, health, and mobile communications include our ongoing participation in industry initiatives such as the Mobile Telecommunications Information Center in Germany or the Forum Mobilkommunikation (mobile communications forum) in Austria. The websites of these industry initiatives provide insights into the specific details of our collaborative information work. Since responsibility for this action is spread between different players in the ICT industry, Deutsche Telekom is unable to track the effectiveness in practice.

Targets

ESRS S4-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

To measure the effectiveness of our actions and initiatives in connection with material impacts on digital inclusion, we report the Beneficiaries – Digital Society ESG KPI described above. Our target is to reach a cumulative total of more than 80 million in Beneficiaries – Digital Society from 2024 to 2027. We reached approximately 34 million people with our digital society actions in the reporting year. We defined our target based on an analysis of existing and planned initiatives in the individual segments. We then calculated the target value for the period 2024 to 2027. We inform consumers and end-users as well as other stakeholder groups about our target achievement through our external communication channels.

Governance

ESRS G1 – Business conduct

Deutsche Telekom is committed to lawful and fair corporate action. Our culture is characterized by mutual trust and respect, entrepreneurial thinking, and collaborative working. Compliance is a key component of Deutsche Telekom's business conduct, which is based on integrity and respect.

The following index shows the disclosure requirements relating to the topical standard "Business conduct" identified by the materiality assessment.

ESRS index under ESRS 2 IRO-2

Disclosure requirement	Name with reference
ESRS G1 – Business conduct	
ESRS 2 GOV-1	The role of the administrative, management and supervisory bodies
ESRS 2 SBM-3 G1	Material impacts, risks, and opportunities and their interaction with strategy and business model
ESRS 2 IRO-1 G1	Description of the processes to identify and assess material impacts, risks and opportunities
ESRS G1-1	Business conduct policies and corporate culture
ESRS G1-3	Prevention and detection of corruption and bribery
ESRS G1-4	Incidents of corruption or bribery

Strategy

ESRS 2 SBM-3 G1 – Material impacts, risks, and opportunities and their interaction with strategy and business model

No material impacts on society and the environment arising from our business conduct were identified in the double materiality assessment.

The following overview illustrates Deutsche Telekom's material topic-specific **risks and opportunities** and their financial effects on our financial position, financial performance, and cash flows.

> Risks and opportunities that represent a top risk in the next two years are described in the "Risk and opportunity management" section.

Value chain	Risk/opportunity	Description
Corporate culture		
Own business activities	Opportunity	Deutsche Telekom's compliance culture is a key component for business governance and engagement based on integrity and respect. Our corporate culture is incorporated in the Group's Code of Conduct and Guiding Principles. Regular training, reminder days, and campaigns are designed to keep these Guiding Principles fresh in employees' minds and help to shape our identity. The work environment and team spirit thus created have proven to be an opportunity for Deutsche Telekom in terms of attracting and retaining talents. They also help to prevent misconduct.
Protection of whistleblowers		
All stages of the value chain	Risk	Legislation such as the EU Whistleblower Directive and its transposition into national law creates an obligation for Deutsche Telekom to set up a system for reporting violations of different laws and to ensure its effectiveness. Our compliance management system (CMS) is designed to identify any compliance violations and to prompt action on these. There must be a secure process in place for reporting incidents throughout the entire value chain. If not, this complicates, e.g., the handling of compliance violations which may lead to loss of reputation and fines.
Corruption and bribery		
Upstream and own business activities	Risk	Corruption violates national and international law. Deutsche Telekom takes a clear stance against any form of corruption in the public and private sector, whether this is active corruption in the form of bribery, or passive corruption in the form of bribe-taking. The CMS is therefore particularly focused on preventing corruption. This is necessary to mitigate any losses caused by possible infringements. Aside from the possible fines, the risk of loss of reputation is high. If this occurs, financial risks could arise due to the possible loss of business partners, but also due to potential revenue losses caused by damage to the brand. The Deutsche Telekom brand is synonymous with high-quality service and security and may suffer a loss of trust in the event of compliance violations.

Impact, risk, and opportunity management

ESRS G1-1 – Business conduct policies and corporate culture

The bedrock of our corporate culture is our values. We have incorporated these in our Guiding Principles, comprising customer focus, integrity and compliance, teamwork, and entrepreneurship. The Guiding Principles are the basis for our internal cooperation, but also for engagement with our customers, shareholders, and the general public. All managers and employees at Deutsche Telekom have an obligation to fill these values with life. Building on this, the Codes of Conduct of Deutsche Telekom and T-Mobile US serve to make our Guiding Principles even more tangible. They define the rules for our daily work – both internally and externally. In doing so, they bridge the gap between the Guiding Principles and the many different policies in the Group as well as the legal regulations.

The management bodies are responsible for the business conduct of the individual Group companies at the highest level. We use regular employee surveys to evaluate and refine our corporate culture. These include questions on the corporate culture and how our employees perceive this culture in their everyday work. Where employees, business partners, or third parties are concerned that conduct does not comply with laws, our corporate culture, or internal policies, they can report this via our whistleblower portal – even anonymously if desired. This also includes tip-offs regarding human rights-related and environmental risks, as well as legal violations in our global supply chain. It can involve the actions of our employees in internal business units of Group companies, as well as those of our suppliers or business partners. For the investigation of internally or externally reported suspicions, we have implemented internal processes in which suspected violations are initially substantiated and, if necessary, further clarified in accordance with legal requirements. We have defined internal processes for reporting substantiated incidents to internal committees and supervisory bodies, depending on defined relevance thresholds.

In accordance with the applicable regulations, we have set up a whistleblower portal. We provide information to our employees about the whistleblower portal on the intranet, on the Company's website, as part of compliance training, and in targeted awareness campaigns. We ensure that any reports received are handled by suitably qualified staff. For more information on how we measure the impact of our whistleblower portal, please refer to the section "ESRS S1-3 – Processes to remediate negative impacts and channels for own workforce to raise concerns." To protect whistleblowers we have implemented prevention measures in accordance with the national requirements. Deutsche Telekom has procedures in place to investigate any incidents connected to business conduct – including cases of corruption and bribery – promptly, independently, objectively, and lawfully.

We take a risk-based approach in our anti-corruption training: The frequency and content of the training courses vary depending on employees' degree of exposure to compliance risks, including corruption and bribery. The Basic Knowledge Compliance e-learning is therefore geared towards all Deutsche Telekom employees. The e-learning is reviewed every 24 to 36 months, revised if necessary and rolled out again to ensure it is up to date. In addition, members of management bodies of operational entities are required to take part in classroom training every three years. Other e-learnings, for example on human rights, supplement the offering. We also communicate the principles of our business conduct and corporate culture in all internal media, including the intranet and mailings, and at townhall meetings. T-Mobile US provides multiple enterprise-wide trainings focused on T-Mobile US's Code of Business Conduct each year. People managers receive additional training on the Code of Business Conduct and their responsibilities in upholding the Code. These trainings are refreshed each year. New employees receive New Employee Orientation training that covers all topics included in the Code of Business Conduct. Additionally, deeper dives into certain Code topics are assigned to individuals or specific business units based on potential risk exposure for the roles. These trainings are reviewed and updated on a regular cadence. Specialized Code training is given (either face-to-face or via video) to the executive body.

The policies in place at Deutsche Telekom to fight corruption and bribery are geared in particular towards the functions within the Group that are most at risk in terms of corruption and bribery. These include primarily the management bodies of our operational entities. In addition, each Group company can define further risk areas (e.g., procurement or sales) depending on the specific risk situation.

ESRS G1-3 – Prevention and detection of corruption and bribery

We strive to avoid any risk that could question our integrity and cause harm to others. Deutsche Telekom has implemented a CMS that is particularly focused on preventing corruption. The CMS is implemented with the aim of minimizing risks arising from systematic infringements of legal or ethical standards that could result in regulatory or criminal liability on the part of the Company, its executive body members, or employees, or result in a significant loss of reputation. T-Mobile US has employed a risk-based approach to preventing corruption. T-Mobile US has processes in place to assess its anti-corruption risk and the risk management activities in place to mitigate this risk.

To be able to live up to our responsibility, it is important that we are made aware of any misconduct that could have an impact on compliance. Deutsche Telekom offers all employees as well as outsiders an opportunity to report violations of legal requirements and internal policies with the TellMe whistleblower portal and, where relevant, the T-Mobile US Integrity Line – even anonymously if desired. If requested, all reports will be treated in confidence to the extent permitted by law. Every report will be thoroughly examined, suspicions will be investigated, and any breaches rigorously pursued up. In regular compliance training sessions, we inform employees about the particular whistleblower portals.

Deutsche Telekom also expects its suppliers to comply with applicable law, observe social, ethical, and environmental standards as well as act sustainably. We also expect our suppliers to require the same of their subcontractors. We support our suppliers with a specially developed e-learning to help them act correctly. T-Mobile US also uses compliance training to inform employees about its Integrity Line. T-Mobile US has similar expectations as Deutsche Telekom for our suppliers. These expectations are outlined in the Supplier Code of Conduct of T-Mobile US.

The CMS as a whole, its individual elements such as the whistleblower portals, and our training sessions are regularly evaluated, updated, and adjusted as necessary.

The Board of Management takes overall responsibility for compliance as an essential leadership task. Our Chief Compliance Officer is responsible for the design and management of the CMS. Compliance officers implement the CMS and our compliance goals locally at the level of our operating segments and national companies. Our compliance work pursues the following targets in particular:

- Promoting a compliance culture and ethical conduct
- Identifying, analyzing, and assessing compliance risk at an early stage
- Integrating preventive actions in business processes early and permanently, to prevent breaches of compliance
- Responding consistently to any breaches of compliance
- Minimizing liability risks for the Company
- Being viewed as a dependable partner by customers and business partners

The Chief Compliance Officer is part of the Law & Integrity department assigned to the Board of Management department for Human Resources and Legal Affairs. This means that Deutsche Telekom's Compliance unit is organized independently from sales units. T-Mobile US' Board of Directors Nominating & Corporate Governance committee has oversight and responsibility for our Compliance and Ethics program. The Chief Compliance Officer of T-Mobile US is responsible for designing and managing the Compliance & Ethics program of T-Mobile US, and the compliance objectives of the program are similar to Deutsche Telekom's.

We inform employees through various channels about strategies and processes of the company with which we prevent, detect, investigate, and prosecute allegations or incidents related to corruption and bribery. These channels include intranet postings, mailings, and compliance training sessions.

Deutsche Telekom's training concept requires that all employees take the Basic Knowledge Compliance e-learning. This addresses the basic principles of compliance, the Code of Conduct, conflicts of interest, and anti-corruption and includes a self-check for decisions in difficult situations. As per our training concept, the management teams of the operational entities are deemed functions-at-risk. The Basic Knowledge Compliance e-learning is geared towards all employees and thus all functions-at-risk. In addition, we periodically conduct classroom training sessions on corruption and bribery with the members of management of the operational entities (training duration: 30–60 minutes, every three years). Where a Group company has classified other functions as at risk, they will also be included in the training program. Functions-at-risk are thus fully covered (100 %) by the training program.

We do not conduct specific compliance training sessions for Supervisory Board members. Where Deutsche Telekom employees are members of supervisory bodies, they receive general compliance training. T-Mobile US provides annual compliance trainings to its executive team and Board of Directors (including directors with supervisory role).

ESRS G1-4 – Incidents of corruption or bribery

In the 2024 financial year, Deutsche Telekom was not convicted of violating anti-corruption or anti-bribery laws.

Forecast [a]

Statement by the Board of Management on the expected development of the Group

At our Capital Markets Day in October 2024, we proved our ability to successfully and unswervingly execute on our medium-term planning in a challenging geopolitical and macroeconomic environment. And we intend to maintain our present course. Our forward-looking medium-term strategy and the financial outlook continue to be based on a sustainable growth course. Key factors in this will be global economies of scale and the systematic use of artificial intelligence and data. Our customers are already reaping the rewards of our successful corporate policy in the form of multiple award-winning network quality and best-in-class service. Our shareholders benefit from our sustainable and attractive dividend policy alongside further shareholder remuneration measures. Going forward, we want to underpin this success with solid financial growth rates, further extend our technology leadership with the best state-of-the-art networks, and thereby contribute to realizing our Leading Digital Telco vision.

[a] The forecasts contain forward-looking statements that reflect management's current views with respect to future events. Words such as "assume," "anticipate," "believe," "estimate," "expect," "intend," "may," "could," "plan," "project," "should," "want," and similar expressions identify forward-looking statements. These forward-looking statements include statements on the expected development of revenue, service revenue, adjusted EBITDA after leases, EBIT, ROCE, cash capex, free cash flow after leases, rating, and adjusted earnings per share, as well as non-financial performance indicators such as customer and employee satisfaction, energy consumption, and CO_2 emissions. Such statements are subject to risks and uncertainties, such as an economic downturn in Europe or North America, changes in exchange and interest rates, the outcome of disputes in which Deutsche Telekom is involved, and competitive and regulatory developments. Some uncertainties or other imponderables that might influence Deutsche Telekom's ability to achieve its objectives, are described in the Risk and opportunities management section of the combined management report and in the "Disclaimer" at the end of the Annual Report. Should these or other uncertainties and imponderables materialize, or the assumptions underlying any of these statements prove incorrect, the actual results may be materially different from those expressed or implied by such statements. We do not guarantee that our forward-looking statements will prove correct. The forward-looking statements presented here are based on the future structure of the Group, without regard to significant acquisitions, disposals, business combinations, or joint ventures that may arise at a later date. These statements are made with respect to conditions as of the date of this document's publication. Without prejudice to existing obligations under capital market law, we do not intend, or assume any obligation, to update forward-looking statements.