



Telefónica's Responsible Business Principles

Eng. 2026

Our way of working reflects who we are: an ethically committed company that has a positive impact on the society we serve.

At Telefónica, our mission is **to deliver the best digital experience to all our customers** by providing connectivity and advanced services tailored to their needs. We are committed to technological innovation and service excellence as core pillars to build trust and support the digital development of individuals, companies, and public administrations.

We want to be a company in which our stakeholders and society in general can trust. To achieve this, it is essential to communicate clearly and transparently the principles that guide our actions and decisions.

This document aims to meet that need. The **Responsible Business Principles** set out our ethical commitments as a company and constitute our **Code of Ethics and Conduct**, as well as our sustainability policy. These Principles govern what we say and do in our daily activity, both when acting individually and as a team.

Within our value chain, business partners and suppliers play a key role. For this reason, we require them to adopt a code aligned with these Principles.



Marc Murtra

Executive Chairman of Telefónica

Telefónica faces the future with a clear ambition: to be the citizens' best gateway to digital technologies, and to position ourselves among the leading companies in the sector in Europe by 2030, and globally by 2035.

But just as important as *what we do* is *how we do it*.

Telecommunications are an essential infrastructure for the functioning of our societies. We connect millions of people and enable the operations of businesses and public administrations. Our impact is real and direct on the economic, social, and environmental development of the countries in which we operate.

For this reason, acting with integrity, transparency, and commitment is not an option. It is a necessary condition to earn the trust of our customers, our shareholders, and the society as a whole.

Our **Responsible Business Principles** are not an aspirational document. They are a decision-making framework. A Code of Ethics and Conduct that clearly defines how we want to act at Telefónica.

They establish the foundations that guide our decisions: respect for human and digital rights, integrity in our business and the fight against corruption, a commitment to diversity and inclusion, the integration of sustainability throughout our value chain, and the responsible use of technology. We always seek to place the security, privacy, and trust of our customers at the center of everything we do.

At a time of profound technological transformation, these Principles help us to make consistent decisions and to move forward with clarity. And this is not a haphazard approach: it reflects a coherent way of acting.

I invite you to internalize these principles and make them your own. I also encourage you to complete the associated training and apply them in your day-to-day work. In doing so, each of you will become the best leader of a responsible company.

Thank you for your commitment.

Marc Murtra, Executive Chairman of Telefónica

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I. Introduction

At Telefónica we are committed to ethical and long-term management that promotes comprehensive and sustainable social and environmental development through our **Responsible Business Principles**.

These Principles define our corporate culture, reflect the type of company we want to be, and enable us to establish ethical and long-lasting business relationships with partners and suppliers who operate under similar business standards.

Everyone at Telefónica has the responsibility to act with **integrity, transparency, and commitment** to generate trust and security with all our stakeholders.

INTEGRITY

Means acting at all times according to non-negotiable ethical standards.

TRANSPARENCY

Means committing ourselves to providing our stakeholders and society in general with clear, accurate, and accessible information about our strategy and activities, and facilitating the raising of questions or queries about them.

COMMITMENT

Means fulfilling the Principles we declare.

II. Scope of coverage

These Principles govern the activities of all of us who are part of the Telefónica Group, regardless of where we work or our position or role within the company. They also establish our commitments to suppliers and business partners, with the aim of promoting compliance throughout the value chain through proactive management with them.

The Responsible Business Principles, the Code of Ethics and Conduct of the Telefónica Group, will be updated periodically (at least every five years) and must be approved by the Board of Directors of Telefónica, S.A.

III. Our Responsible Business Principles



Principle 1: Ethical and responsible management

Integrity and responsibility are essential pillars that guide the behaviour of everyone at Telefónica and inspire our Compliance program. Our ethical culture entails full respect for the law and establishes clear standards of conduct.

Respect for the law

Telefónica ensures that it **conducts its business in accordance with current legislation** in all the markets in which it operates, both nationally and internationally. This commitment to legality is particularly relevant when it comes to **rejecting corruption**.

In this regard, it is the responsibility of all employees to be familiar with and comply with the Group's internal regulations, which set out the Principles contained in this code.

Honesty and integrity

At Telefónica we maintain a firm commitment to honesty, integrity, and compliance. We adopt a **zero-tolerance** policy **toward bribery and corruption** in any form, both in the public and private spheres, and we are committed to complying with anti-corruption laws in all markets where we operate.

Our internal policies prohibit any inappropriate payments, bribes, or illegal commissions.

- **Prohibitions in the public sector:** We act with complete integrity **in our relationship with the public sector**, avoiding any conduct that could compromise the impartiality, objectivity, or independence of public officials or employees. Therefore, it is strictly prohibited to offer, promise, pay, give, or authorize the delivery of any object of value, directly or indirectly, for the purpose of influencing governmental, administrative, or judicial decisions, or to obtain an undue advantage for the company.

- **Prohibitions in the private sector:** We apply **the same standards of integrity and responsible conduct** in our relationships with the private sector. Offering, promising, paying, giving, or accepting items of value is prohibited when this could inappropriately influence the conduct of third parties, influence

business decisions, or generate undue advantages. Acting with integrity means that all of us who are part of the Group must put the interests of the company and compliance with current legislation before any personal interests. We must refrain from intervening or influencing decision-making on issues where there may be a conflict of interest, and we must report any potential or actual situation using the tools provided by the company for this purpose. At Telefónica we prevent, mitigate, and manage conflicts of interest.

We have a **Compliance Management System** designed to prevent, detect, and correct ethical breaches, as well as acts of corruption, fraud, or bribery. This system, applicable to all Group units, reinforces our culture of integrity and ensures compliance with internal regulations and external legislation, promoting responsible conduct throughout the organisation.

Market transparency

We provide all **relevant company information** immediately and without discrimination.

We are aware of the importance, for all our stakeholders, of sharing **accurate, complete, timely, and clear** information through the reports we file with the relevant securities market supervisory bodies, as well as in other public communications issued by the company.

We refrain from using **privileged information** for our own benefit or that of third parties, safeguarding confidentiality and establishing the controls and processes legally required by securities market supervisory bodies in all actions related to these markets.

Taxation

We act with honesty, transparency, and respect for the law in the management of our tax affairs, and we

are committed to our obligation to pay the legally required taxes appropriately in all countries where we operate, thereby contributing to their economic and social progress. In addition, we ensure transparency and full disclosure, both locally and globally, to facilitate understanding of all matters relating to the company's taxation.

We do not use corporate structures, nor are we present in any of the jurisdictions included in the legally applicable list of tax havens for the purpose of concealing or reducing the transparency of our activities vis-à-vis the tax authorities or any other interested party.

Business assets

We maintain and preserve our physical, financial, and intellectual assets, and we use them efficiently and appropriately.

Free competition

We believe in **free markets and fair competition**. Therefore, we are committed to making decisions with responsibility and respect, complying with competition regulations, and avoiding any practice or conduct that could in any way restrict or distort free competition in the markets. Our suppliers must always avoid any anti-competitive acts in their own companies, such as cartel activities, price fixing, and any other practice that violates competition law.

Political neutrality

At Telefónica we remain **politically neutral**. We never take a position, directly or indirectly, for or against any political party.

We do not make donations to political parties or to public or private organisations which are organisationally linked to political parties and contribute to their financing. This does not prevent us, in compliance with current legislation, from making our views known on matters that may affect the management and sustainability of the company through "lobbying" or relationship-building activities. We report transparently on our "lobbying" or relationship-building activities, where applicable, through the various registers that exist for this purpose.





Principle 2: Corporate governance and internal control

Our fundamental corporate governance principles are set out in our internal regulatory framework, which includes the Articles of Association, the Board of Directors' bylaws, the General Shareholders' Meeting Rules of Procedure, and certain policies related to this matter.

With regard to the **principles that inspire our corporate governance**, the following should be highlighted:

- maximising the value of the company in the interests of shareholders,
- the essential role of the Board of Directors in supervising the management and administration of the company, and
- transparency of information in our relations with our stakeholders: including employees, shareholders, investors, and customers.

Likewise, to ensure the achievement of our strategic objectives, we have a specific, precise organisational structure aligned with a long-term sustainability model, which facilitates responsible decision-making based on good governance principles.

This is achieved through:

Continuous improvement of the corporate governance structure

At Telefónica we are permanently committed to continuously improving our corporate governance framework.

We regularly analyse and review our corporate governance structures and our level of compliance with the main existing recommendations on good governance. We adhere to the highest standards and are guided by national and international best practices, adopting improvement initiatives and always keeping in mind the creation of long-term value and the defense of shareholders' interests.

Protection of shareholders' interests

We have tools and mechanisms in place to protect shareholders, giving them access to financial, non-financial, and strategic information that allows them to make informed decisions based on equal access to information.

We have a **Shareholders' Office**, aimed at serving retail shareholders, and an **Investor Relations area**, to serve institutional investors and financial analysts, protecting the interests of all shareholders and investors through continuous direct contact with them via virtual or face-to-face meetings.

In addition, we make all of the company's updated information available on our website: share performance, financial and non-financial information filed with supervisory bodies, conference and forum presentations, Inside Information and Other Relevant Information, financial calendars, and contact details, among other matters.

Internal control and risk management

We establish appropriate controls to assess and manage all risks relevant to Telefónica.

Internal control is configured as a **process integrated into our company's daily activity**, in which all areas, within their scope of action, are responsible for internal control, and must consider among their tasks the assurance elements necessary for the achievement of operational objectives, with the minimum use of resources, the availability of adequate information for decision-making and external reporting, and compliance with laws and regulations.

Internal Audit, as an independent area of the company's management, is the area of Telefónica responsible for confirming, through appropriate evidence, the proper functioning of internal control and risk management structures and, where appropriate, detecting possible inefficiencies or breaches of the control system established by the Group through its processes.

Our **risk management process** takes the company's strategy and objectives as a starting point, as a basis for identifying the main risks that could affect their achievement, evaluating them, and defining the monitoring and response to them, generally through mitigation plans.



Principle 3: Respect for and promotion of Human Rights and Digital Rights

At Telefónica, we are committed to respecting and promoting internationally recognized human rights, including, among others, those contained in the United Nations Universal Declaration of Human Rights, the principles relating to rights recognized by the International Labour Organisation (ILO), and the eight fundamental conventions that develop them.

We believe that all people, without discrimination on the basis of origin, identity, or any other personal, social, or economic condition, possess inherent dignity and universal rights. Therefore, **we reject any discriminatory practice throughout our value chain** and incorporate **diversity and inclusion management as a key element of our policies and processes**.

In accordance with the United Nations Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct, we carry out **due diligence** (in close consultation with our stakeholders) to identify, prevent, mitigate, and remedy any adverse impacts of our activities throughout the value chain.

This commitment explicitly extends to **Digital Rights**, covering various aspects such as personal data protection, privacy, information security, ethical use of technology, equitable access to digital solutions, and prevention of discrimination in the digital environment.

We respect and promote all internationally recognized human rights and comply with applicable legislation, paying special attention to the following aspects in the digital world:

Freedom of speech and information

We are committed to the fundamental right of freedom of speech and information. Everyone should be able to freely express their opinions, access accurate information, and interact respectfully. As a telecommunications company, **we facilitate and promote the exchange of information** through our networks and services.

As a multinational operating in regulated markets, in exceptional and legally prescribed circumstances, we may receive certain requests from the competent authorities. In such cases, we are committed to following internal procedures that ensure compliance

with applicable legislation, while protecting the fundamental rights of the individuals concerned.

Privacy and security

At Telefónica we attach particular importance to rights and freedoms relating to the confidentiality of communications and the privacy of personal data, as well as to the security of the information that passes through our networks. To this end, we provide robust and reliable connectivity and offer products and services designed to safeguard and protect our customers' privacy and personal data. In addition, we have a **Global Transparency Center** that reflects our approach to this issue.

Respect for data **privacy** is essential to our business and a fundamental element in the design of our products and services. We are committed to complying with data protection and privacy regulations in the markets where we operate. Our customers have the opportunity to find out what personal data we collect, how and why we use it, and they have the option to control its use.

Our commitment to **security** consists of preventing, detecting, and managing risks that may affect our information systems, ensuring an adequate level of protection consistent with business needs. We apply the necessary measures to protect the people and information we manage, ensuring their confidentiality, integrity, and availability, and we act quickly and diligently in the event of any security incident.



Principle 4: Our commitment to the environment

Protecting the environment is essential to achieving sustainable development, and at Telefónica we take our responsibility for its conservation seriously. Our commitment is clear: to maximise the positive impact that digitalisation can have on society and other economic sectors, while minimizing our environmental impact.

We work to make our operations increasingly efficient, relying on renewable energy, energy efficiency, and design. We also promote circularity through the reuse and recycling of equipment, and we collaborate with business partners, customers, suppliers, and other stakeholders who share our goals.

We have established specific commitments in key areas such as energy consumption, greenhouse gas emissions, and the responsible management of electrical and electronic equipment. In doing so, we are contributing to the decarbonization of the economy and promoting a circular model that harnesses the potential of technology to build a greener future.

Environmental management

We have **Environmental Management Systems** in place across all Telefónica Group telecommunications operations. These systems enable us to ensure compliance with applicable environmental legislation, improve the efficient management of resources, and prevent and minimize the impacts associated with our activity.

We also incorporate **environmental criteria and standards into our purchasing processes** to involve our suppliers in reducing our environmental footprint throughout the value chain. This reinforces a common approach to sustainability and ensures that our environmental policies extend beyond our own operations.

To ensure compliance with these commitments, we encourage our employees, partners, and suppliers to adopt environmentally responsible behaviour and contribute to raising awareness among end customers about the progress we are making in this area, thus fostering a strong and shared environmental culture.

Energy and climate change

We are aware of the climate emergency and are working to limit global temperature rise to 1.5°C. Our decarbonization targets are on track to achieve **net-zero emissions by 2040**.

To move forward, we are activating the main levers of our **Climate Action Plan**: energy efficiency, renewable energy, and all actions related to our value chain (relationships with suppliers, carbon pricing, circularity criteria, etc.). In addition, we assess the risks arising from climate change and take advantage of the opportunities offered by an economy undergoing decarbonization, where connectivity and digital solutions have a very important role to play.

Circular economy

We are committed to a circular economy model that seeks to **make better use of resources and minimize waste**. To achieve this, we promote practices such as reuse, repair, and recycling, giving products a second life and avoiding the unnecessary manufacture of new equipment. We also work with our suppliers to incorporate environmental criteria into equipment design, and with our customers to promote more responsible consumption habits and solutions that extend the useful life of materials. With this approach, we want to contribute to a more sustainable future, where doing more does not mean using more, but using better.

Redesigning, reducing, reusing, and recycling are the foundations for minimizing resource waste and CO₂ emissions throughout the life cycle and improving our efficiency in their use. The **eco-design** of our products and the reuse and recycling of electrical and electronic equipment are the basis for moving towards a **zero-waste company**.



Principle 5: Innovation, design and responsible use of technology

We monitor and guarantee compliance with **safety and quality standards from design**, through manufacturing, distribution, and maintenance of both our products and services and those we distribute. We are committed to responsible design that incorporates accessibility, sustainability, and ethical criteria in the use of emerging technologies, including generative artificial intelligence, to minimize risks and maximise positive impacts on society and the environment.

We make a special effort to promote the responsible use of technology, integrating the protection and **digital well-being of children and adolescents** as a key part of our strategy, to help ensure that the Internet and digital tools have a positive impact on all areas of our lives.

Artificial Intelligence

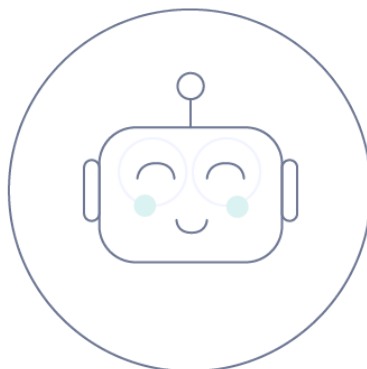
At Telefónica we develop and use Artificial Intelligence (AI) guided by a **governance model** that requires us to assess the risks of its use and compliance with applicable regulations and our **Artificial Intelligence Principles**, so that it is:

- **Transparent and explainable**, based on a clear understanding of how its models work and the logic behind its decisions, and in such a way that the people affected are aware of when they are interacting with AI systems.
- **Fair and inclusive**, aimed at delivering accurate, equitable, and accessible results for all people, seeking to avoid discriminatory impacts and minimizing bias in data, design, and implementation of algorithms.

- **Respectful of privacy and security**, ensuring the protection of personal data throughout its life cycle and ensuring the robustness and traceability of systems to prevent attacks, mitigate risks, and strengthen cybersecurity.
- **Focused on environmental sustainability**, minimizing the environmental impact of AI through the energy efficiency of systems, data, and infrastructure.
- **With human oversight, responsibility, and accountability throughout the value chain and the life cycle of systems**, ensuring the traceability of decisions, defining clear roles in their implementation, and anticipating possible negative impacts.
- **Free from practices that unfairly affect individuals or groups** of people, expressly avoiding the use or deployment of AI systems that may involve manipulative behaviour, exploitation of vulnerabilities of individuals or groups, discriminatory social classification practices, unauthorized biometric surveillance, or any other practice prohibited by applicable regulations.

Eliminating obstacles

We want to ensure that people with disabilities can access the benefits of technology, building a more accessible world. Therefore, we are committed to incorporating **accessibility criteria into our products and services from the design stage**, while improving the accessibility of all our facilities and customer service and information channels.





Principle 6: Responsible communication

We promote freedom of expression, pluralism, and diversity, as well as freedom of opinion, and we are committed to providing accurate information, education, awareness, and inclusion, explicitly ensuring the protection of children and adolescents and preventing any negative impact that content may have on their development and well-being.

As a company that is not only dedicated to facilitating communication, but also to generating entertainment, cultural, sports, advertising, and other types of content that can have an impact and influence on society, promoting sustainable environmental behaviors and habits, we assume our responsibility to promote **responsible, ethical, and quality communication**, also incorporating control processes to ensure lawful and reliable advertising.

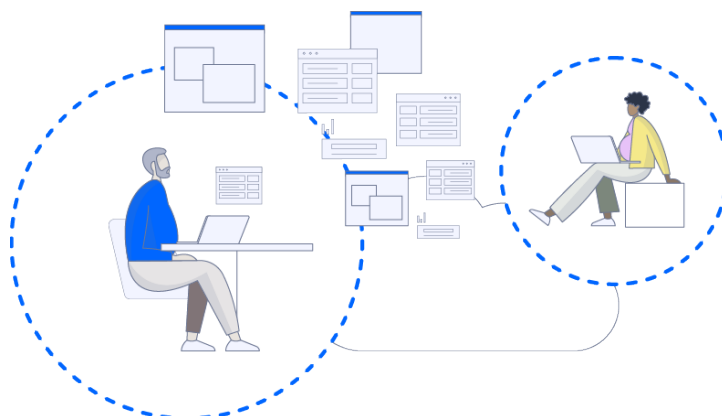
Our digital and advertising communications include messages that promote sustainable habits and respect cultural diversity, avoiding algorithmic biases in segmentation. We also have **ethical editorial criteria** in place prior to the broadcast of our advertising messages and sponsorships:

- They will not abuse the consumer's good faith.
- They will not undermine human dignity.
- They will not include messages or images that promote alcohol, tobacco, drugs, eating disorders, or terrorism.
- They shall never incite hatred, violence, or discrimination on the basis of ethnicity, skin color, nationality, religion, age, gender, disability, sexual orientation, or identity, or any other grounds, promoting the use of neutral and non-sexist language.
- They shall not incite illegal behaviour or behaviour that harms the environment.
- They will not abuse the naivety of minors.
- They will not include environmental claims that cannot be justified or verified, thus avoiding greenwashing practices.
- They will not use technical or confusing language that makes understanding difficult, especially for older people, people with disabilities, or other groups that require clear and accessible communication.

Use of Social Media

We use social media as a channel to communicate with our customers and society. All communication carried out through social media on behalf of Telefónica or any of its commercial brands must at all times respect the principles of **integrity, respect, and responsibility**, and maintain a consistent, rigorous line that is aligned with internal regulations and guidelines, values, and Telefónica's official position.

Our status as Telefónica employees may give rise to undesirable consequences on social media, which is why we must maintain a clear separation between messages issued on behalf of Telefónica and personal opinions or positions.





Principle 7: Our commitment to our customers

At Telefónica we are committed to showing our customers that we understand them, that we care about them, and that we offer them what they need in a simple and transparent way. We also take care of and protect their information in order to build relationships of trust based on respect and gratitude.

With the aim of building long-term relationships of trust with our customers, we act in accordance with **two fundamental values: respect and gratitude**, which are present in all our interactions.

Respect means actively listening to their needs, understanding their concerns, and treating each customer with dignity, always bearing in mind that their time is an essential value. We also show **gratitude** and humility for having chosen us.

We listen to our customers to understand their needs and expectations and incorporate them into our processes, products, services, and customer service channels.

Their **well-being and satisfaction** are a priority, which is why we offer personalized attention, proactive solutions, and quality products and services in a continuous process of improvement.

We provide **cutting-edge technology** that guarantees the reliability of our networks and the availability of our services, promoting sustainability, digital inclusion, and connectivity for individuals, businesses, and public administrations.

We strive for **simplicity and agility** in all interactions, removing barriers and offering intuitive and accessible solutions, as well as efficient resolution of any incidents.

Finally, we guarantee the **security, privacy, and well-being** of our customers through proactive and innovative measures that protect their data, network, and information. We give customers control and access to their data and develop technology in an ethical and responsible manner, promoting the safe use of technology.





Principle 8: Our commitment to employees

At Telefónica we consider the motivation of our teams and professionals to be essential. Their enthusiasm and commitment to Telefónica's purpose and values are key to achieving our goals.

Therefore, in addition to ensuring compliance with our employees' labour rights and protecting their health and safety, we are committed to maximising their potential. To achieve this, we are committed to **continuous learning** of the skills most in demand in the market in order to achieve the professional development of our employees, we implement **new ways of working**, promote a **culture of well-being**, and facilitate **work-life balance**. We also promote diversity and inclusion in our teams and ensure **gender equality** in all company processes, thereby reducing the wage gap.

Career development

We support the professional development of our employees, improving their skills, ensuring their employability, and enhancing their future prospects in the world of work. To this end, we provide employees with the tools to ensure **continuous training**, especially by enhancing their digital skills. Our **selection, hiring, training, and internal promotion processes** are based on clear criteria of integrity, equality, ability, competence, and professional merit.

We encourage our employees to understand how their contributions to the achievement of the company's objectives are evaluated. In addition, we encourage employees to actively participate in the **evaluation process** by promoting regular meetings with leaders.

We strive to ensure **equal opportunities** at all stages of the working life cycle, reaffirming our commitment to diversity and equality in the selection and hiring, promotion, talent management, compensation, and training processes implemented by the company.

Compensation

We are committed to ensuring that our **compensation is fair and appropriate** for the labour markets in which we operate, and to ensure this, we rely on indicators that measure the level of compensation of our employees in the market. In addition, we offer benefits that can be

chosen by our employees, respecting their individuality and stage of life.

Our **compensation policies** are based on merit and skills, aligned with job requirements. We use external benchmark data to periodically review our compensation and benefits structures and align them with market standards. Furthermore, at Telefónica, we implement compensation systems based on objective job evaluations that guarantee equal treatment in terms of functions and remuneration.

We are also committed to eliminating the adjusted **gender pay gap** ($\pm 1\%$) and monitor its evolution annually in accordance with applicable legislation.

Labour rights

We guarantee that all employees' labour rights are respected, and we do not tolerate forced labour, threats, coercion, abuse, moral, labour, or sexual harassment, discrimination, violence, intimidation, or child labour in our work environment.

We guarantee our employees' right to belong to the **trade union** that represents them and do not tolerate any type of retaliation or hostile action towards employees who participate in trade union activities.

We guarantee a **model of labour relations** based on continuous social dialogue, transparency, and mutual respect, promoting spaces for collaboration between the company and employee representatives. We promote participation and monitoring mechanisms that ensure compliance with collective agreements and adapt labour policies to the needs of our employees and new legal requirements as they are implemented.

Diversity and inclusion

At Telefónica, we are firmly committed to the principles of **equality and non-discrimination**. We believe in the importance of working with diverse and inclusive teams to attract and retain talent, get the best out of our employees, empathize with our customers, drive

innovation, and be more productive. That is why we promote equal opportunities, foster a diverse workforce, and work to ensure an organisational culture of equity, plurality, and inclusion, in which the unique skills, abilities, and ways of thinking of our employees help us make the best decisions.

We reject any discriminatory behaviour or practice based on, among other things, nationality, ethnic origin, skin color, marital status, family responsibilities, religion, age, disability, social status, political opinion, HIV status and health status, gender, sex, sexual orientation, gender identity, and gender expression.

Safety, health, and well-being

At Telefónica, we understand occupational **health and safety as a comprehensive concept** that encompasses a state of complete physical, mental, and social well-being. Our goal is to create a work environment in which employees feel completely comfortable and healthy. To this end, we implement initiatives that promote a **culture of conscious interaction with health** at all levels of the organisation, generating a positive impact on the physical and mental health and motivation of our employees, as well as on other stakeholders and their environment.

We establish all the necessary processes to prevent accidents, injuries, and occupational illnesses associated with our professional activity through strict compliance with our regulatory environments, training, and preventive management of occupational risks.

We encourage all employees to take care of their physical and mental health, as well as the health of those around them.

New ways of working

We promote the implementation of **more agile and cross-functional ways of working**, which allow us to focus on our customers' needs, prioritise value delivery by being more effective and innovative, and give teams greater autonomy and speed in decision-making.

In addition, we have **hybrid and flexible working models** that prioritise sustainability, reducing travel and promoting responsible practices in the use of resources, and that allow for a better work-life balance while increasing productivity through the optimised use of technology.

Guided by our hybrid work principles — a balanced combination of mobile and office-based work, flexible schedules, results-oriented leadership, and the use of digital and AI-based tools for efficient collaboration and responsible commuting — we encourage flexibility and support a healthy work-life balance.

Work-life balance

We are committed to **work-life balance as a key factor in attracting, retaining, and developing talent**. To support this, we offer flexible working time models that help maintain the commitment, satisfaction, and productivity of our teams.

In the context of digital ways of working, we explicitly recognise the right to **digital disconnection**.





Principle 9: Our commitment to the societies in which we operate

We work to contribute to the responsible growth of the societies in which we operate. To this end, we ensure compliance with current legislation in all markets and respect the economic, social, cultural, civil, and political rights of those who comprise them: local communities, vulnerable groups, minorities, indigenous peoples, traditional communities, etc.

Furthermore, as a telecommunications and value-added technology services company, we want to assume our responsibility in contributing to the social, **technological, and economic development** of the countries in which we operate, investing in telecommunications infrastructure, generating employment, and developing services that improve access to technology and people's quality of life.

At Telefónica we believe that our contribution to society must go beyond the value strictly generated by our commercial activity, and we work to integrate the **United Nations Sustainable Development Goals (SDGs)** into the heart of the company, with the aim of using them as a framework for monitoring, evaluating, and communicating our contribution and impact on society and the planet.

We also collaborate with civic, community, and non-profit organisations, as well as public initiatives aimed at eradicating social problems in the local communities where we operate, contributing our capabilities and technology.





Principle 10: Responsible supply chain management

Sustainability in the supply chain is a key priority in the telecommunications sector, where companies increasingly share services and value chain activities with their suppliers and contractors.

We promote sustainability to broaden our positive impact on society and reduce the environmental impact of the products and services we offer our customers, as they are the result of a mutually beneficial relationship with our business partners and suppliers. Our relationships are balanced and based on trust, generating a **joint commitment to quality, innovation, and end-customer satisfaction**.

We are committed to acting with **rigour, objectivity, transparency, and professionalism** in our relationships with our business partners and suppliers.

Therefore, our **procurement processes** promote competition and ensure transparency and equal opportunities for all our current and potential partners and suppliers.

In order to fulfill our commitment to responsibility throughout our value chain, we require our business partners and suppliers to observe our Responsible Business Principles through our **Supplier Code of Conduct** or, failing that, their own equivalent codes that ensure ethical and responsible behaviour.

It is important that employees who make purchases or acquisitions for our company assume their individual responsibility when working with suppliers and partners, and that they carry out the established **controls** to ensure, beyond the quality of the service provided or product delivered, that they act responsibly at all times towards their stakeholders, promoting environmental protection, respect for human rights, and ethical business practices.



IV. Compliance with the Responsible Business Principles

At the Telefónica Group, we have an obligation to know and comply with these Principles.

The Responsible Business Principles constitute our Code of Ethics and Conduct. To ensure that they are understood and correctly applied, Telefónica runs a **compulsory annual online course** for all our professionals. This training is complemented by other **specialised courses** that provide a deeper understanding of the Principles and the internal regulations that develop them, thus reinforcing our commitment to ethics and corporate responsibility.

Furthermore, as an essential part of our Compliance model, Telefónica has an **Internal Information System** that includes the **whistleblowing channel**. This channel is the preferred mechanism that we make available to all employees, managers, as well as to stakeholders—and, in general, to any third party—to report information relating to any Group company that refers to indications of irregularities, by action or omission, that may constitute a criminal offence, a serious or very serious administrative infringement, or a breach of the specific obligations established in this Code. The channel also enables the reporting of potential breaches of European Union law in relation to activities subject to such legislation. The channels established by the Group's subsidiary in Germany are governed by its specific regulations adapted to local legislation.

The whistleblowing channel is accessible 24 hours a day, 7 days a week, and is designed to provide a secure and reliable environment. It allows anonymous communication and guarantees confidentiality and the protection of personal data at all times, as well as the rights of those involved in the process.

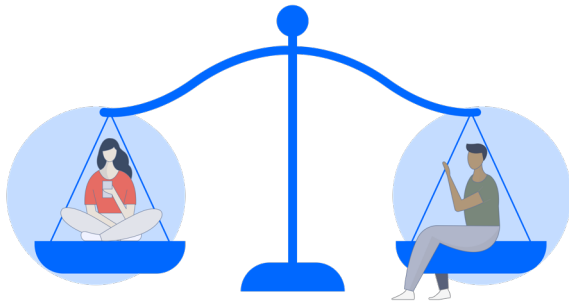
Telefónica and the other companies in the Group, in accordance with the provisions of the applicable legislation, will not adopt and will ensure that no form of direct or indirect retaliation is adopted, including threats or attempts at retaliation, against those who make communications in good faith through the Internal Information System.

Failure to comply with these Principles will be considered a labour or contractual infringement, subject to penalties in accordance with the specific provisions of applicable legislation, without prejudice to any other actions that may be legally applicable in the criminal or administrative sphere.



V. How can I put these Principles into practice?

If you are ever unsure about how to act, ask yourself the following questions:



- Is it consistent with our Principles?
- Is it legal?
- Is it ethical?
- Does it build trust with my customer, partner, or co-worker?
- Would it cause a problem for Telefónica if it appeared in the press?
- What would the people I respect most do in this situation?

If you are still unsure, ask for advice. There are many situations that are not directly covered in our Principles, but you can get help by consulting:



INTERNAL POLICIES AND REGULATIONS:

Telefónica has an **internal regulatory framework that develops and complements the Principles set out in this Code**. The regulatory framework is continuously reviewed and updated in order to adapt to the company's evolution, operational needs, and applicable regulatory changes. Therefore, all members of the Group are responsible for knowing it, staying informed of its updates, and consulting it regularly.



QUERIES CHANNEL FOR THE RESPONSIBLE BUSINESS PRINCIPLES:

To ensure the correct understanding and application of the Responsible Business Principles, together with communication campaigns and training activities, Telefónica has a specific channel through which employees and third parties can request **guidance or clarification on the contents of this Code**.

