

Annual Policy Statement on the human rights strategy of T-Systems International GmbH for the 2023 financial year in regard to its supply chain in accordance with the German “Act on Corporate due Diligence Obligations for the prevention of Human Rights Violations in Supply Chains” (*Supply Chain Due Diligence Act / Lieferkettensorgfaltspflichtengesetz – LkSG*).

This Policy Statement **complements** the elements of our human rights strategy incl. description of procedure published in our “*Code of Human Rights*”, listing the priority human rights and environment-related risks identified on the basis of the risk analyses carried out in **2023** and the expectations we place on our employees and suppliers based on these risk analyses.

1. Priority human rights and environment-related issues identified with a potentially negative impact in the supply chain¹

After carrying out our annual analysis, we consider that the following areas that are directly or indirectly related to our business activities at our sites and in our global supply chain represent the greatest risk of a negative impact on people and/or the environment.

1.1. Risks at Group-companies in our own business area:

Within our own business area, our relevant activities were focused on the development of customer and industry specific solutions in the field of information and telecommunication technology. **There were no relevant activities in the form of in-house manufacturing of devices.**

Due to the due diligence processes that have already been established throughout the Group for a number of years, measures have already been implemented that effectively mitigate potential abstract risks. We have published further details in the “*Code of Human Rights*”, and we provide annual reporting including in our [„Corporate Responsibility Report“](#).

As a result, during the financial year in question, we only identified **medium risks, due in particular to the low probability of occurrence**, in the following areas:

- **prohibition of unequal treatment in employment, including the rights of minorities**, § 2 II no. 7, 12 LkSG,
- **prohibition of disregarding the freedom of association**, § 2 II no. 6 LkSG

The issues identified as posing a medium risk are due to **existing country-specific limitations in the exercise of a range of human rights, particularly in Asia**, in a way that means that the principles of the rule of law cannot be enforced or can only be insufficiently enforced. No further weighting or prioritization has been carried out; rather, the risks recognized in these areas are considered equally important. We have derived from these risks an increased due diligence obligation for our staff in the relevant Group-companies, and we are also stepping up our monitoring of the effectiveness of our preventive measures.

Regardless of existing specific risks within the meaning of the Supply Chain Due Diligence Act, based on our business activities we also focus in particular on the topic of data protection and privacy in the digital world. IT services that process data offer a potential opportunity for violations of human rights in regard to the privacy of end users and also employees. Services of this type could, for example, gather personal characteristics of affected persons, which could lead to violations of privacy and of the prohibition of discrimination.

¹This Policy Statement addresses the “supply chain” in accordance with the regulations in the German Supply Chain Due Diligence Act/ LkSG; it does not address the impact of our business activities outside of this legally defined supply chain, i.e., following delivery of our products or services to the customer (use phase) or in the disposal/recycling phase; we provide information on this phase of the downstream value chain on our website <https://www.telekom.com/en/corporate-responsibility/social-commitment/human-rights>

1.2. Risks in regard to suppliers:

In regard to our direct suppliers, we have identified the following **high-priority risks**:

- **disregarding occupational safety and work-related health hazards**, § 2 II no. 5 LkSG
- **prohibition of unequal treatment in employment**, § 2 II no. 7 LkSG
- **harmful soil change, water pollution, air pollution** § 2 II no. 9 LkSG

The risks we have identified that are relevant to the Supply Chain Due Diligence Act among our indirect suppliers are based on the results of ad hoc risk analyses and knowledge from the due diligence processes we have carried out for several years, such as auditing. In the overall assessment, we have identified **high-priority industry risks** related to **obtaining mineral resources for the manufacture** of telecommunications products **by subcontractors**:

- **disregarding occupational safety and work-related health hazards**, § 2 II no. 5 LkSG
- **prohibition of withholding an adequate living wage**, § 2 II no. 8 LkSG

We are aware that, in particular in our indirect supply chain in the area of raw material procurement (conflict minerals) and the processing of these, we have low levels of potential influence and of transparency. We therefore join forces with other enterprises in sector initiatives and sector standards e.g. „[Joint Alliance for CSR \(JAC\)](#) in order to increase our ability to influence the entity responsible.

2. Our expectations

In our awareness of the areas identified in section 1, and in order to expand on and reinforce the content of our “[Code of Human Rights](#)”, we place the following expectations on all those who are employed by T-Systems International GmbH or by a Group-company and on our suppliers:

Prohibition of unequal treatment in employment

We defend equal opportunities and freedom from discrimination throughout the seven dimensions of diversity: **1. Age, 2 Gender and gender identity, 3. Ethnic background and nationality, 4. Sexual orientation, 5. Mental and physical abilities/status, 6. Religion and world view, and 7. Social background (education and financial situation of the family of origin).**

With regard to these dimensions, we continually work in support of the **removal of systemic barriers to inclusion** (e.g., in our buildings and IT systems).

The globally applicable basis for cooperation in the Group is formed by our “**Guiding Principles**” and our “**Code of Conduct**”. To further strengthen this basis, we have anchored the issues of **diversity, equity, and inclusion** in our policy of the same name, the “**DE&I Group Policy**” as well as in our “**Leadership Anchors**”, the DT leadership behavioral guidelines.

Freedom of association and the right to collective bargaining

We recognize the fundamental **rights of association and collective bargaining**, as well as the **right to strike** within the framework of national regulations and existing agreements. In addition, we are committed to **cooperating with legitimate, democratically elected employee representatives in an open and trusting manner** based on constructive social dialog, with the aim of achieving a fair balance of interests. We will not prevent our employees from or restrict them in exercising these rights. We do not accept or tolerate the threat of reprisals against employees making use of their right to self-organization.

Occupational safety and health protection at work

As an employer, we provide occupational safety and health protection at work for our employees that is at least compliant with applicable law, and we support ongoing developments aimed at improving the world of work. This includes the implementation of appropriate work organization to prevent excessive physical and mental fatigue in terms of working hours and rest breaks. We comply with the regulations on occupational safety when using employees from contractor firms.

Environmental protection

We are dedicated to environmental protection and contribute in particular to helping mitigate climate change and achieving compliance with the Paris Climate Agreement.

Environmental risk assessments are an integral component of our environment-related due diligence processes, including during mergers and acquisitions. These assessments include **all environmental issues** on which our business activities may have a negative impact, **including e.g. actions causing harmful soil changes, water or air pollution, harmful noise emission, or excessive water consumption, or deforestation and loss of biodiversity** which may significantly impair the health and/or the natural bases for livelihood of a person. **We avoid waste** as far as possible and **promote continued use and reuse** and - where this is not possible - the **priority recycling of waste**.

Within our global supply chain, we pay regard to the prohibited production and/or use of materials covered by the **Stockholm Convention (persistent organic pollutants – POPs)**, the non-environmentally appropriate handling of **waste containing POPs**, and the improper shipment of **hazardous waste within the meaning of the Basel Convention**.

Under the **Minamata Convention**, the production, use/application and/or disposal of **mercury** and mercury-containing wastes is regulated. In order to avoid environmental risks linked to our business activities in this regard, we take this into account in our due diligence processes.

Our **integrated climate strategy** is based on four pillars: Emissions from the value chain; renewable energy; energy efficiency; and enablement. We set concrete objectives for each of the four pillars, and report on these. We have a **group-wide environmental management system**, which provides the basis for anchoring environmental due diligence.

Adequate living wage

We respect the right to a fair and appropriate contractual remuneration that reflects the legal minimum wage on the national labor market and that, at the very least, provides employees with a decent standard of living livelihood in terms of the international reference tools e.g. „International Bill of Human Rights“ especially with regards to Article 7 letter a) number ii) of the „International Covenant on Civil and Political Rights“ from December 19th 1966.

We expect, in particular, the following obligations from **direct suppliers** with whom we have a contractual relationship, and we put appropriate measures in place to ensure that these obligations are met:

- **For many years**, we have expected our suppliers also to **commit to** respecting human rights and environmental concerns, and to **observe our principles and expectations on these matters**, to **undertake to establish appropriate due diligence processes based on risk**, and to pass on these expectations to their own suppliers.
- We establish review processes- if required together with the suppliers - that enable compliance with these expectations.
- We work in particular to ensure **responsible procurement of raw materials** throughout our supply chain, and therefore require **compliance with standards on the handling of metals, especially conflict minerals**. Beyond that, we support, in particular, initiatives aimed at

creating a **global system for monitoring the origins of minerals**, which we consider a useful step towards improving transparency throughout our supply chain.

Bonn, 10.12.2023

Board of Management, T-Systems International GmbH

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