

TELEFÓNICA, S.A., (“Telefónica”) in compliance with the Securities Market legislation, hereby communicates the following

OTHER RELEVANT INFORMATION

Telefónica España has signed today a Social Pact for Employment supported by the largest trade unions. Said Pact includes the Company's differential commitments, and is based on the following six lines of work:

1. Equality and Diversity.
2. New ways of Working, flexibility, productivity.
3. Incorporation and retention of Talent.
4. Reskilling and professional Development.
5. Functional and geographical mobility.
6. Plan for the voluntary individual suspension of the employment relationship.

Telefónica España seeks to promote equality and capitalize on diversity within an inclusive environment, whilst achieving gender, generational and different capabilities goals. The new ways of working, which consolidate hybrid models from a culture of trust, flexibility, contribution and productivity, will further accelerate the transformation to a more digital and prepared for the future company.

This Pact also contemplates an “Individual Suspension Plan” (PSI) of employment, fully voluntary. Employees turning 55 years or older in 2022 and with a seniority of more than 15 years may join the plan. This being the target audience, maximum percentages of adhesion differ according to the areas and have been set according to the functional surplus based on business levers.

The cost of the Plan will depend on the degree of acceptance, although it is estimated that about 2,700 employees will volunteer, placing its current value at around 1,500 million euros (before taxes), amount to be accounted for in Q4'21. Average annual savings from direct expenses are estimated above 230 million euros from year 2023. In any case, the impact on cash generation will be positive from 2022, as the capture of savings since the departure of employees is expected to take place during Q1'22.

Madrid, December 28, 2021.

**SPANISH NATIONAL SECURITIES MARKET COMMISSION
- MADRID -**