

**WE WALK
THE TALK**



T Systems

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1. Sustainability is part of our DNA

Dear readers,

Sustainable development is a top priority for us at Deutsche Telekom, particularly at T-Systems. In an era defined by environmental, social, and economic challenges, we recognize our responsibility to actively contribute to a sustainable future.

As top management sponsor for sustainability topics in all three dimensions Environmental, Social and Governance (ESG), I take this responsibility very seriously. I am proud of how we at T-Systems are integrating sustainability into all our business areas. Management plays a crucial role in driving sustainability initiatives. Our dedicated Corporate Responsibility(CR) Management Committees closely oversee these efforts, ensuring that sustainability strategies are not only developed but also effectively implemented through a well-structured management system.

*Transparency is fundamental to our approach, which makes it essential for us to communicate our progress openly and honestly. In addition to the Corporate Sustainability Reporting Directive(CSRD) compliant sustainability statement Deutsche Telekom publishes an award-winning Group-wide Corporate Responsibility Report (CR Report) that encompasses all segments of Deutsche Telekom AG. T-Systems^{*1} sustainability ambitions are a key component of this report.*

This paper complements Group reporting with T-Systems-specific practices, KPIs, and governance details. It serves as a supplementary document, providing interested readers with detailed insights into our comprehensive approach to sustainability.

***We hope that this document will enhance our ESG commitment to a more sustainable future.
Thank you for your interest in our sustainable vision.***

^{*1} partly also referred to as "Systems solutions"



Sebastian Gielen

Senior Vice President Operating and Transformation Office

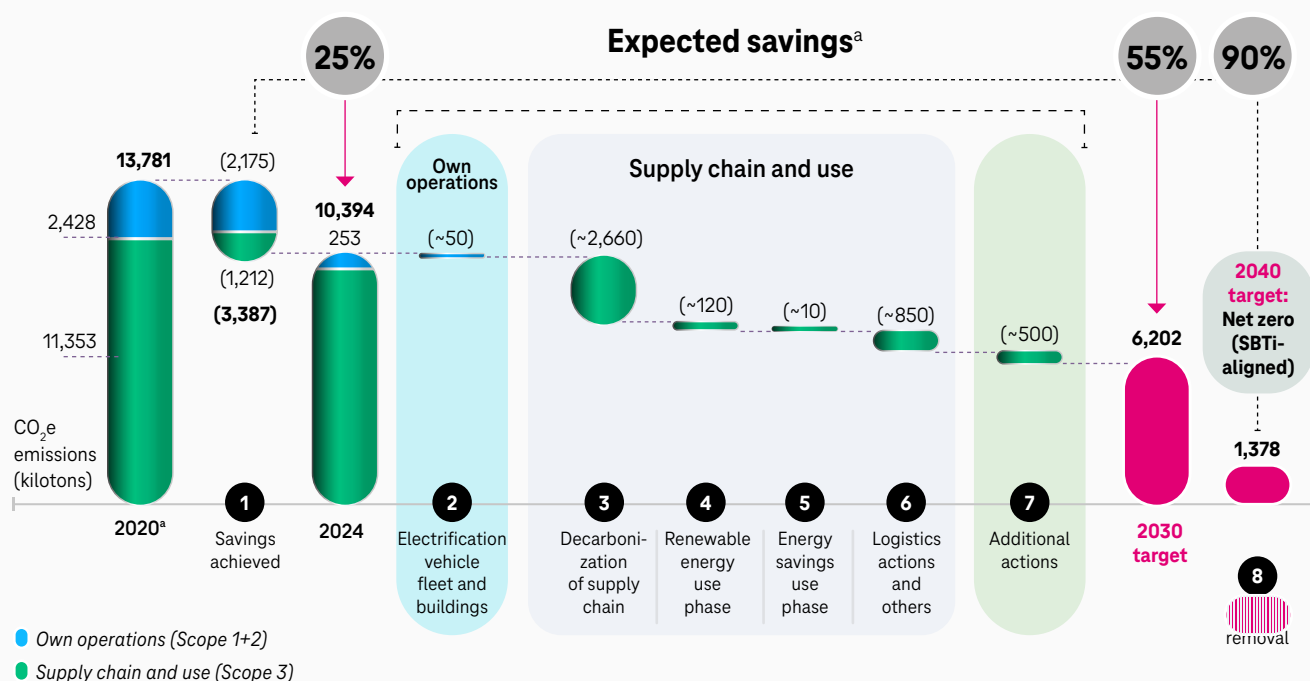
2. Climate protection

As a part of Deutsche Telekom, T-Systems shares the Group's commitment to sustainability and is dedicated to becoming a leading sustainable telecommunications company.

In 2024, Telekom's total gross Greenhouse Gas (GHG) emissions across all scopes amounted to 10.39 million t CO₂e (market-based) and 14.38 million t CO₂e (location-based). The breakdown of T-Systems Scope 1–3 emissions is as follows:

	Unit	2022	2023	2024
Emissions total (Scope 1 - 3) in CO ₂ e	t CO ₂ e	303,350	237,277	297,536
Direct emissions (Scope 1)	t CO ₂ e	9,571	7,535	6,468
Indirect emissions (Scope 2) "market-based"	t CO ₂ e	790	383	654
Indirect emissions (Scope 3)	t CO ₂ e	292,988	229,210	290,414

We monitor all relevant GHG emissions across our entire scope, providing a clear baseline that highlights the scale of emissions along the full value chain and guides T-Systems' concrete climate targets. To ensure transparency and accountability, Deutsche Telekom also responds to the Carbon Disclosure Project (CDP), reporting on its emissions and climate actions as part of the Group's long-standing participation in the CDP's Climate A-List.



DTAG transition plan 2025: Our next steps to reach zero emissions along the entire value chain by 2040

By 2025, Deutsche Telekom and, as subsidiary, T-Systems, aim for climate-neutral operations (Scopes 1 and 2), reducing emissions by up to 95% compared to 2017 and offsetting the remainder through high-quality CO₂ projects. By 2030, we target a 55 % reduction in total CO₂ emissions across Scopes 1–3 versus 2020, working closely with suppliers to reduce production and product-use emissions.

Long-term, the goal is net-zero emissions across the entire value chain by 2040 meaning that at least 90% of emissions are to be reduced in absolute terms across the entire value chain. The remaining maximum of 10% is to be offset by high-quality CO₂ sequestration projects.

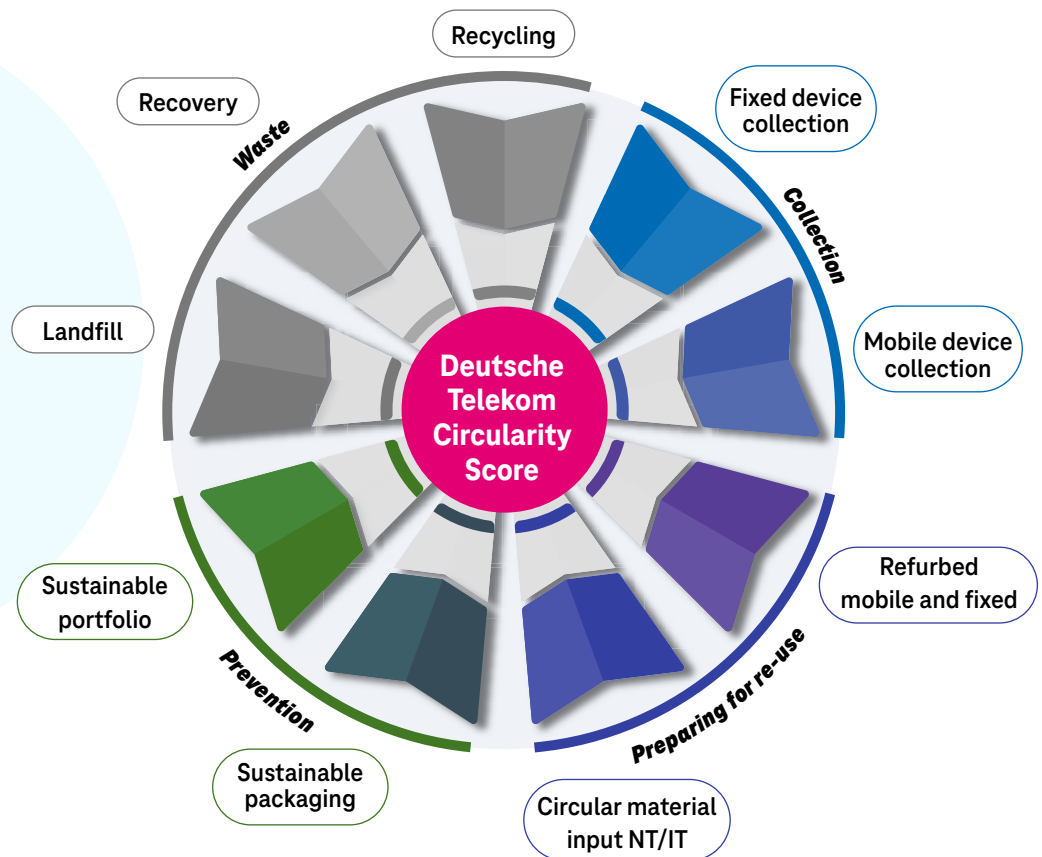
^a The figures are based in part on estimates, assumptions, and projections.

^b The figures for 2020 were adjusted retrospectively in the reporting year due to adjustments to methods and structures applied. Since 2023, CO₂ emissions (Scopes 1 and 2) have also included fugitive emissions from refrigerants and fire suppressants.

3. Circularity

As part of our European resource efficiency strategy, in 2021 we set the Europe-wide goal of “zero waste to landfill”: This means that we dispose of or recycle 100% of electronic waste properly, preventing it from ending up in landfill. We were already able to achieve this goal in 2022.

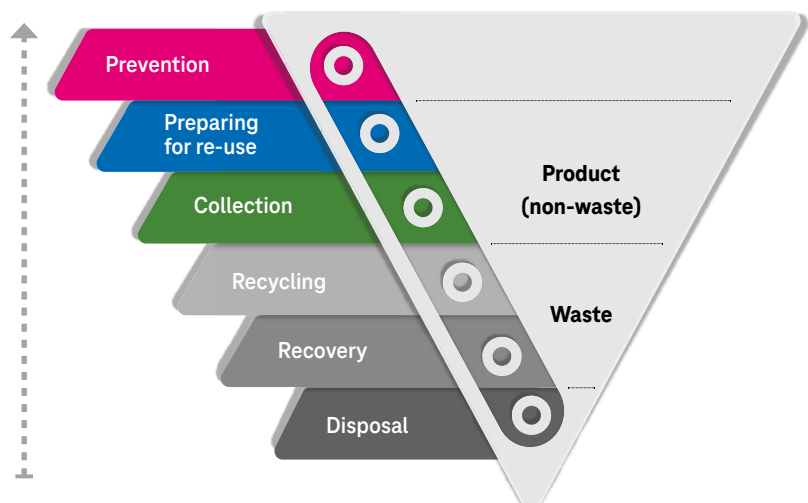
But we go one step further. We are committed to becoming 100% circular-ready. This ambition is a core element of our corporate responsibility strategy. By 2030, we aim to take a leading role in the field of circular economy – particularly when it comes to our data center IT equipment.



To achieve this, we take into account the entire lifecycle of our products – from development and deployment to take-back and reuse. Our actions along the value chain span four key dimensions: prevention, preparation for reuse, collection and recycling, and disposal.

We are committed to handling resources responsibly across our entire value chain. Beyond reducing and avoiding resource use, our goal is to extend the useful life of products and materials for as long as possible and return them to the cycle at the end of their life. Longer usage phases and reuse not only conserve resources but also save energy and reduce emissions – thereby contributing to climate protection.

In addition, we focus on sustainable product design and environment friendly packaging solutions, implement comprehensive waste management strategies, and pursue circular approaches in network technology. This not only helps us conserve resources within our own operations but also enables our customers to act more sustainably.



4. Green data center

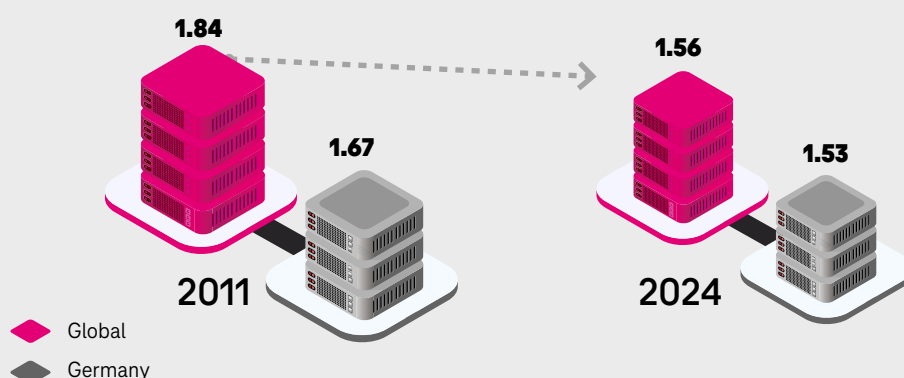
As the number of data centers and their associated hardware continues to grow globally, energy consumption is expected to rise significantly. In Germany alone, the digital association Bitkom estimates that energy usage by data centers could reach up to 35 billion kilowatt-hours by 2030.

For years, in response to rising demand, T-Systems has continuously improved data center energy efficiency. For example, the data center in Biere, Saxony-Anhalt, was recognized by the European Commission as one of the most energy-efficient centers, achieving a Power Usage Effectiveness (PUE) of 1.3. In addition, T-Systems is a certified member of the Climate Neutral Data Centre Pact, an initiative of industry players and trade association of cloud infrastructure services and data centers in Europe to achieve climate neutrality by 2030. It is supported by the European Commission.

At T-Systems' own data center in Magdeburg, an AI-based solution now controls the cooling systems with impressive results. Supported by an innovative start-up, we use AI-based software to control the cooling systems in an energy-efficient manner. After around a year of successful testing, the AI is now taking over the optimization of the complex cooling infrastructure in regular operation. This is made possible by a digital twin that precisely maps the entire cooling system and uses real-time data to identify how individual components – such as refrigeration machines, pumps, and fans – can work together optimally to minimize energy consumption.

Energy efficiency of T-Systems data centers

Data centers are becoming more energy-efficient (PUE factor)



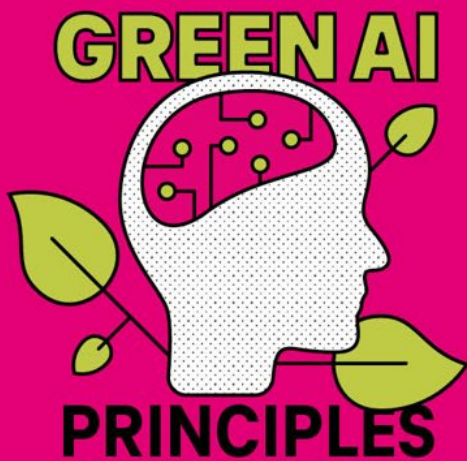
Since early 2021, all T-Systems data centers have been powered by 100% renewable electricity. In addition, the company follows its internal guideline "Environmentally Sustainable Design Principles", which sets clear standards for sustainable software and system development and operations. For example, it promotes high hardware utilization to reduce the overall demand for physical infrastructure. Furthermore, T-Systems operates an internal hardware exchange platform to reuse components within its data centers and extend their lifecycle.

5. Sustainable AI as a strategic imperative

AI is reshaping industries worldwide, but its rapid growth also drives significant energy consumption. Large-scale AI models demand immense computational power, leading to a rising carbon footprint. As part of Deutsche Telekom, T-Systems acknowledges the dual role of AI: while it contributes to environmental impact, it also offers powerful solutions to sustainability challenges. AI can optimize energy consumption in factories, improve building efficiency, reduce food waste, and support early detection of natural disasters, among other applications.

To address these challenges, Deutsche Telekom and T-Systems apply the Green AI Principles — a framework guiding the development and deployment of AI solutions with sustainability at their core.

The nine Green AI Principles cover the following areas:



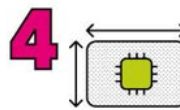
Green Electricity
We use renewable energy



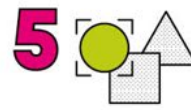
Reusability in the Value Chain
Reuse of hardware, software & AI models



Transparent CO₂ Footprint
We make our CO₂ footprint transparent



Dynamic Sizing
We adapt our hardware to the needs



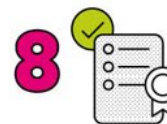
Optimized AI Models
We use optimized AI architecture and AI models for specific use cases



No Duplications
We avoid duplicate work by sharing ideas & best practices



Green Coding
We code green



Simplicity Matters
We opt for simple & efficient AI models w/o compromising the intended use case



E2E Responsibility
We take end-to-end responsibility for Green AI

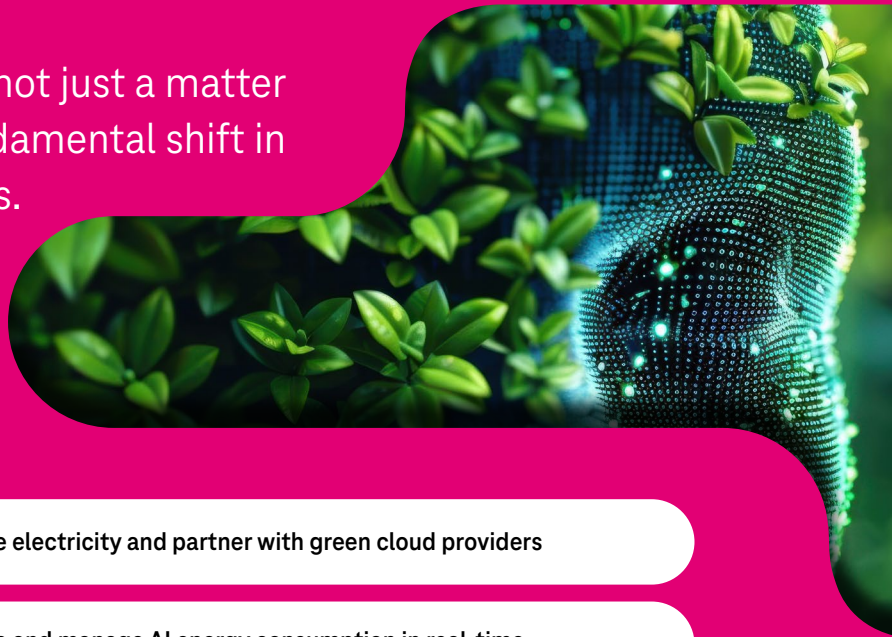
Together with the previously mentioned “Environmental Sustainable Design Principles”, these principles serve as a practical framework to ensure IT and AI solutions are both innovative and environmentally responsible.

This framework embodies our understanding of Green IT: environmentally conscious innovation as a core principle, not an afterthought.

Sustainable AI as a strategic imperative

However, sustainability in AI is not just a matter of technology, it requires a fundamental shift in mindset, culture, and processes.

T-Systems pursues a holistic, multidimensional approach to implement sustainable AI:



Operate data centers on 100% renewable electricity and partner with green cloud providers



Provide developers with tools to measure and manage AI energy consumption in real-time



Integrate sustainability checks into AI project governance to ensure adherence from the outset



Promote a culture of awareness and training on sustainable AI across all organizational levels



Engage openly with partners, research institutions, and the wider community to foster an ecosystem of sustainable AI innovation

T-Systems, as a key asset of Deutsche Telekom, is dedicated to embedding these principles into its AI activities, ensuring that innovation goes hand in hand with environmental responsibility. As our CEO Dr. Ferri Abolhassan stated in 2025, 'Sustainable AI is a strategic imperative.' ([2025 on LinkedIn](#)). By driving sustainable AI development today, T-Systems not only supports global climate goals but also secures a competitive advantage for the future.

[2025 on LinkedIn](#)



The challenge is to exploit the great opportunities offered by AI applications while minimising their impact on the environment.

Nils Henrik Muthmann,

Program Lead Sustainability/ESG at T-Systems International

6. Digital enabler for 360-degree responsibility through our best-in-class solutions

Achieving true sustainability is one of the defining challenges of our time. Companies are under increasing regulatory, societal, and market pressure to align climate action with business growth. T-Systems is addressing this challenge directly by integrating innovative digital solutions with a comprehensive sustainability strategy. After all, tomorrow's sustainability targets cannot be achieved using yesterday's technologies. To combine digital growth with investment in sustainability, T-Systems is supporting companies in their digital, sustainable transformation.

The T-Systems sustainability portfolio has been rated “best in class” and “leading” by several research, rating and advisory companies such as PAC and ISG.

T-Systems Awards 2024



Our solutions deliver real-world impact through measurable results: reduced CO₂ emissions, decreased energy consumption, saved resources, enhanced traceability, and optimized value chains. Digital innovation thus translates directly into environmental and economic impact as demonstrated by:

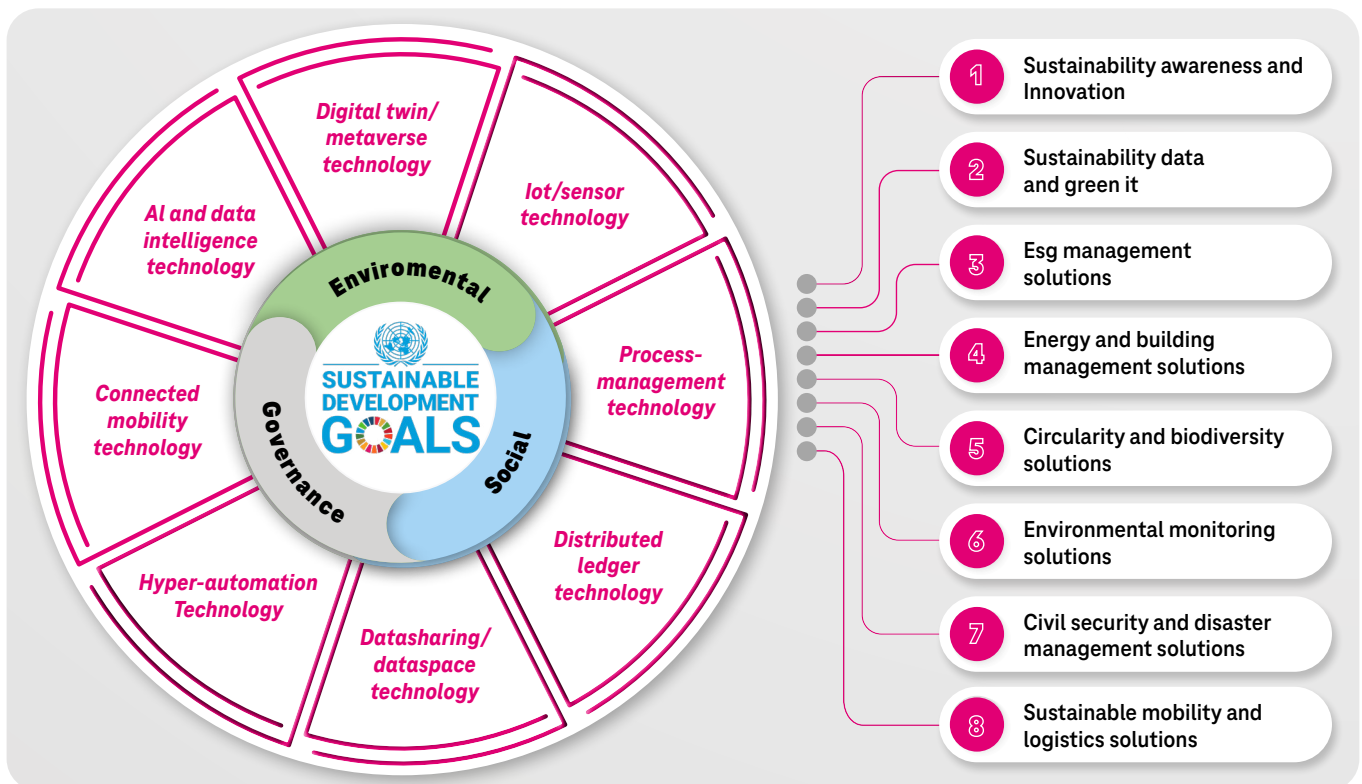
- Sustainable mobility management achieving 20% fuel reduction and 30% lower CO₂ emissions per vehicle
- Cloud services operating with 75% fewer servers
- AI-based energy optimization achieving 50–80% energy reduction through intelligent edge cloud management
- Smart groundwater monitoring saving 30% of consumption

Sustainable transformation requires more than isolated initiatives — it demands a comprehensive, integrated approach across the entire organizational ecosystem. Our solution portfolio is designed precisely for this challenge. We deliver a complete sustainability solution ecosystem addressing ESG dimensions across all operational and strategic layers.

Our Sustainability Data and Software Consulting builds the foundation for data-driven decision-making. ESG Management Solutions ensure regulatory compliance and performance measurement across sustainability metrics. Energy and Building Management Solutions reduce operational costs while minimizing environmental footprint. Environmental Monitoring Solutions deliver real-time intelligence for resource and ecosystem protection.

Sustainable Mobility and Logistics Solutions drive climate action through transportation optimization. Circularity and Biodiversity Solutions unlock value creation through circular economy and regenerative practices. Civil Security and Disaster Management Solutions strengthen business continuity and climate resilience.

At the heart of this solution portfolio lies our integrated technology stack. By integrating cutting-edge technologies as AI, IoT, Digital Twins, Connected Mobility, Hyperautomation, Process Management, Dataspaces, Distributed Ledger systems, and Data intelligence, we transform sustainability from a compliance burden into a competitive advantage.



For this, T-Systems pursues new ways to develop solutions. With the launch of the X-Creation program in 2023, T-Systems established a platform for over 100 contributors from business, research, and society to co-create sustainable, actionable solutions. The initiative's structured innovation process identifies urgent societal challenges, brings together interdisciplinary teams, and supports scaling through partnerships and access to funding.

A practical example of this is the News-Profi app, which was developed by X-Creation in partnerships with organizations like, CORRECTIV and Google. The app utilizes artificial intelligence for content verification, thereby preventing the uncritical spread of misinformation and promoting constructive public discourse. Anyone can check questionable content before sharing and directly distribute the AI-based results.



Digitalization is the most powerful sustainability lever we possess, and the most decisive tool for building a sustainable future.

Jens Mühlner

Head of Digital Sustainability Solutions



7. Lifelong learning



Putting people at the center is one of our most important jobs as leaders. It is our task to encourage people, to challenge them, to discover their talent and to let them move on. That's why we regularly run the WeGrow performance dialogue with all employees and focus our HR work at T-Systems on talent management. I like to spend time to exchange with our employees, to get to know their needs. I experience many open and impressive conversations during site visits especially with talents. In talks, the opportunity of making a career is a controversial topic.



Zsuzsanna Friedl
Chief Human Resource Officer

Lifelong learning is integral to T-Systems' culture, supporting resilience and innovation in a fast-changing business environment. T-Systems offers flexible benefits and structured learning opportunities so employees at all career stages can shape their development and thrive. Key development programs empower staff worldwide to become experts, leaders, and coaches.

Performance development is supported by the "WeGrow" program, which identifies individual strengths and opportunities for advancement for all our employees worldwide. LevelUP! NextGen targets IT and tech talents for future leadership roles, while the Global Talent Hub supports high-potential employees on their leadership journey.



To foster a learning culture, T-Systems offers multiple formats:

Career coaching and mentoring

Part-time academic study options

Knowledge-sharing platforms like Learning from Experts

The digital learning platform Percipio for flexible access

Every employee maintains a personal skill profile on a digital skill management platform, guiding their career development and supporting company-wide talent management.

The company's commitment is reflected in the strong figures: in 2024, each employee received an average of **108 hours** (9h per month) of training, and by the end of the first half of 2025, this figure had risen to an average of **10.6 hours** per month.

T-Systems continually increases participation and effectiveness of its learning programs, ensuring that lifelong learning remains central to its strategy and delivering value to employees and clients.

8. Our new work @ T-Systems

At T-Systems, we believe that the way people work together will be the decisive factor for innovation and long-term success. Tomorrow's employee is defined less by rigid job descriptions or hierarchical boundaries and more by adaptability, curiosity, and proficiency in networked digital environments. Our future colleagues will move seamlessly between virtual and physical spaces, empowered by flexible working hours, mobile work models, and digital tools that enable true cross-company collaboration. They will engage in interest-driven and goal-oriented networks, learning from each other and creating value that goes far beyond their individual roles.



New work at T-Systems places people at the center via trust-based leadership, agile structures, and workspaces that encourage creativity and innovation. Most importantly, the employee of tomorrow embodies purpose. They contribute to meaningful projects that address the challenges of digitalization, sustainability, and globalization. Work is no longer perceived as a fixed routine, but as a chance for self-realization, for shaping technology and society, and for driving positive change for our customers.

9. Sovereignty



If we as Europe do not succeed in managing the digital catch-up process now, we will no longer be able to do so.

Christine Knackfuss-Nikolic
Chief Sovereignty Officer of T-Systems



Digital sovereignty is at the heart of Europe's next stage of transformation. Over 70% of the European cloud market is still dominated by US hyperscalers, driving regulatory and strategic risks. For Europe, the chance to close the digital gap is now or never. We must harness today's momentum to build sovereign infrastructure for the most critical workloads, and invest in areas where we still have a competitive edge, such as specialized industrial models for manufacturing. For T-Systems, sovereignty means more than data location, it's about comprehensive control, compliance, and operational autonomy at every level.

T-Systems' T Cloud platform offers a full spectrum of sovereign solutions built on three pillars: data, operational, and technological sovereignty. By operating certified data centers in Germany, Netherlands, and Switzerland—with 24/7 SOC monitoring customers maintain full ownership of data and encryption keys, while all operations remain under EU jurisdiction. European enterprises can now design multi-cloud architectures, incorporate open standards such as OpenStack, and run SAP and AI workloads in Europe or specifically in Germany, enabling flexible yet secure options for regulated industries. In June 2025, T-Systems appointed a Chief Sovereignty Officer, reflecting the strategic mandate to expand these offerings rapidly.

T-Systems is also a key driver of Europe's digital independence ambitions with the "8ra" initiative—a partnership involving 12 member states and over 150 organizations to create a federated "super cloud." The goal is to connect 10,000 edge datacenters by 2030, supporting real-time, sovereign applications across the continent. These developments allow customers to benefit from local expertise and innovation, strengthened by transparent, GDPR-compliant infrastructure and zero-trust security models.



Through enabling full control and trusted operations, T-Systems makes sovereignty both a technical capability and a strategic pillar for sustainability, growth, and an innovative European digital economy.

10. Governance and compliance

As we are a 100% subsidiary of Deutsche Telekom, our good corporate governance is based on the corporate governance rules defined by Deutsche Telekom, the code of conduct, the Group mission statement, the environmental goals of the different business units, and the balancing of finances, the environment, and social matters. Further details are available on our governance approach. Responsible leadership at T-Systems means managing investments effectively, supporting sustainable business development, and fostering a culture built on integrity, compliance, and performance. Long-term business success is pursued in close cooperation with partners, driven by shared values and responsible conduct.

These principles of corporate governance allow us to:

- Guarantee standards for quality and security within the company
- Offer products and services with over 100 holdings in over 20 countries
- Aim for sustainable economic success, together with our partners

Our integrated Health, Safety, and Environment (HSE) management system helps embed sustainability at Group level as a component of all our business processes and of our employees' everyday work. Our Group-level HSE management system is covered by an umbrella certificate based on the international standards ISO 45001 (formerly OHSAS 18001) for occupational health and safety, and ISO 14001 for environmental management. For some units, it also covers international standard ISO 9001 for quality management.

The IDW PS 980 audit of the anti-corruption Compliance Management System (CMS) in international units was successfully completed. KPMG has confirmed the effectiveness of the anti-corruption CMS for all twelve group companies that were audited internationally (including T-Systems China and T-Systems Brasil), and has highlighted the continuous improvement of the system. Additionally, T-Systems Mexico and T-Systems Iberia successfully renewed their ISO 37001 anti-corruption management system certification, emphasising their compliance with international standards and ongoing commitment to fighting corruption.

11. Human rights

As a subsidiary of Deutsche Telekom, we are fully committed to respecting human rights, and this section explains how we protect them and the channels available for reporting potential violations.

As part of Deutsche Telekom, T-Systems is committed to respecting and promoting human rights and environmental regulations wherever we operate, including in our supply chains and among our business partners.

We specify this commitment in detail in our policy statement on human rights. We are guided throughout by laws such as the Act on Corporate Due Diligence in Supply Chains (LkSG), as well as by international reference frameworks on human rights and the environment, such as the United Nations' Universal Declaration of Human Rights, the International Labour Organization's core labor standards, the OECD's Guidelines for Multinational Enterprises, and many more besides.

Our principles on human rights and the environment underpin all of our business activities. These principles apply in equal measure to our employees, our suppliers, and our business partners, and are defined in our global Code of Human Rights. They describe our values, standards, and fundamental due diligence processes, which are firmed up in further intragroup policies, practices, and processes, and provide the framework for our actions. We continually further develop these aspects and report annually on our work in this area.

This Code of Human Rights is adopted and implemented by all Group companies over which Deutsche Telekom and T-Systems exercises a decisive influence. More than forty T-Systems companies worldwide act in alignment with these principles on human rights and the environment.

Moreover, each year Deutsche Telekom and T-Systems individually publish information within an "Annual report LkSG" on internally defined human rights-related and environmental risks from the previous year, including the resulting measures and expectation. More Information can be found here.

Our comprehensive due diligence program covering human rights and the environment serves to entrench the implementation of our Code of Human Rights in practice within our company. We regularly analyze the risks and impacts our business activities have or could have on human rights and the environment. By doing so, we are able to prevent, mitigate, and stop negative consequences and take advantage of opportunities to make improvements. We review our due diligence processes at least once a year to ensure their efficiency and make changes wherever necessary. More Information can be found here.

Through the TellMe whistleblower portal, you have the opportunity to share your concerns and tips-offs about human rights-related or environmental risks securely, confidentially, and anonymously. More information can be found here.



12. Additional information

As part of Deutsche Telekom, T-Systems is committed to all relevant corporate documents, guidelines, and policies including (non-exhaustive)



Corporate ESG relevant reports

- CR Report
- Annual Report (incl. Sustainability Statement)
- HR Factbook 2024
- BAFA Report LkSG



Certificates

- ISO @ T-Systems (incl. ISO 9001, ISO/IEC 27001, ISO 14001, ISO 45001, ...)



Policies and guidelines

- Policy statement on human rights
- Rule of procedure for tip-offs concerning human rights violations
- Diversity, Equity, and Inclusion Group Policy
- Guidelines for Artificial Intelligence Deutsche Telekom
- Protection of minors and safety when using mobile phones and the internet
- Data privacy at Deutsche Telekom
- Code of Conduct
- Supplier Code of Conduct
- Responsible Employer

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