

# UN Global Compact

Communication on Progress for 2015

T-Mobile Czech Republic



30 September 2016

I am pleased to confirm that T-Mobile Czech Republic a. s. reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of human rights, labour, environment and anti-corruption.

In this annual Communication on Progress, we describe the actions we have taken in order to continuously improve the integration of the Global Compact and its principles into our business strategy, culture and everyday operations.

We are also committed to sharing this information with our stakeholders using our primary channels of communication.

Sincerely yours,

**Milan Vašina**

Managing Director,  
T-Mobile Czech Republic a.s.

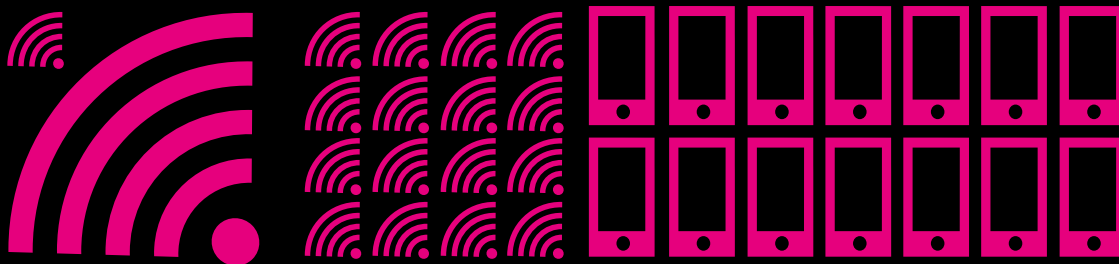
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# NUMBER ONE IN THE MOBILE MARKET

T-MOBILE CZECH REPUBLIC HAS BEEN OPERATING IN THE CZECH MARKET SINCE 1996, AND HAS BEEN A MEMBER OF THE INTERNATIONAL TELECOMMUNICATIONS GROUP DEUTSCHE TELEKOM SINCE 2002. IT HAS APPROXIMATELY 4,000 EMPLOYEES. IT IS THE NUMBER-ONE OPERATOR IN THE CZECH MOBILE MARKET: NEARLY SIX MILLION CUSTOMERS USE ITS SERVICES.



In the past years, the company has undergone significant changes. After the acquisition of and merger with the sister company T-Systems Czech Republic in 2013, the “new” company was being aligned in terms of human resources and procedures. The following year saw yet another amalgamation project, this time with GTS Czech, which was purchased by the parent company Deutsche Telekom AG.

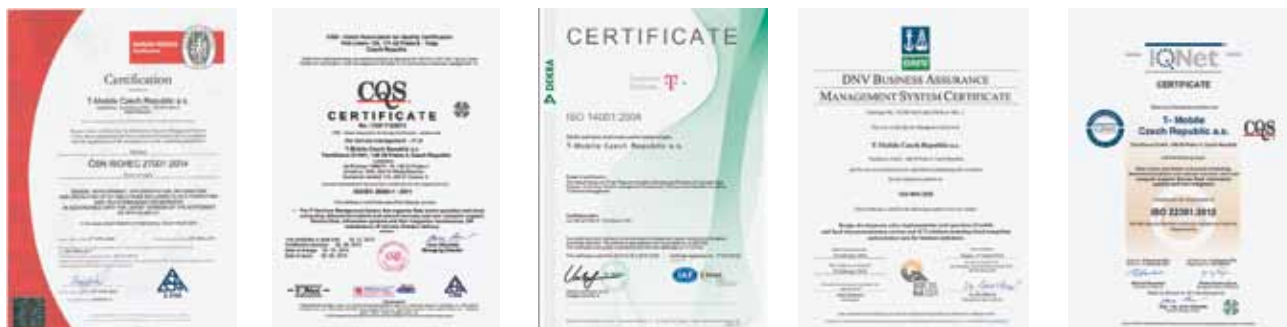
The company thus became an integrated operator: in addition to mobile and fixed-line telecommunications services, it offers a broad portfolio of IT services and systems-integration solutions under the T-Systems brand for corporate customers and public administration bodies.

The integration with T-Systems and GTS was a demanding task involving a number of extensive transformation activities, which the company completed successfully and used as an opportunity. It helped it to strengthen its competence and expand its portfolio of ICT solutions.

The next step was to develop an integrated organisational structure, streamline the management structure and change the logo, which is in line with the international strategy of Deutsche Telekom.

Since 1 January 2015, the existing T-Mobile and T-Systems brands have been replaced by a simple T. The GTS brand continues to be used in the corporate segment.

T-Mobile holds a number of certificates: ISO 9001 – Quality Management System, ISO 14001 – Environmental Management System, ISO 20000-1 – Service Management System, ISO 22301 – Business Continuity Management System, and ISO 27001 – Information Security Management System. The company’s activities are subject to annual independent audits that are performed by reputable companies. By obtaining and maintaining these international certificates, T-Mobile proves to its customers, suppliers, employees and public administration bodies that it has applied a consistent approach in these areas, which is aimed at continuously improving the company’s operation.



# SOCIAL RESPONSIBILITY AS PART OF OUR BUSINESS

SINCE ITS ESTABLISHMENT, T-MOBILE HAS PLACED EMPHASIS ON TAKING A RESPONSIBLE APPROACH TO BUSINESS AND SOCIETY. THE COMPANY HAS RECEIVED, AMONG OTHER AWARDS, EMPLOYER OF THE YEAR, EMPLOYER OF THE DECADE, COMPANY OF THE YEAR: EQUAL OPPORTUNITIES, AND THE VIA BONA AWARD FOR THE INVOLVEMENT OF EMPLOYEES IN PHILANTHROPIC AND VOLUNTEER ACTIVITIES. IN 2012, THE MAGAZINE WORLD FINANCE NAMED T-MOBILE CZECH REPUBLIC THE BEST WIRELESS TELECOMS PROVIDER IN EASTERN EUROPE. IN 2015, THE COMPANY RECEIVED THE COMPANY SUPPORTING HEALTH AWARD AND RANKED THIRD IN THE COMPANY OF THE YEAR: EQUAL OPPORTUNITIES FOR WOMEN'S CAREER AWARDS.



**T**-Mobile was the founding member of the local UN Global Compact network in the Czech Republic in 2014 and is a member of the Association of Social Responsibility. Detailed information regarding T-Mobile's social responsibility activities can be found at [www.t-mobile.cz/pomahame](http://www.t-mobile.cz/pomahame).

Social responsibility is part of T-Mobile's corporate strategy and is based on six pillars.

The fundamental **Pro svět** ("For the World") pillar covers in particular the area of responsible business – human rights, labour conditions, prevention of corruption, environmental protection and internet security.

The **Vymysleme to** ("Let's Think it Up") programme focuses on the use of T-Mobile's know-how in information technologies for the benefit of CSR. The company has participated in the introduction and development of Donor SMS (DMS) in the Czech Republic and is a regular sponsor of a special category – Application for a Better World – within the Mobile Application of the Year awards.

Generally, T-Mobile has long supported the development of new applications and solutions that are socially useful; for example, they help people who are disadvantaged in a certain respect, cultivate our environment or change the world for the better in any other manner. The company also developed the **Snadněji pro seniory** ("Making it Easier for Elderly People") application and a donor application for the Dobrý anděl ("Good Angel") endowment fund, with which it has long been cooperating.

The introduction of the **e-Řepis** ("e-Transcription") application at all T-Mobile and partner shops met with great success last year. Thanks to online speech transcription, which is performed by visually impaired persons, the service facilitates communication for hearing-impaired customers.

T-Mobile also participated in the development of a navigation cane for visually impaired people, which uses GPS and a camera and enables communication with a special centre.

Grant programmes for non-profit organisations are part of the **Mluvme spolu** ("Let's Talk to Each Other") pillar. In 2015, T-Mobile distributed nearly CZK 3 million to support nine non-profit organisations. The common themes of the supported projects are the inclusion of different social groups and communities in society, their mutual communication, cooperation and integration.

T-Mobile organises **T-Mobile Rozjezdy** ("Takeoffs of the Year") project, a unique country-wide programme to support start-up businesses, which has already successfully completed five editions. A part of the **Rozjedme to** ("Let's Start it Up") pillar, the Takeoffs of the Year project aims to support small start-up businesses. This group of the population is at risk of unemployment and includes mainly parents with young children, recent graduates, the long-term unemployed, the disabled and elderly people. The support consists in free workshops and seminars to help start a business, and the possibility of winning financial support and a package of services, which are awarded to the originators of the best business ideas. Approximately 300 start-up projects registered in the fifth edition of Takeoffs of the Year, with prizes being distributed among 41 participants. The workshops and seminars were attended by more than 500 small business owners.

The **Pomáhejme si** ("Let's Help Each Other") pillar is intended solely for the company's employees and supports their volunteering and charitable activities and responsibility. The traditional activities include the **Den pro dobrý skutek** ("One Day for People in Need") programme, when employees can spend one working day in a year volunteering in non-profit organisations, the selection of the Volunteer of the Year and **Pomáhejme příběhům** ("Supporting Stories"), an internal fundraising campaign. The third edition of this campaign was organised in 2015 to raise funds for people in the vicinity of our employees, who are in difficult life situations. T-Mobile matched the amount donated by the employees for each project. A total of CZK 1,032,260 was thus raised to support those in need.

The second edition of the long-term educational programme entitled the T-Mobile Academy for Non-Profit Organisations was organised last year under the **Rozvíjejme se** ("Let's Develop") pillar. Finance is not the only support provided by T-Mobile to non-profit organisations; they can also receive free training. Five non-profit organisations took part in the programme within which they received free specialist consultations and coaching and their members could attend seminars free of charge for one year. Training was provided by T-Mobile employees who were happy to share their knowledge and expertise with people from foundations and civic associations. In addition to the Academy, the company continued to organise regular workshops for the non-profit sector, which were focused, for example, on PR and human resources.

# FOUNDING MEMBER OF THE LOCAL UN GLOBAL COMPACT NETWORK

T-Mobile is the first international corporation active in the Czech Republic to adopt the ten fundamental principles of the UN Global Compact at a local level. The company is also the founding member of the local network of this global initiative in the Czech Republic. The parent company Deutsche Telekom has been its member for several years, therefore T-Mobile Czech Republic also fully endorses the principles adopted within this platform.

The support of the UN Global Compact and involvement in the establishment of the Czech network is a logical step and is fully in line with the company's long-term social responsibility strategy. As a member of the local UN Global Compact network, the company wants to contribute towards raising the quality of corporate social responsibility and propagating international know-how. It aligns its mission as well as everyday operations with ten universally accepted principles of social responsibility in the areas of human rights, labour, environment and anti-corruption efforts.

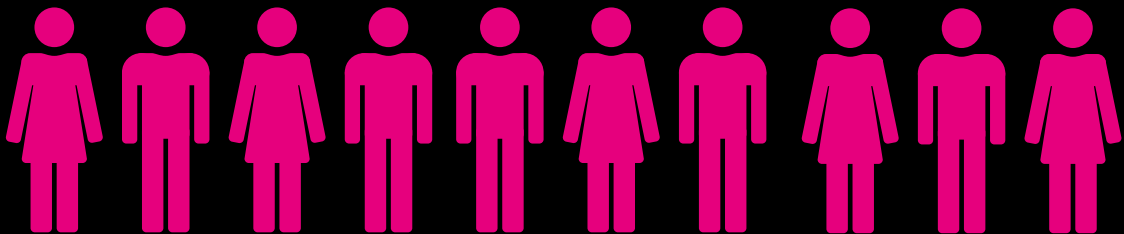
The company supports and respects internationally proclaimed human rights and makes sure that it is not complicit in human rights abuses. It recognises the right of employees' association and collective bargaining. An important area on which the company focuses is the prevention of any discrimination in respect of employment.

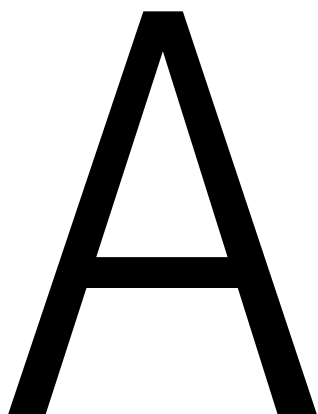
A key area of T-Mobile's social responsibility is the preventive approach to environmental protection. The company promotes the adoption of a more responsible approach towards the environment and supports the development and propagation of environmentally friendly technologies.

T-Mobile has made considerable efforts in the area of the fight against corruption in all its forms, including bribery and extortion. One of the important milestones in this respect is the cooperation with Transparency International. Social responsibility also includes adhering to the compliance rules and the Code of Conduct.

# HUMAN RIGHTS

BUSINESSES SHOULD SUPPORT AND RESPECT THE PROTECTION OF INTERNATIONALLY PROCLAIMED HUMAN RIGHTS AND MAKE SURE THAT THEY ARE NOT COMPLICIT IN HUMAN RIGHTS ABUSES.





As part of its responsibility as a member of the international Deutsche Telekom Group, T-Mobile is committed to respect and protect human rights. The company implements and organises its activities relating to human rights in line with the United Nations Guiding Principles on Business and Human Rights (Guiding Principles). The Guiding Principles stipulate that companies should undertake ongoing human rights due diligence to identify, prevent and mitigate human rights impacts and take them into account in their operation.

The corporate responsibility to respect human rights is integrated in the Group's fundamental regulations and policies, such as the Code of Conduct and, explicitly, in the Social Charter. In 2013, the Social Charter was revised to establish Points of Contact for Human Rights within the Group, among other changes.

The observance of the Social Charter by the individual Telekom Group companies is analysed every year in the Social Performance Report.

Information about human rights violations or related questions can be submitted via the Telekom Group whistle-blower system in different ways: to a central or local compliance unit, through e-mail or via a hotline, but also anonymously if the person reporting a violation or submitting a question so desires.

As part of the human rights due diligence framework, the Contact Point takes steps to understand the potential human rights risks linked to the Group's operations, products and services and assesses actual impacts through a country-level approach. The Guiding Principles require companies to integrate a human rights perspective into the relevant business areas and internal processes. As an example of this, Deutsche Telekom integrated a human rights perspective into the due diligence activities of mergers and acquisitions. Human rights due diligence also requires companies to communicate externally on how they implement their responsibility to respect human rights.

Deutsche Telekom annually publishes an overview of its activities in the Corporate Responsibility Report and the Human Resources Report. Awareness-raising on human rights and stakeholder engagement methods are undertaken in different forms within the Group, ranging from in-person meetings and webinars to break-out sessions at the Sustainable Procurement Dialog Day which was held in 2014.

Within its focus on equal treatment and prevention of discrimination, T-Mobile has been acting in line with the "Respect and integrity guide our behaviour" principle. This requires in practice that all employees act with respect, recognition and understanding in relation to others.

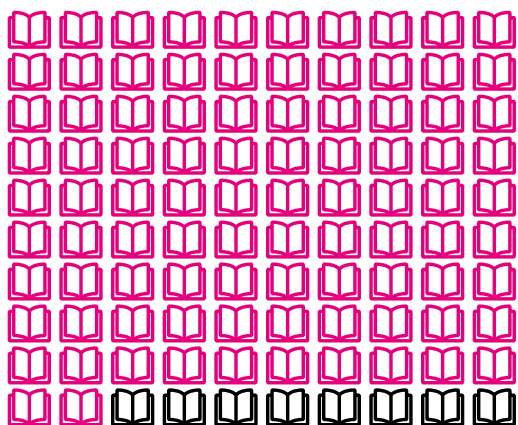
The company strives to create an environment of mutual tolerance and trust by respecting the individuality of others. It acts openly and honestly and supports and cultivates individual and cultural diversity – with respect to age, sex, religion, aptitude, ancestry or sexual orientation. The different cultures, languages and marital statuses of employees enhance this diversity. T-Mobile respects its customers, partners, suppliers, shareholders as well as society and does not tolerate any form of unlawful discrimination or harassment, whether within the company or in its business relations. The company always reviews its actions and behaviour and addresses any behaviour that is unethical, unlawful or at variance with internal regulations and policies.

The “Best place to perform and grow” is another principle applied by the company. To fulfil it, the company supports equal opportunities and the diversity of human resources, while respecting cultural and legal differences. This approach is in line with the Group’s policy and is also incorporated in the Code of Conduct and the Group Policy on Employee Relations. The company strives to raise employees’ awareness of unequal treatment and discrimination and, through a pro-active approach, support the determination of victims to report any unlawful conduct, without having to fear for their job position.

Any form of discrimination is prohibited in employment relationships; in particular discrimination in connection with the right to employment, access to employment, employee working conditions, remuneration for work, provision of other financial contributions and cash value benefits, employee learning and training and career advancement opportunities. In view of this, all employees are obliged to act in such a way as to avoid any unequal treatment and discrimination. Discrimination, however, does not include actions where there is a relevant reason consisting in the nature of the work performed and where the respective requirements are adequate given the nature of the work or where such actions are permitted by and/or set out in the legislation (e.g., the minimum experience required for certain work, specialist qualification requirements or procedures aimed at protecting women on the grounds of pregnancy and maternity, persons with disabilities or those under the age of 18 years).

If an employee engages in unequal treatment or discrimination, such actions can be regarded as a violation of the employee’s duties arising from the laws and regulations relating to the work performed by the employee.

The employees in the HR Business Partnering Department provide consultations to respond to questions that relate to potential violations of the equal treatment and non-discrimination rules. They also adopt any general measures which they at their discretion consider to be necessary and appropriate to ensure compliance with the equal treatment and non-discrimination rules. They are also obliged to ensure that any information received within an investigation based on a report of discriminatory actions is stored, kept and archived in accordance with the company’s applicable internal policies.



# 92%

IS THE PERCENTAGE OF EMPLOYEES FOR WHOM THE CODE OF CONDUCT IS A BASIS FOR THEIR EVERYDAY ACTIVITIES

# 84%

OF EMPLOYEES CONSIDER THE GUIDING PRINCIPLES TO BE PART OF THEIR EVERYDAY WORK



T-Mobile has been working to ensure an appropriate and safe working environment for its employees. Occupational hygiene checks at the workplace are therefore performed more frequently than as imposed by the legislation. Any discrepancies identified during checks at the workplace are removed either immediately after they are found or as soon as possible.

In accordance with Act No. 262/2006 Coll., the Labour Code, the company regularly organises and coordinates health and safety checks at the workplace and in the facilities of the employer, including hygiene checks; such checks are performed at least once a year. Any discrepancies are removed or plans for their minimisation are put in place. Generally, these checks are also called health and safety audits or inspections. The checks are performed by persons who have the requisite qualification in health and safety and sufficient expertise to be able to determine safe environment in the premises where the checks are carried out.

The basic instrument used by T-Mobile to evaluate how work affects its employees' health is the categorisation of risks and their analysis. It should reflect the physical condition of the work environment and its potential adverse effect on employees' health.

Supporting employees' health and increasing occupational health care are also important issues for the company. Above-standard health care is available not only for the employees but also for their family members. The company regularly organises lectures and workshops regarding prevention and health care for employees, as well as single-event healthcare activities at the workplace.

At least once a year, T-Mobile organises Health Days in large buildings where more than 50 persons work. During this event, employees can attend workshops and activities aimed to support mental and physical health. In small regions, employees can choose from a broad range of health prevention activities, such as examinations and inoculation. We do not forget about employees at T-Mobile shops who are in contact with customers and it is therefore important for them to have a strong immune system: they can take part in health activities at team gatherings and also use health-supporting packages offered by the employer.

Throughout the year, employees can sign up for workshops, e-learning and other development activities organised by the Department of Health of the internal T-Mobile University, which are aimed to raise awareness of the importance of prevention and care of employees' physical and mental health.

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THE BASIC INSTRUMENT USED  
BY T-MOBILE TO EVALUATE HOW  
WORK AFFECTS ITS EMPLOYEES'  
HEALTH IS THE CATEGORISATION  
OF RISKS AND THEIR ANALYSIS.  
THE TOTAL NUMBER OF  
EMPLOYEES IN 2015 WAS



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**0** OCCUPATIONAL  
DISEASES

**15** ACCIDENTS  
AT WORK

# LABOUR

BUSINESSES SHOULD UPHOLD THE FREEDOM OF ASSOCIATION AND THE EFFECTIVE RECOGNITION OF THE RIGHT TO COLLECTIVE BARGAINING, THE ELIMINATION OF ALL FORMS OF FORCED AND COMPULSORY LABOUR, THE EFFECTIVE ABOLITION OF CHILD LABOUR, AND THE ELIMINATION OF DISCRIMINATION IN RESPECT OF EMPLOYMENT AND OCCUPATION.



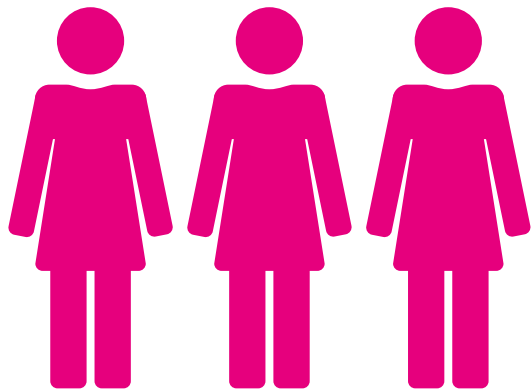
**T**-Mobile cares about its employees. It makes substantial efforts to create an appropriate working environment, support development and learning, and promote the work-life balance of its employees, for example, by offering flexible work arrangements and part-time jobs.

The company does not discriminate in any area. On the contrary, it supports diversity, as diversity – whether employee competences or individuality – increases the ability for technological innovation, and therefore success in business. Human resources, competence development policies and procedures applied within the company can help utilise the potential and experience of all individuals. This is emphasised by the principle “Respect and integrity guide our behaviour”. Therefore the attitude and ways of thinking which cross national and cultural borders are of key importance.

In consideration of these aspects, T-Mobile strives to create equal opportunities for all existing and prospective employees, regardless of their sex, origin, handicap, sexual orientation, religion, trade union membership or political affiliation. Similarly, it endeavours to develop a platform for faster development of competences of previously disadvantaged persons. This is also facilitated by human resources recruitment procedures that create adequate supporting structures backed by good results.

The rule of non-discrimination on the basis of sex is taken seriously. Deutsche Telekom was the first of the large corporations with global presence to introduce quotas in 2010 stipulating the minimum percentage of female managers, which are respected by the company: by the end of 2015, women should have 30% representation in middle and senior management. This rule applies globally, with the exception of the countries where it is not admissible pursuant to the local legislation. In such cases, it is regarded as a declaratory expression of an intention to gradually increase employee diversity in management positions. In addition to an extension of the group of employees with high potential, T-Mobile expects that greater diversity at the management level will contribute towards increasing the company's value from the long-term perspective.

# 30%



OF WOMEN SHOULD HAVE REPRESENTATION IN THE MIDDLE AND SENIOR MANAGEMENT BY THE END OF 2015. DEUTSCHE TELEKOM WAS THE FIRST OF THE LARGE CORPORATIONS WITH GLOBAL PRESENCE TO INTRODUCE QUOTAS IN 2010 STIPULATING THE MINIMUM PERCENTAGE OF FEMALE MANAGERS

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T-Mobile upholds the right of association and the right of collective bargaining. In 2008, the company signed a collective agreement with the Roztyly Trade Union Organisation. The collective agreement was concluded for five years and was later extended (and a new collective agreement was signed) based on collective bargaining.

The collective agreement defines individual and collective relationships between employees performing work for the employer on the basis of employment contracts, the trade union organisation and the employer.

The collective agreement also determines the extent and rules for the provision of mutual information between the parties in the periods of the preparation and drafting of the collective agreement, collective bargaining and the performance of the collective agreement. The parties to the collective agreement declared their common will to:

- Maintain and develop the employer's prosperity and thus also satisfy the growing needs and interests of the employer's employees;
- Constructively establish and maintain relationships based on trust and cooperation between the employer and the employees and the trade union organisation, with an objective to encourage and boost employees' confidence in the employer's objectives;
- Respect the principle of cooperation between the parties in the area of employment;
- Reward employees at all levels for their contribution to the employer's benefit;
- Support and uphold procedures that will not lead to the non-observance or contesting of the parties' rights and entitlements.

The trade union organisation is a member of the Trade Union of Employees in Postal, Telecommunications and Newspaper Services and the Czech-Moravian Confederation of Trade Unions and has been using the expert capacities of these entities to promote social dialogue.

T-Mobile makes decisions relating to employees on the basis of relevant and objective criteria. Equal opportunities are an integral part of T-Mobile's corporate culture. Being reflected in all of the company's activities, they are incorporated in a number of documents and communicated at all levels through a broad range of activities. The company actively promotes diversity, which is based on three pillars:

## ● GENDER

T-Mobile supports women and prepares various development activities focused on boosting their confidence and using their strengths. It strives to eliminate gender stereotypes within a workshop focused on the differences between men and women in their communication. W-lab, a long-term development programme for women, is intended for female employees who bring something extra to the company and are willing to work on their further development. During the programme, they work on a project assigned by management, participate in development activities, and use coaching/mentoring and internal on-the-job development. The company promotes and offers tickets to various conferences intended for women, e.g. TEDx Woman Prague and Všem ženám ("For all women"), and invitations to workshops and networking events.

## ● AGE

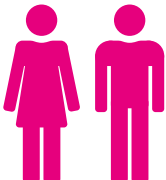
The cooperation with students and schools includes the company's membership of the Alliance for Youth, partnership with the Faculty of Business Administration of Prague's University of Economics, consultations on student essays and theses, lectures, and visits to the company's premises. T-Mobile endeavours to launch its own development activities for students. When recruiting employees, it disregards the age of the candidate and does not discriminate. Colleagues over the age of 50 years are important and the company appreciates their work. The only relevant criteria are qualification and experience, as is the case with other candidates. Upon celebrating a jubilee (50 and 60 years), the employees are invited to a lunch with the company's management, and can also use special care and HR consultations as well as attend workshops dedicated to issues of current interest.

## ● HANDICAP

The company's objective in this area is to ensure that employees do not have to constrain themselves for reasons of health. The company therefore strives to arrange, as far as possible, that employees feel better at work.

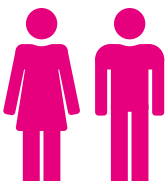
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NUMBER OF EMPLOYEES (%)

35  65

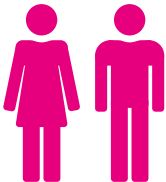
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NUMBER OF MANAGERS (%)

27  73

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EMPLOYEES' AVERAGE AGE (YEARS)

34  37

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T-MOBILE REGULARLY  
ORGANIZES EMPLOYEE  
SURVEYS.

# 72%

HOW DO YOU FEEL AT OUR COMPANY?

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# 74%

WOULD YOU RECOMMEND OUR  
COMPANY AS A VERY GOOD  
EMPLOYER?

(THE PERCENTAGE EXPRESSES THE NUMBER  
OF THE EMPLOYEES WHOSE ANSWERS TO  
THE QUESTIONS REPRESENTED THE TWO  
BEST EVALUATIONS FROM THE EVALUATION  
SCALE.)

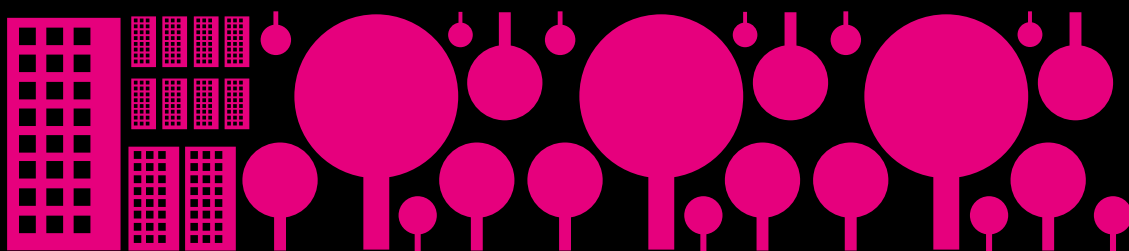
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T-Mobile applies a non-discriminatory and uniform salary policy across the company. Employees' remuneration for work complies with the applicable provision of the Labour Code, the related generally binding legislation and the internal remuneration provisions. The company also participates in remuneration surveys performed in the market and uses the outcomes of such surveys and the related analyses. In particular, the following remuneration principles are applied at T-Mobile:

- **Transparency** – remuneration rules are openly communicated to all employees by means of various communication channels (e.g., the intranet);
- **Fairness** – emphasis is put on internal fairness upon the comparison of job positions across the company;
- **Competitiveness** – maximum effort is made to ensure the competitiveness of the remuneration system as compared with the selected relevant external market, which is aimed at attracting and retaining qualified and high-performing employees;
- **Motivation** – remuneration is one of the tools used to motivate employees for high performance, leading to the fulfilment of T-Mobile's targets.

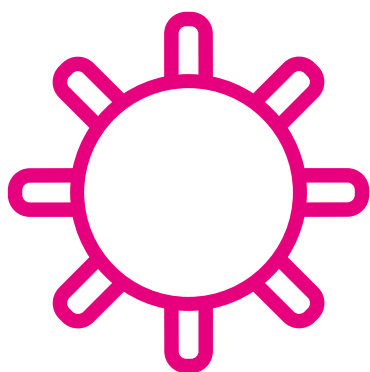
# ENVIRONMENT

BUSINESSES SHOULD SUPPORT A PRECAUTIONARY APPROACH TO ENVIRONMENTAL CHALLENGES, UNDERTAKE INITIATIVES TO PROMOTE GREATER ENVIRONMENTAL RESPONSIBILITY, AND ENCOURAGE THE DEVELOPMENT AND DIFFUSION OF ENVIRONMENTALLY FRIENDLY TECHNOLOGIES.



**T**-Mobile's approach to environmental protection is based on the fundamental document within EMS (ISO 14001) – Environmental Policy, which was approved by the top management and is available at [www.t-mobile.cz](http://www.t-mobile.cz).

Every three years, the company undergoes an audit performed by DEKRA, an accredited certification authority. As a member of the Deutsche Telekom Group, T-Mobile has committed to reducing its carbon footprint in 2020 by 20% as compared with 2008.



**20%**

THE PERCENTAGE BY WHICH  
T-MOBILE HAS COMMITTED TO  
REDUCING ITS CARBON FOOTPRINT  
IN 2020 AS COMPARED WITH 2008

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The areas of the company's primary focus are based on important environmental aspects (EA), which were identified and are defined within the EMS that is in place at the company (the EA Register). These include power and material consumption, waste generation and emissions into the air.

In relation to power consumption, T-Mobile focuses especially on its mobile network operation (GSM/LTE technologies, air conditioning – transmitters, nodes, data centres and exchanges), administrative buildings (lighting, ventilation and IT), T-Mobile shops (lighting data and ventilation), and, to a lesser extent, power consumption for central heating and natural gas and propane-butane heating of administrative buildings and at T-Mobile shops.

As regards material consumption, materials consumed within administrative and business activities include paper and toners and fuel for company cars. In relation to waste management, T-Mobile monitors mixed municipal waste, plastics, discarded electrical and electronic equipment, and batteries and in relation to emissions into the air, emissions generated by the operation of company cars and alternative energy sources.

In accordance with the internal policy, the CSR Unit in cooperation with the Technology Department defines environmental objectives, target values and programmes with respect to important EAs.

The programme objectives are: control and maintain, improve, and study or investigate.

The “control and maintain” objective is suitable for those important environmental aspects which are subject to statutory environmental requirements, as the company undertakes to observe them in its policy. The company is committed to maintain compliance with the operational conditions stipulated in the operating instructions. The target value is always set as permanent.

The “improve” objective is used for those important aspects where an improvement can be reached, such as reduction of emissions, waste, and waste water and consumption of the resources, and which are not mandatory according to environmental legislation. The target values are, if possible, measurable.

The “study or investigate” objective is applied to those important aspects where an improvement is being considered but where it is first necessary to do a feasibility study in order to identify the necessary resources. If the necessary resources are found to be acceptable, the “study or investigate” objective is followed by an objective to improve. A “study or investigate” objective can be cancelled if the study reveals that changes leading to an improvement are unacceptable for the company either financially, technologically or logistically.

## ALL THE IMPORTANT EAs ARE MONITORED AND MEASURED.

### Monitoring and measurement

- of the key operational parameters relating to all significant environmental aspects is specified in the company's Environmental Profile;
- the implementation of environmental programmes and its compliance is performed by means of internal audits and the related requirements for remedial measures;
- of the operation and its control is specified in the environmental programmes and work instructions.

The methods, frequencies and responsibilities related to the monitoring and measurement of the company's operation are defined in environmental programmes, work instructions and the Environmental Profile.

Environmental programmes can be primarily designed as purely environmental or as programmes where the economic or technological objective of the project or change also has an impact on the environment (e.g., these include in particular projects involving the GSM/LTE network technologies). The second category includes, for example:

- Smart devices to control temperature on transmitters. Control units installed on 1,300 transmitters use the existing emergency ventilation and are cooled by means of outdoor air circulation. They ensure smart control of air conditioning and heating. At the same time, the temperature in technology containers and rooms was increased from 23 to 30 °C;
- Efficient power supply for the GSM network. Following the modernisation of the GSM network, power consumption of individual pieces of equipment and devices decreased, as did the efficiency of power supply units because their capacity was not used as much as it had been before. By removing redundant rectifiers, capacity utilisation and efficiency of the sources again increased;
- State-of-the-art air conditioning at the headquarters in Prague's Roztyly district. The air conditioning in technology rooms is more efficient, as it uses cool outdoor air circulation to control the temperature;
- Green site at the headquarters in Prague's Roztyly district. Green energy powers the outdoor and indoor GSM and 3G coverage. The experimental laboratory was set up to study the possible use of renewable energy sources in the T-Mobile network.

T-Mobile has set processes for the determination and planning of environmental training and raising of employees' awareness, for supplier management in EMS and for the readiness and response to emergency situations, which include environmental incidents in the company's buildings.

Internal environmental communication ensures that employees at the relevant levels and in the relevant positions have the appropriate knowledge and information of:

- The environmental management system;
- The importance of the compliance with the environmental policy, internal rules and standards, and EMS records;
- Potential consequences of any discrepancies;
- The individual role and responsibility in achieving compliance with work instructions, including the readiness and response to emergency situations;
- Important environmental aspects and benefits of environmental objectives and target values.

EMS-related internal communication is ensured by means of:

- E-learning training of employees depending on their job positions, which is aimed at raising awareness of EMS;
- Environmental training performed in the form of presentations;
- Intranet communication;
- E-mail communication;
- Meetings;
- Reports on EMS reviews made by management;
- EMS remedial and preventive measures;
- Internal communication regarding corporate responsibility.

The purpose of environmental training and awareness is to ensure that employees who have roles in EMS as well as other employees have the requisite knowledge of the environmental policy, the basic EMS elements, EMS documentation and environmental objectives, target values and programmes.

Potential emergency situations affecting the environment, which may occur in the company's buildings, are identified once a year. All identified emergency situations are included in the Environmental Aspects Register.

The methods for responding to, mitigating and preventing emergency situations (emergency plans) are stored in the respective buildings and are available to all employees in the electronic form on the intranet.

Emergency plans are revised at least once a year.

If an emergency situation occurs, its cause is identified promptly and the relevant emergency plans are reviewed. Following the identification of the cause and a review of the emergency plans, a remedial and preventive measure is issued.

The following chemical and hazardous substances are used at the company: diesel, petrol, coolants and engine oil.

The substances specified above are used for the operation of the car fleet and alternative power supplies (diesel generators).

Regular service checks of all fleet cars are performed by the authorised dealer. Minimisation of diesel and petrol consumption is ensured within the environmental programmes that monitor fuel consumption of individual cars and evaluate drivers with the lowest and highest average fuel consumption. Employees also have access to economical driving training. In addition to fuel consumption, the company also monitors CO<sub>2</sub> emissions. Similarly as the average fuel consumption, CO<sub>2</sub> emissions have been declining.

Safe operation of diesel generators is ensured by their authorised suppliers and the handling of chemical substances is closely linked with the description of emergency plans provided above.

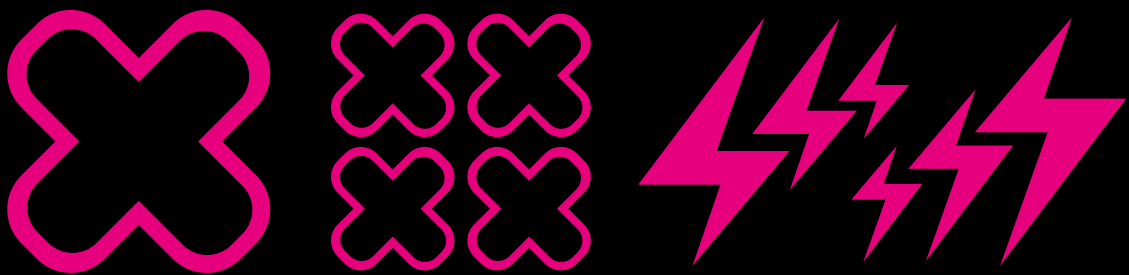
No emergency leakage of chemical substances has been identified at the company. Any other chemical substances not listed above are used exclusively by their authorised suppliers.

EMS communication is continuous. Environmental training and emergency readiness and response procedures are carried out at least once a year, or as necessary.

Environmental protection programmes can be divided into permanent and time limited.

# ANTI-CORRUPTION

BUSINESSES SHOULD WORK AGAINST CORRUPTION IN ALL ITS FORMS, INCLUDING EXTORTION AND BRIBERY.



**T**-Mobile puts great emphasis on ensuring that all employees act in accordance with the rules of ethical conduct and observe all laws, regulations, standards and internal policies. It is committed to act in accordance with the rules of ethical conduct and observe local and international laws, regulations, norms, standards and internal policies (e.g., the TMCZ Code of Conduct, Civil Code, Criminal Code, and FCPA).

No unlawful or unethical conduct or violation of internal rules, such as corruption, bribery, embezzlement and insider trading, is tolerated at the company under any circumstances.

The compliance management focuses on addressing:

- Violation of the rules by employees in order to “obtain a benefit” for the company, e.g., active corruption, violation of the competition rules and regulatory rules (as these are set by the Czech Telecommunications Office, CTO);
- Individual misuse of tangible and intangible assets for a person's own benefit, e.g., theft, embezzlement, passive corruption and disclosure of a business secret;
- Violation of other laws and internal policies, e.g., ethical and moral principles, internal rules applicable to sponsoring, gifts and lobbying.

T-Mobile observes all relevant regulations valid both in the Czech Republic and internationally and has put in place a robust programme to prevent corruption and fraud, which complies with the formal and procedural standards.

The company is subject to regular internal and external audits and has been actively engaged in the area of ethical conduct and compliance.

The purpose of compliance within the Deutsche Telekom Group is to achieve the highest degree of transparency, openness and moral integrity, as well as to ensure that its employees act ethically, which is the foundation of the T-Spirit. Deutsche Telekom currently focuses mainly on the compliance with the anti-corruption rules, as risks associated with a breach of these rules are high, and damage thus caused can be immeasurably costly.

The company puts an emphasis on the responsibility of each employee and the Compliance Unit provides support in relation to the observance of the laws, regulations and ethical values in our everyday work. All employees are obliged to observe the compliance rules. Compliance-related activities are managed by the Compliance Team within the Legal and Compliance Department.

The responsibilities of the Compliance Unit fall within four basic areas:

## COMPLIANCE STRATEGY AND REPORTING:

- Devising and implementing strategies and procedures;
- Monitoring the compliance with the principles on a regular basis;
- Reporting to Deutsche Telekom.

## INFORMATION AND PREVENTION:

- Training for employees;
- Consultations for employees (the Ask me! portal);
- Preparing and implementing policies;
- Approving agreements related to compliance.

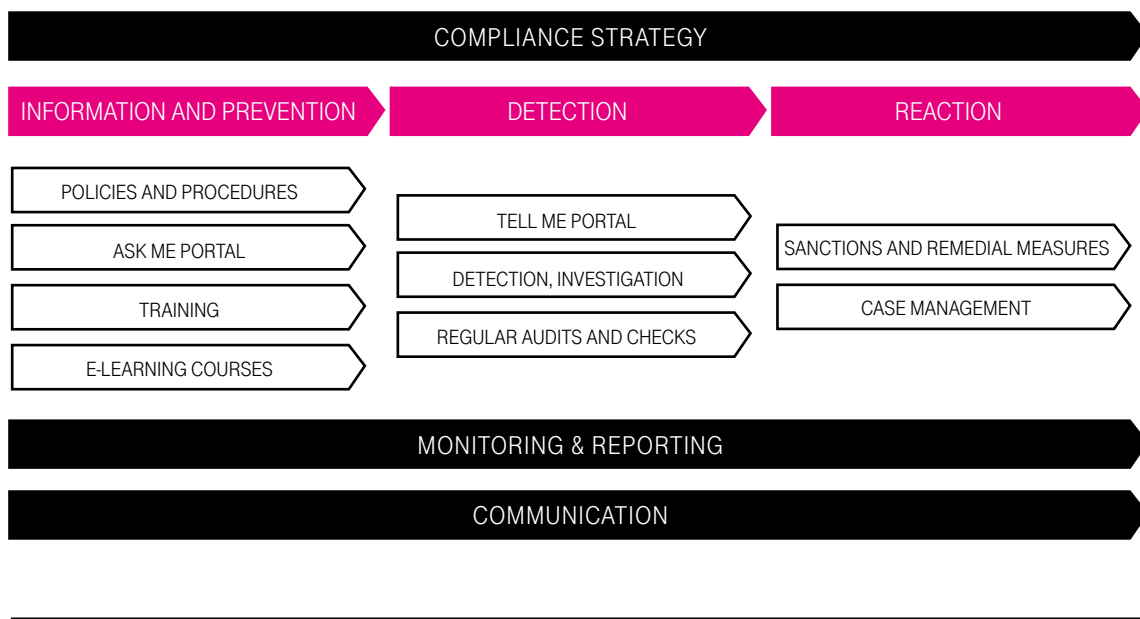
## DETECTION:

- Detecting, investigating and evaluating cases;
- Receiving reports of actual or alleged violations of the compliance rules, laws and regulations (the Tell me! portal);
- Performing regular audits and checks as to the observance of the compliance principles at the company.

## REACTION:

- Imposing sanctions, proposing and implementing remedial measures;
- Documenting and solving cases (case management).

## T-Mobile Compliance System



## COMPLIANCE RULES

- The **Anti-Corruption Policy** defines the rules for preventing corruption and avoiding conflicts of interest, granting and receiving benefits and invitations to/from third parties, sponsoring and agreements with consultants.

The purpose of the policy is to set the basic rules to ensure that employees' actions are compliant with the laws and regulations in force to combat bribery, corruption and similar misconduct.

The policy aims to define the rules in accordance with the international legislation and the rules applicable to the Deutsche Telekom Group and to support the efforts to establish fair business practices in the Czech Republic.

T-Mobile regularly evaluates the compliance with the policy through the Annual Report on the Compliance with the Anti-Corruption Measures, which employees confirm.

- The **Code of Conduct** is a document that applies to all employees of the Deutsche Telekom Group. This tool facilitates the achievement of the T-Spirit corporate values in everyday operations and links these values with the standards set out within the existing legislative and internal rules. It is a requirement that the company imposes on itself, but it is also a commitment communicated externally.



The Compliance Unit organises training focused on the observance of the compliance rules for new employees as part of the induction days and for existing employees, as well as e-learning courses. Participation in training is monitored and results are archived for the purposes of audits.

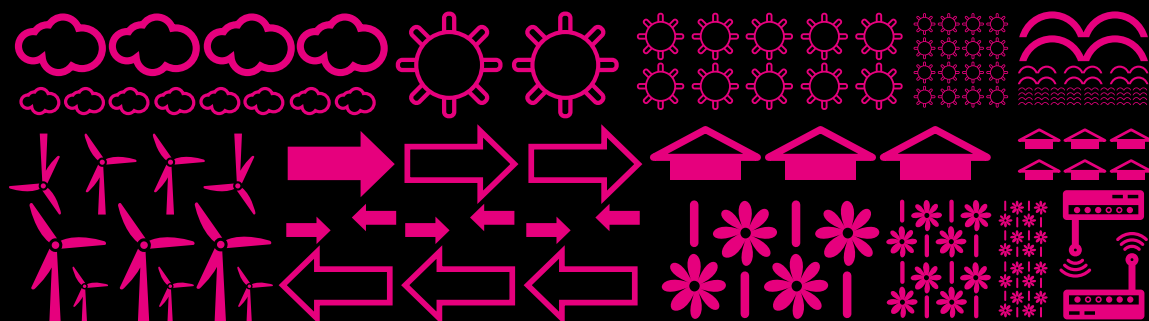
T-Mobile is subject to regular internal and external audits. According to available information, T-Mobile was the first company in the Czech Republic to successfully undergo an external audit of its compliance management system (which is a management system for monitoring the compliance with the laws and internal regulations focused on the fight against corruption and fraud).

The goal of the audit, performed by an international “big four” audit firm, was to assess whether the company had the right processes which could sufficiently detect law-infringement risks and whether it had measures in place which would minimise risks in this area in the future. The original certification was performed in 2010; an audit to increase the certification level was carried out in 2013.

The company has committed itself to clear and transparent business activities and strong resistance against corruption and fraud. The company has issued a Code of Conduct for all of its employees and set up firm rules with respect to, e.g., the conclusion of contracts, the provision of presents and benefits or invitations to social events. Special attention is paid to the monitoring of relationships with public officials.

# STRATEGIES AND OBJECTIVES FOR 2016

IN THE COMING YEAR, T-MOBILE WILL CONTINUE TO IMPLEMENT ITS OBJECTIVES  
SET WITHIN ITS CSR STRATEGY, PARTICULARLY IN THE FOLLOWING AREAS:



# HUMAN RIGHTS

- The company will continue to support and respect internationally proclaimed human rights and will strive to make sure that it is not complicit in human rights abuses.
- Within its focus on equal treatment and non-discrimination, it will apply the principles “Respect and integrity guide our behaviour” and “Best place to perform and grow”. To fulfil the latter, it will promote equal opportunities and diversity of human resources, while respecting cultural and legal differences.
- The company strives to create an environment of mutual tolerance and trust by respecting the individuality of others.
- The company's objective is to achieve 30% representation of women in management positions, e.g., by means of development programmes intended for women with a potential and ambition to grow their careers.

# LABOUR

- T-Mobile's key objectives in the area of labour are to create an appropriate working environment, support development and learning, promote the work-life balance of its employees, non-discrimination and diversity.
- The company will endeavour to create equal opportunities for all existing and prospective employees, regardless of their sex, origin, handicap, sexual orientation, religion, trade union membership or political affiliation.

# ENVIRONMENT

- T-Mobile will strive to be the leading telecommunications operator in the Czech Republic in terms of the improvement of the quality of the environment by minimising waste and emissions, re-using and recycling, reducing the use of natural resources and supporting the efforts to prevent pollution within the company.
- T-Mobile will continue to operate its facilities and carry out its activities in accordance with the environmental laws and regulations in force.
- T-Mobile will regularly review the environmental aspects and set targets and programmes for the constant improvement of the environment in compliance with its sustainable development strategy.
- The company's employees will be appropriately trained to observe the environmental laws, regulations and procedures in force at work, to be aware of the benefits of environmental protection, and to accept personal responsibility for environmental protection.
- The company will cooperate with its customers in determining and meeting their environmental needs and targets in accordance with T-Mobile's environmental policy.
- Thanks to the ongoing replacement of fleet cars with cars with more environmentally-friendly engines (EURO 6), the company plans to reduce CO<sub>2</sub> emissions by 6% a year per car.
- The company plans to increase the use of electronic invoices by 9% in 2016 as compared with 2015.

# ANTI-CORRUPTION

- T-Mobile is the leading company in terms of transparent and legal business activities in the Czech Republic, thus contributing to the cultivation of the country's business and social environments.
- The company will continue to observe its compliance management system and all its constituents to maintain its reputation in the eyes of its employees, customers as well as business partners.
- The company will work to align Compliance-related activities with Slovak Telekom (as well as activities in other business areas) in connection with T-Mobile Czech Republic and Slovak Telekom joining their activities within the DT Group.

# MEASUREMENT OF OUTCOMES

## HYBRID SITE

The purpose of the pilot project focused on the use of the latest environmentally friendly technologies to power the Deutsche Telekom mobile networks is to verify the possible use of alternative energy sources as well as energy saving. The project was designed and implemented in 2010 and the operation was evaluated in 2012.

The project combines six energy sources:

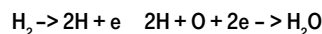
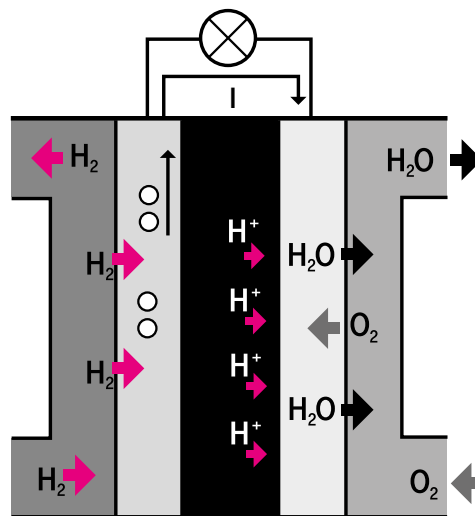
- Primary source: solar and wind power sources installed on the roof of the building;
- Backup sources: hydrogen and methanol on the plot situated behind the building (their capacity depends on the load, it was designed to be 96 hours);
- Power grid if the PPS (photovoltaic power source) and WES (wind energy source) do not generate enough power;
- Battery as a backup when switching between the different energy sources (the start-up time of hydrogen cells is one second);
- The installed capacities are 15.8 kW (PPS), 3 kW (WES), 6 kW (hydrogen) and 5 kW (methanol) and the maximum load is 8 kW (it is around 6 kW).

The source is used for 2G, 3G and LTE technologies within the building and in its vicinity. The total annual share of renewable energy sources in the total consumption is approx. 30% (CZK 75,000 per year).

The PPS consists of 72 panels, each at a 25° angle and having a capacity of 220 W, i.e. 15.84 kW in total. The efficiency of the WES is lower; it has a vertical axis of rotation and is thus not dependent on the wind orientation. It has 3.3 meters in diameter and is 2 meters high. The wind turbine is equipped with a brake; if the PPS generates sufficient power, the WES does not work.

The costs of producing 1 kW/h by the hydrogen source are approx. three times higher than in the case of a diesel generator. Compressed (gaseous) hydrogen is stored in pressure vessels.

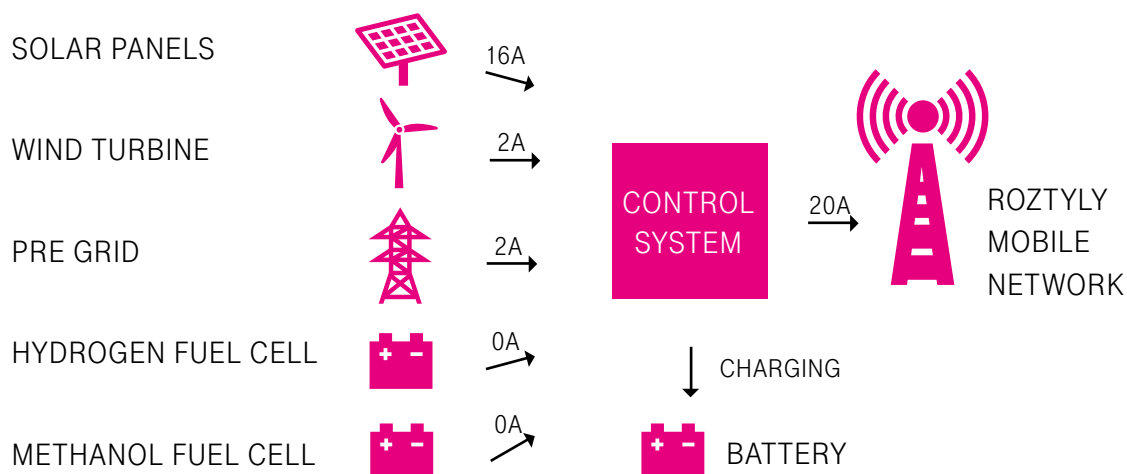
A fuel cell is a device that converts the chemical energy from a fuel, which is supplied continuously and contains an oxidising agent, into electricity through an electrochemical reaction.



A polymer membrane fuel cell consists of two electrodes with a thin layer of carbon being deposited on their surface; the carbon layer contains a small amount of platinum and serves as a catalyst. The electrodes are separated from each other with a thin polymer membrane that allows positively charged ions – protons – to pass through (in the case of catex membranes). Hydrogen is channelled to the anode where it is split on the catalyst layer into positively charged ions (protons) and electrons. Protons pass through the polymer layer, electrons are forced to travel along an external circuit and therefore can do a useful job. On the cathode, two positively charged hydrogen ions (protons) combine with two electrons and an oxygen atom to produce water (given the operating temperature of a fuel cell, water is usually in the form of steam). Pure oxygen, or more often oxygen as part of the air, is channelled to the cathode side.

The costs of producing 1 kW/h by the methanol source are approx. three times higher than in the case of a diesel generator. It is a mixture consisting of 64% methanol and water. Methanol is first reacted to hydrogen and then used in the same manner as in the hydrogen source.

Direct Methanol Fuel Cells (DMFC) work on the same basic principle as PEM membrane fuel cells that use compressed hydrogen as fuel: On the anode, methanol is split into hydrogen cations that pass through the membrane, free electrons that travel through the external circuit and carbon dioxide as a waste product. On the cathode, free electrons from the external circuit combine with hydrogen cations, which passed through the membrane, and with oxygen from the air to form water (see the picture illustrating how a methanol fuel cell works).



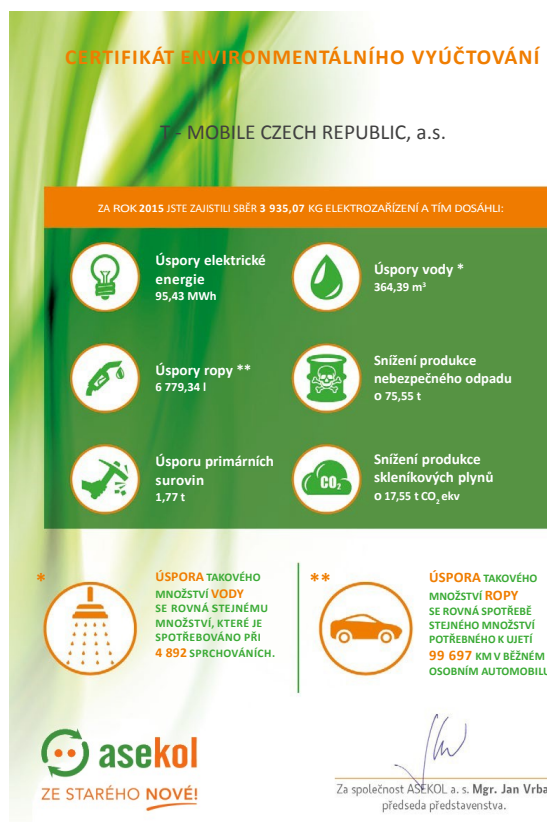
This type of fuel cell also produces CO<sub>2</sub>; therefore this is not a purely carbon-free technology at the location where it is used. A study by a renowned Danish consulting company COWI of February 2012 revealed, however, that if we measure carbon emissions along the way from the basic raw material to the device which consumes the energy produced (a so-called well-to-wheel analysis), methanol fuel cells produce less emissions under comparable conditions than compressed hydrogen fuel cells. This is due to the different industrial methods for generating hydrogen and methanol: while hydrogen is now produced largely from fossil fuels, methanol can also be made using renewable energy sources such as biomass. Methanol is also much easier to store and distribute, which eliminates other handling and transportation processes that alone produce CO<sub>2</sub> emissions.

## ENVIRONMENTAL AUDIT CERTIFICATE

T-Mobile has been recycling electrical and electronic equipment (EEE) for several years. In 2015, the company returned 10,580 kg of small electrical and electronic appliances and consumer electronics. ASEKOL, a non-profit organisation arranging EEE waste return, awarded an Environmental Audit Certificate to T-Mobile for its contribution to EEE waste sorting and return for the benefit of the environment.

The Environmental Audit Certificate is based on a Life Cycle Assessment (LCA) study which assesses the system for the return of end-of-life CRT televisions, computer monitors and small electrical and electronic appliances. It evaluates their collection, transportation and processing up to the phase of final recycling of individual parts of discarded appliances and their use in new products. Impacts on the environment are quantified for each part.

The study clearly showed that the return of EEE, including the smallest appliances, has a considerably positive impact on the environment. In 2015, the recycling scheme helped T-Mobile save 95.43 MWh of electric power, 6,779 litres of crude oil, 364 m<sup>3</sup> of water and 2 tonnes of primary sources. The company reduced greenhouse gas emissions by 18 tonnes of CO<sub>2</sub>-equivalents and the production of hazardous waste by 76 tonnes.



## INSTALLATION OF LED LIGHTING IN MEETING ROOMS (WITHOUT DIRECT SUNLIGHT) AT THE COMPANY'S HEADQUARTERS IN PRAGUE

<b>ASPECT:</b>	Power consumption
<b>OBJECTIVE:</b>	Improve
<b>TARGET VALUE:</b>	Reduction of power consumption; no value was set
<b>DESCRIPTION:</b>	Installation of LED lighting in meeting rooms, as LED lights have lower power consumption as compared with the original fluorescent tubes.
<b>MONITORED BY:</b>	Facility Service Unit
<b>IMPLEMENTED BY:</b>	Facility Service Unit
<b>BEGINNING:</b>	December 2015
<b>END:</b>	Underway
<b>COSTS:</b>	CZK 470,000
<b>BENEFIT:</b>	The annual energy saving is 29,250 kWh. Installation of LED lights helped reduce CO <sub>2</sub> emissions by 34 tonnes/year.

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THE ANNUAL ENERGY SAVING IS

**29,250** kWh



INSTALLATION OF LED LIGHTS  
HELPED REDUCE CO<sub>2</sub> EMISSIONS BY

**34**  
**tonnes/year.**



## INTRODUCTION OF ELECTRONIC INVOICES

<b>ASPECT:</b>	Paper consumption
<b>OBJECTIVE:</b>	Improve
<b>TARGET VALUE:</b>	G/LTE-related postage saving; no value defined for paper saving
<b>DESCRIPTION:</b>	The business case was not based on paper saving but on the introduction of a fee for print invoices and on postage saving.
<b>MONITORED BY:</b>	CSR
<b>IMPLEMENTED BY:</b>	Several organisational units
<b>BEGINNING:</b>	Implementation began in 2007 – January 2008
<b>END:</b>	Underway
<b>COSTS:</b>	CZK 37,774,000 (the cost of the entire project; electronic invoices were a part of that project); the cost of the supporting initiative in cooperation with UNICEF: production – CZK 100,000 + donation of CZK 223,023 to UNICEF.
<b>BENEFIT:</b>	At the end of May 2010, electronic invoices were used by 178,971 customers, which translates into a saving of approx. 3 sheets of paper x 178,971 per month. For each saved sheet of paper, T-Mobile contributed CZK 1 to UNICEF to support a programme within which drinking water was to be arranged for up to 880 families in need (10 litres of water are necessary to produce one A4 sheet of paper).

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## ELECTRONIC INVOICE ACTIVATIONS

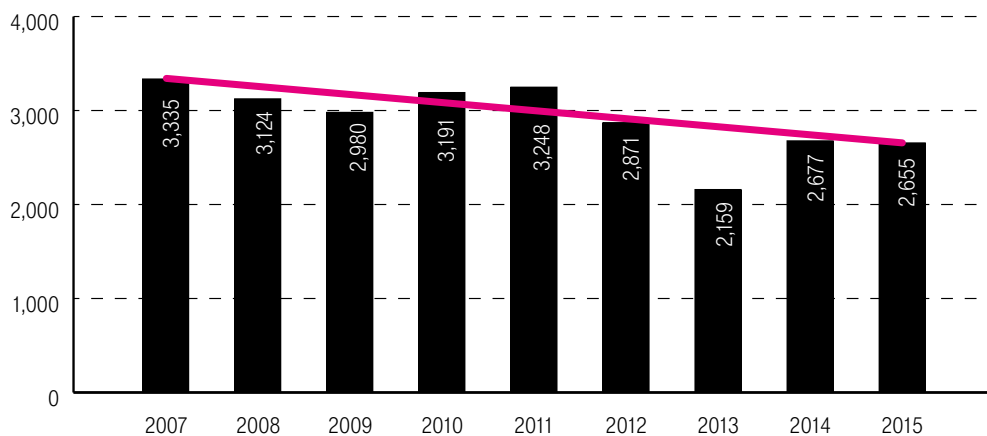
STATUS AS AT	NUMBER OF ACTIVE USERS	MONTHLY SAVING WILL HELP SAVE
JANUARY 2009	29,069	<b>42</b>
JULY 2009	53,955	
JULY 2010	243,094	
JULY 2011	463,099	
JULY 2012	544,435	
JUNE 2015	899,062	
SEPTEMBER 2015	1,000,000	
AUGUST 2016*	1,115,454	

\*Note: In August 2016, a total of 2,286 kg of paper (including envelopes) was saved thanks to the use of electronic invoices; this monthly saving will help save 42 trees. When recalculated for a one-year period, a total of 504 trees will be saved, which daily cover oxygen consumption of 25,200 people. The environmental objective has been improved continuously.

TREES

## CAR FLEET OPTIMISATION

T-Mobile is aware of the global impact of greenhouse gas emissions. Therefore it carefully monitors CO<sub>2</sub> emissions generated by the operation of its car fleet. The company has succeeded in reducing CO<sub>2</sub> emissions in the air thanks to its car fleet optimisation, purchase, maintenance and operation of company cars.



## CUTTING CORRUPTION IN THE CZECH REPUBLIC

In 2014, T-Mobile was the first mobile operator in the Czech Republic to establish cooperation with Transparency International Czech Republic, a non-governmental organisation whose objective is to monitor the state of corruption in the Czech Republic and actively contribute to its reduction. The company is a corporate member of the Transparency International Club.

The cooperation with the Czech branch of Transparency International reinforces T-Mobile's efforts in adopting measures to prevent corruption. According to Transparency International Director David Ondráčka, in the past twenty years, the fight against corruption has become a major issue which is on the agenda of international organisations, governments and businesses; the compliance in organisations and internal control mechanisms have an important role.

Annually on 9 December, T-Mobile observes the International Anti-Corruption Day as do the other members of the Deutsche Telekom Group. On this occasion, T-Mobile organises internal programmes for employees, within which it stresses its commitment to act in accordance with the rules that are aimed at preventing corruption, and encourages its employees to observe these rules.

Compliance with the measures described above not only ensures long-term development of the company's business but it also helps cultivate business environment in the Czech Republic.



**10-LETTER CRIME**

**C O R U P \_ \_ \_ O N**

Ethical conduct is the fundamental element of trust that our customers and business partners have placed on us. T-Mobile and Deutsche Telekom therefore actively fight against any form of corruption.

If you have any questions, please contact the Compliance Unit by sending an e-mail to [compliance@t-mobile.cz](mailto:compliance@t-mobile.cz).

**T..**

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**FOR MORE INFORMATION:**

[www.t-mobile.cz/pomahame](http://www.t-mobile.cz/pomahame)



T-Mobile Pomahame