

***ANNUAL REPORT OF THE  
AUDIT AND CONTROL COMMITTEE  
OF TELEFÓNICA, S.A. ON THE  
INDEPENDENCE OF THE EXTERNAL AUDITOR***

**ANNUAL REPORT**  
**OF THE AUDIT AND CONTROL COMMITTEE**  
**ON THE INDEPENDENCE OF THE EXTERNAL AUDITOR**  
**(PricewaterhouseCoopers Auditores, S.L.)**

Pursuant to the provisions of Section 529 *quaterdecies.4.e*) of the restated text of the Companies Act (*text refundido de la Ley de Sociedades de Capital*) (TRLSC) approved by Royal Legislative Decree 1/2010 of July 2 (as amended by the fourth final provision of Law 22/2015 of July 20 on Auditing of Accounts (*Ley de Auditoría de Cuentas*) (Statutory Audit Act)), the Audit and Control Committee of Telefónica, S.A. issues this report on the matters established in such legal provisions, all on the following terms:

- 1.- Considering the conclusion set out in the letter issued by PricewaterhouseCoopers Auditores, S.L., dated February 22, 2022, “(...) *in our professional opinion and in relation to such audit, no circumstances have been identified that individually or as a whole might entail a significant threat to our independence and that would therefore require the application of protective measures or that might be grounds for disqualification.(...)*”, and in compliance with the aforementioned provisions, the Audit and Control Committee of Telefónica, S.A. finds that PricewaterhouseCoopers Auditores, S.L., the Auditor of such Company, is independent with respect to the Company and the companies directly and indirectly connected thereto in accordance with applicable legal provisions governing the auditing of accounts in Spain.
- 2.- Furthermore, in compliance with the provisions of the internal Regulations of Telefónica, S.A, the Statutory Audit Act, Regulation (EU) no 537/2014 of April 16 and the Sarbanes-Oxley Act published in the United States and rules in implementation thereof, the engagement of all services provided by PricewaterhouseCoopers Auditores, S.L. and other firms of its international network to the Company and its directly and indirectly connected companies during the period covered by the Annual Accounts corresponding to fiscal year 2021 has been submitted for the approval of the Audit and Control Committee.

Specifically, in addition to audit services, the provision of non-audit services has been approved as described below:

<b>Company</b>	<b>Service</b>	<b>Euros</b>
Telefónica, S.A.	Comfort Letter in relation to the annual renewal of the EMTN Programme	25,500
Telefónica, S.A.	Comfort Letter in relation to the issuance of a hybrid Bond	70,500
Telefónica Europe B.V.	Comfort Letter in relation to the issuance of a hybrid Bond	72,000
Telefónica UK	Comfort Letter in relation to the issuance of an International Bond under Rule 144A	410,100
T. Móviles Chile, S.A.	Comfort Letter in relation to the issuance of an International Bond under Rule 144A	144,949
Telefónica, S.A.	Review of Statement of Non-Financial Information	291,937
Telefónica, S.A.	Review of the Green Bond Returns Report	58,651
T. Deutschland Holding A.G.	Review of Annual Non-Financial Information Report	123,617
Telefónica Brasil, S.A.	Review of Annual Non-Financial Information Report	16,868
Colombia Telecom. S.A.	Review of Annual Non-Financial Information Report	9,583
Telefónica de España, S.A.	Agreed-upon procedures for Recording of Costs	99,690
Telefónica de España, S.A.	Review of calculation of Net Cost of Universal Service	62,146
Telefónica de España, S.A.	Review of calculation of Net Cost of Universal Service – public telephones	6,804
T. Seguros y Reaseguros Compañía Aseguradora, S.A.U.	Special Report for Review of the Financial and Solvency Situation under the Solvency II regulatory framework	35,008
T. Deutschland Holding A.G.	Agreed-upon procedures SSRS 4400	17,735
Telefónica de España, S.A.	Agreed-upon procedures relating to the General Audiovisual Act	10,872
Telxius Telecom, S.A.U.	Limited review of special-purpose combined financial statements	149,895
Telefónica de Argentina, S.A.	Agreed-upon procedures relating to the special accounting information required by General Resolution No. 4483/19 of the Federal Public Revenue Administration	4,182

<b>Company</b>	<b>Service</b>	<b>Euros</b>
T. Móviles Argentina, S.A.	Agreed-upon procedures relating to the special accounting information required by General Resolution No. 4483/19 of the Federal Public Revenue Administration	4,182
Telefónica de Argentina, S.A.	Report on agreed-upon procedures required by the regulator to align the system used for storage via magnetic media	3,138
T. Móviles Argentina, S.A.	Report on agreed-upon procedures required by the regulator to align the system used for storage via magnetic media	3,138
Telefónica, S.A.	Report of the auditor regarding the ICFR system of listed companies, according to the Guide published by the CNMV	8,334
<b>Total of audit-related services</b>		<b>1,628,829</b>

In addition, the Audit and Control Committee of Telefónica, S.A. has been informed by the auditor of the provision of non-audit services during the period covered by the financial statements to associated companies in which the Group has significant influence in the total amount of 15,330 euros.

In conclusion, this Audit and Control Committee finds that the independence of the Company's Auditor is not compromised by either the engagement or the fees received for such non-audit services and because it is not aware of additional circumstances that might threaten the objectivity or impartiality of such Auditor.

In witness whereof, for the legal effects established in the aforementioned provisions, this Report is issued in Madrid, on February 22, 2022.

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