Guidance of Stakeholders Panel on Responsible Business
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Chapter I: Introduction

We recognise that we impact our stakeholders, and likewise, that stakeholders impact our business and operations. For this reason we believe that it is essential to have an ongoing relationship with our stakeholders, in other words the people and organisations involved in our operations in multiple ways.

Through consultation, dialogue, information and partnership, each of our stakeholders has the opportunity to express which topics are relevant to them. By engaging with relevant stakeholders, we can minimise reputational risks, improve operational efficiency through seamless collaboration with local communities and authorities, and strengthen our social licence to operate by gaining greater respectability and credibility.

For this purpose, we have a Responsible Business Stakeholder Panel that allows us to engage with our main stakeholders on the most relevant sustainability issues and helps us to better understand their concerns, how we are responding to their expectations and sustainability trends.

1.1. Objective

The objectives of the Panel are:

- Report on the most critical social, environmental and governance issues for the Company.
- Provide Telefónica information on sustainability trends around the world, identifying best practices in sustainability that may be of interest to the Company.
- Provide Telefónica information on its sustainability performance from the perspective of each Panel member's individual experience.
- Advise on improvements to Telefónica's sustainability strategy, the issues covered by its policies and the initiatives carried out, among others.
- Validate Telefónica's materiality matrix and process.

1.2. Responsibilities

In order to achieve the objectives mentioned above, Panel members commit themselves to:

- Be present at previously scheduled and agreed meetings without any kind of proxy or representation. Panel members are invited to consult internally with their own organizations regarding topics they are not familiarised.
- Review documentation sent to Panel members before each meeting.
- Contribute actively to the discussions held at each Panel session.
• Maintain confidentiality regarding the topics discussed.

• Provide feedback to the concluding reports prepared by Telefónica.

Chapter II: Composition and structure

The Panel is made up of the Chairman and between 10 and 12 experts specialised in social, environmental and governance aspects, all of them of recognised national or international standing. It also includes representatives from Telefónica's Global Sustainability area, as well as representatives from other areas of the Company when the subject matter to be discussed falls within their competence.

The composition of the specialised experts responds to principles of heterogeneity and representativeness:

• Experts in subjects relevant to Telefónica's sustainability strategy.

• Knowledgeable in the sector and/or Company.

• Diverse in terms of stakeholder representation: business world, NGOs, government entities, sectorial or sustainability related associations, universities or research centers, among others.

• Representative of Telefónica's geographical presence.

Chapter III: Work methodology

3.1. Panel meetings

The Panel holds meetings at least once a year. Each meeting addresses pre-defined topics related to sustainable material issues or to validating Telefónica materiality matrix

The definitive agenda is sent to the Panel members at least one month before each meeting, with a briefing on each topic to be discussed. The associated documentation covers the topic's relevance to Telefónica, the Company's current position and actions regarding the topic and challenges faced in the future.

Before the meetings, members should review the issues briefings and prepare questions for Telefónica regarding the topics for discussion. Members can send their questions in advance to the Company to be answered during the session.

The Chairperson of the Panel moderates the discussion. Discussions should aim to reach a consensus on suggestions and recommendations for the Company.

All participants should feel free to express their views without any restrictions or concerns about negative consequences. All participants are encouraged to be as frank as possible, while maintaining a respectful interest in the views of others.
3.2. Documentation of Panel meetings

During Panel meetings, the Company gathers the observations made by the members concerning the issues presented.

After each meeting, Telefónica prepares a paper that incorporates information from the initial briefing and the perspectives gathered from the Panel. The document and the meeting minutes are sent to the members of the Panel for comments and validation.

An annual report is prepared to summarize the main issues discussed by the Panel during the year. In addition, Telefónica reports on how the Company has addressed the feedback received by the Panel. This report is distributed to Panel members for their review before any further distribution to third parties.

Final decisions on whether and how to implement the Panel's recommendations remain to Telefónica's responsibility, and Telefónica is wholly responsible for its strategy and execution.

3.3. Coordination of the Panel

The Panel falls under the responsibility of Telefónica's Global Sustainability area. The Department is in charge of coordinating the overall functioning of the Panel, including but not limited to the following:

- Proposing and selecting the panel members in accordance with the processes of identification and prioritization of Telefónica's stakeholder map.
- Identifying key issues to be discussed at meetings.
- Preparing the briefing reports or other documentation that members will need to hold effective meetings.
- Incorporating feedback from other external consultations as input for the Panel meetings.
- Coordinating logistics.
- Documenting the discussions held.
- Preparing the summary reports after each meeting and the final annual report.
- Attending meetings.
- Interpreting and resolving doubts about this guidance.

An external party may assist in coordinating meetings under the supervision of Telefónica's Global Sustainability area.

Chapter IV: Member and Chairperson

4.1. Member selection and duration

Telefónica's Global Sustainability area selects the Members of the Stakeholders Panel on Responsible Business on the basis of skills, knowledge, experience and geographical representation necessary to understand the expectations of its stakeholders.

Members of the Stakeholders Panel on Responsible Business should rotate periodically. Each member is part of the Panel for two years. This is considered appropriate time to develop process and issue understanding.
At the moment that a Panel member’s term ends, or needs to be replaced, Telefónica identifies individuals with the necessary characteristics to be part of the Panel. From these descriptions, Telefónica's Global Sustainability area examines a list of candidates, relevant biographies and current roles. Global Sustainability selects the new candidate based on the best match between the needs of the current Panel composition and the potential candidates.

4.2. Chairperson

The Panel is chaired by Telefónica's Global Sustainability Director. This role is supported by the person responsible for coordinating the Panel, who may be external or internal from Telefónica.

Chapter V. Duration of the Panel

Telefónica can, at any point, decide unilaterally to dissolve the Panel, temporarily or indefinitely.