

Annual Report on the activity of the Audit and Control Committee for fiscal year 2025

Telefónica, S.A.

Fiscal Year 2025

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February 23, 2026

1. Introduction.

In accordance with Recommendation 6 of the Code of Good Governance of Listed Companies, Section 79 of Technical Guide 1/2024 of the Spanish National Securities Market Commission on Audit Committees of Public Interest Entities, and Article 9 of the Regulations of the Audit and Control Committee (the “**Committee**”) of Telefónica, S.A. (the “**Company**”), this Annual Report is presented on the activity of this Committee (the “**Report**”), corresponding to fiscal year 2025.

2. Background and Regulation of the Committee.

The Audit and Control Committee was created by a resolution adopted by the Board of Directors of the Company at its meeting held on January 29, 1997, with extensive development since then of the duties, powers and activities thereof pursuant to legal requirements and both domestic and international corporate governance recommendations (with particular reference to the legal reforms made to the Spanish Companies Act (*Ley de Sociedades de Capital*) by Law 5/2021 of April 12, and by Law 31/2014 of December 3 amending the Companies Act; to the Good Governance Code published by the Spanish National Securities Market Commission (*Comisión Nacional del Mercado de Valores*) in February 2015 and updated on June 26, 2020; to the recommendations established in Technical Guides 3/2017 and 1/2024 of the Spanish National Securities Market Commission on Audit Committees at Public-Interest Entities; to the Sarbanes-Oxley Act; and to the regulations of the New York Stock Exchange (NYSE)).

Likewise, and in order to comply with the recommendations of the aforementioned Technical Guide 3/2017 of the Spanish National Securities Market Commission on Audit Committees at Public-Interest Entities, upon a proposal from the Audit and Control Committee, the Company’s Board of Directors approved the Regulations of the Audit and Control Committee at its meeting held on December 13, 2017.

After the amendment of the Code of Good Governance in June 2020, the Board of Directors, at its meeting held on December 16, 2020, resolved to conform the Regulations of the Board of Directors to the new recommendations of the Code of Good Governance, and in coordination therewith to conform the Regulations of the Audit and Control Committee, after a favorable report thereof. The amendment clarified some of the powers of this Audit and Control Committee and regulated certain aspects relating to the composition thereof.

Furthermore, and in order to comply with Law 5/2021, of April 12, amending the consolidated text of the Spanish Companies Act, the Board of Directors, at its meeting held on June 29 and 30, 2021, resolved to conform the Regulations of the Board of Directors to the aforementioned Law, and, in coordination with said amendment, to conform the Regulations of the Audit and Control Committee, after a favorable report thereof. Certain aspects relating to the new system for related-party transactions were subsequently regulated as a result of this amendment.

The Audit and Control Committee of Telefónica, S.A. is regulated by Article 39 of the Company’s By-Laws and by Article 22 of the Regulations of the Board of Directors.

All the aforementioned internal regulations of Telefónica, S.A. (By-Laws, Regulations of the Board of Directors and Regulations of the Audit and Control Committee) are available to the public on the Company's corporate website (<https://www.telefonica.com/en/shareholders-investors/corporate-governance/corporate-bylaws-and-regulations>).

3. Composition and Participation of Each of the Committee Members.

As regards its composition and pursuant to the provisions of Article 39 of the Company's By-Laws, Article 22 of the Regulations of the Board of Directors, and Articles 1 and 2 of the Regulations of the Audit and Control Committee, the Committee will consist of the number of Directors that the Board of Directors determines from time to time, which shall in no case be less than three. All members thereof must be classified as External or Non-Executive Directors, and at least a majority of them must be Independent Directors.

The Chairman of the Audit and Control Committee, who shall in all events be an Independent Director, shall be appointed from among its members and shall be replaced every four years; he may be re-elected after the passage of one year from the date when he ceased to hold office.

The members of the Audit and Control Committee must have experience and expertise in management, economics, finance and business, as required of any Director. The Board of Directors shall also endeavor to ensure that the members of the Committee, taken as a whole, combine the necessary expertise not only in accounting and auditing aspects, but also in financial matters, sustainability, internal control and risk management, both financial and non-financial, and the business.

All of the aforementioned standards as to the composition, expertise and training of the Audit and Control Committee are intended to secure the utmost independence for the Committee.

Additionally, in accordance with the provisions of Securities Exchange Act Rule 10A-3 of the Securities and Exchange Commission (SEC) and Section 303A of the New York Stock Exchange (NYSE) Listed Company Manual, respectively, in 2025 the NYSE was informed of the composition of the Audit and Control Committee, as well as of the status of its members (expressly stating their expertise and experience in the area of accounting and auditing), with the conclusion that they all satisfy the independence requirements established in the aforementioned Rule 10A 3.

During fiscal year 2025, the composition of the Audit and Control Committee was changed to reflect the changes in the composition of the Board of Directors. Thus, the composition of the Audit and Control Committee as of the date of drawing up of this Report is as follows:



Ms. María Luisa GARCÍA BLANCO¹

Chairwoman

Independent

Date of first appointment: December 13, 2023 (Member) and January 29, 2025 (Chairwoman)



Mr. Peter LÖSCHER

Member

Independent

Date of first appointment: December 18, 2019



Mr. Carlos OCAÑA ORBIS

Member

Proprietary

Date of first appointment: May 8, 2024



Mr. Alejandro REYNAL AMPLE²

Member

Independent

Date of first appointment: November 26, 2025

¹ On January 29, 2025, Ms. María Luisa García Blanco was appointed Chairwoman of the Audit and Control Committee, replacing Mr. José Javier Echenique Landiribar as a result of the vacancy arising following his death. In accordance with the provisions of Article 1 of the Regulations of the Committee, the Company's Board of Directors took into account the director's expertise and experience in accounting, auditing and risk management, both financial and non-financial.

² Mr. Alejandro Reynal Ample was appointed as a Member of the Audit and Control Committee on November 26, 2025. The Board of Directors of Telefónica, S.A. evaluated Mr. Reynal's experience, training and professional profile, taking into account his merits and suitability for occupying such post. In particular, it assessed the significant expertise and skills that the director contributes in relevant areas for the Company, as well as the experience thereof in various sectors, which was considered appropriate to ensure a balanced composition of the Committee in accordance with the specific circumstances of the Company.

All members of the Audit and Control Committee are Non-Executive or External directors and at least a majority of them are Independent Directors. They have received financial training and have been appointed on the basis of their expertise and experience in accounting, auditing, sustainability and internal control or risk management, both financial and non-financial. In this regard, the professional profiles of the members comprising the Audit and Control Committee are available to the public on the corporate website of Telefónica, S.A.

The Secretary of the Audit and Control Committee is Mr. Pablo de Carvajal González, General Counsel and Secretary of the Board of Directors, and Director Global of Regulation of Telefónica, S.A. It is also stated for the record that Mr. Antonio García-Mon Marañés, the General Vice-Chairman and Vice-Chairman of the Board of Directors and Director of Corporate Legal Services of Telefónica, S.A. was appointed as Vice-Chairman of this Committee, to act in the place of the Secretary of such Committee in the event of the absence thereof.

The Committee met on twelve (12) occasions during fiscal year 2025, with all meetings held in mixed format (i.e., both in person and remotely -through Microsoft Teams-).

The attendance rate of each of the Committee's members at the meetings held during fiscal year 2025 is shown below:

Director	Meetings in which they have participated
Ms. María Luisa García Blanco ¹	12/12
Mr. Peter Löscher	11/12
Mr. Carlos Ocaña Orbis	12/12
Mr. Alejandro Reynal Ample ²	1/1
Ms. María Rotondo Urcola ³	8/8

Note: The table shows the Directors who personally attended the meetings of the Audit and Control Committee. Directors attending by proxy are not counted for these purposes.

¹ Chairwoman of the Committee since January 29, 2025.

² Member of the Committee since November 26, 2025.

³ Ceased to be a Member of the Committee on July 29, 2025.

4. Meetings of the Committee and Attendees at Meetings.

Pursuant to the provisions of Article 22 of the Regulations of the Board of Directors and of Article 3 of the Regulations of the Audit and Control Committee, the Committee shall meet at least once every quarter and as often as appropriate, when called by its Chairman.

The Committee shall in any event meet at least on the occasion of each annual or interim financial reporting date, in which cases the presence of the Internal Auditor, and, if any review report is issued, the Statutory Auditor, shall be requested.

In any event, in the performance of its duties, the Committee may require that its meetings be attended by the Statutory Auditor, the head of Internal Audit, and any Director, employee or Senior Executive Officer of the Company and the experts it deems appropriate.

Attendance at formal meetings of the Committee is preceded by the necessary dedication of its members to analyze and assess the information received.

As already stated, the Committee also has a Secretary and a Deputy Secretary and has the assistance required for planning meetings and agendas, drafting documents and meeting minutes, and compiling and distributing information, among other tasks.

In order to provide for adequate planning to ensure that the intended objectives are effectively fulfilled, the Committee approved its Annual Work Program for 2025 at its meeting held on December 10, 2024.

Meetings are planned by the Chairman of the Committee and communicated to the Secretary, so that its members receive the documentation sufficiently in advance. All of the foregoing must have regard to the fact that members of the Committee play a primarily supervisory and advisory role and should not become involved in executive or management duties, which are within the purview of Management.

During fiscal year 2025, the Audit and Control Committee held a total of twelve (12) meetings, which took place on the following dates:

- January 28, 2025
- February 10, 2025
- February 25, 2025
- March 25, 2025
- May 12, 2025
- June 17, 2025
- June 24, 2025
- July 28, 2025
- September 24, 2025
- November 3, 2025
- November 25, 2025
- December 16, 2025

These meetings lasted for an average of approximately 2 to 2.5 hours each, with the members dedicating an appropriate number of hours to the study and analysis of the matters to be addressed. The members also held working or informational meetings when so required.

Attendance is monitored at the commencement of each meeting and recorded in the corresponding Minutes. During 2025, all members of the Committee attended or were represented at all of its sessions.

Furthermore, in addition to the members of the Audit and Control Committee, various members of the Telefónica Group's management team attend the Committee's meetings when appropriate, in order to provide support and assistance on the matters being analyzed at each meeting. Specifically, when invited by the Chairman of the Committee, and whenever considered necessary, Committee meetings are attended by representatives of

the Office of the General Counsel and Secretary of the Board; Finance and Control; Internal Audit and Compliance.

In addition to the above-mentioned attendance and at the specific request of the Committee, other Senior Executives of the Company and of its subsidiaries participate in order to address specific matters affecting their respective businesses or the duties assigned thereto.

Moreover, the meetings held with the Statutory Auditor and with the Internal Auditor comply with the provisions of Article 7 of the Regulations of the Audit and Control Committee of the Company, which establishes that for the proper performance of its supervisory role, the Committee must be aware of and understand Management decisions on the application of key criteria and the outcome of reviews conducted by the Internal Audit unit, maintaining fluid communications with the Statutory Auditor.

In this regard, the partners representing the Company's External Auditor and the Verifier of the Company's Sustainability Information, PricewaterhouseCoopers Auditores, S.L. ("PwC"), have made presentations at some of the meetings held by the Committee in 2025 to explain the work performed as well as to clarify, at the Committee's request, those issues raised relating to the duties assigned to such audit firm.

Representatives of Internal Audit, Finance and Control, and Compliance also participated in all the meetings held by the Committee in 2025, to address specific items of the Agenda falling within the scope of their purview, as did representatives of the Office of the General Counsel. For their part, the Company's Executive Directors did not attend or participate in any of the meetings of the Audit and Control Committee.

Moreover, in relation to the preparation of the Agenda for the meetings, it should be noted that a preparatory meeting is held, coordinated by the Office of the General Counsel with the Finance and Control, Internal Audit and Compliance areas, in order to propose and analyze the matters and issues to be addressed at each meeting, taking as a guide the aforementioned Annual Work Program, the Meetings Schedule, and the suggestions of the Directors who comprise the Committee, thereby supporting the Chairman of the Committee in the preparation of the Agenda for and the Call to each meeting.

The various matters submitted for deliberation and, where appropriate, decision-making, are addressed in due detail at all meetings of the Audit and Control Committee. The members thereof actively participate in the various debates and discussions, stating their opinions when they deem it appropriate.

The deliberations of the Committee and the resolutions and decisions that it adopts are recorded in the corresponding Minutes of each meeting.

As regards the rules governing the composition and the adoption of resolutions by the Audit and Control Committee, a quorum for the Committee shall be validly established with the attendance, in person or by proxy, of at least a majority of the members thereof; and the Committee adopts resolutions by an absolute majority of those present in person or by proxy at the meeting. In the event of a tie, the Chairman casts the tie-breaking vote.

It should also be noted that, as a general principle, all documentation relating to the items on the Agenda for the meetings is sent sufficiently in advance to the Directors and is also made available through the corresponding IT application. All of the foregoing allows the Directors to view the information and documentation presented in a timely and appropriate manner.

Finally, and as stated, relations between the Audit and Control Committee and the Company's Board of Directors are based on the principle of full transparency. In this regard, the Chairman of the Committee reports to the Board of Directors at each of its monthly meetings on the main issues discussed and the activities and work performed by the Committee, making the relevant documentation available to the Board of Directors so that it is made aware of such actions for the exercise of its powers, and, when necessary, proposes to the Company's Board of Directors that any appropriate resolutions be adopted.

5. Functions and Duties of the Committee.

The duties and functions assigned to the Audit and Control Committee are set out in Article 39 of the Company's By-Laws and described in greater detail in Article 22 of the Regulations of the Board of Directors and in Article 4 of the Regulations of the Audit and Control Committee.

Without prejudice to any other tasks that the Board of Directors may assign thereto, the primary duty of the Audit and Control Committee shall be to support the Board of Directors in its supervisory duties. Specifically, it shall have at least the following powers and duties:

- 1) To report to the shareholders at the General Shareholders' Meeting on matters raised at the Meeting and within the purview of the Committee, and particularly regarding the results of the audit, explaining how it has contributed to the integrity of the financial information and the function performed by the Committee in such process.
- 2) To submit to the Board of Directors proposals for the selection, appointment, re-election or replacement of the external auditor, taking responsibility for the selection process in accordance with the provisions of law, as well as the terms for the hiring thereof, and regularly obtain information from the auditor regarding the audit plan and the implementation thereof, in addition to preserving the independence thereof in the performance of its duties.
- 3) To supervise internal audit, which shall endeavor to ensure the proper operation of the internal reporting and control systems function and which shall functionally report to the Chairman of the Audit and Control Committee, and particularly:
 - a) To ensure the independence and efficiency of the internal audit function;
 - b) To propose the selection, appointment and removal of the person responsible for the internal audit service;
 - c) To propose the budget for such service;
 - d) To approve the annual focus and work plan, ensuring that its activity is principally focused on material risks (including reputational risks);
 - e) To review the annual activities report;

- f) To receive regular information about its activities, the implementation of the annual work plan, including any incidents or limitations in scope that arise during such implementation, the outcome and the follow-up on its recommendations; and
 - g) To verify that the senior executive officers take into account the conclusions and recommendations of its reports.
- 4) To supervise and assess the process of preparing and submitting and the integrity of the mandatory financial and non-financial information relating to the Company and the Group and to submit recommendations or proposals to the Board of Directors intended to safeguard the integrity thereof. With respect thereto, it shall review compliance with legal requirements, the proper determination of the scope of consolidation and the correct application of accounting standards, informing the Board of Directors thereof.
 - 5) To endeavor to ensure that the annual accounts submitted by the Board of Directors to the shareholders at the General Shareholders' Meeting are prepared in accordance with the legal provisions on accounting. However, in cases where the statutory auditor has included a qualification in its audit report, the Chairman of the Committee shall clearly explain the content and scope thereof at the General Meeting. In addition, a summary of such explanation shall be made available to the shareholders at the time of publication of the call to the General Meeting.
 - 6) To supervise the effectiveness of the Company's internal control system, particularly endeavoring to ensure the effective implementation in practice of the policies and systems on internal control, as well as on internal audit, and the systems for the control and management of financial and non-financial risks relating to the Company and the Group (including operational, technological, legal, social, environmental, political and reputational risks and corruption-related risks), and to discuss with the Statutory Auditor any significant weaknesses in the internal control system detected during the audit, all without infringing the independence thereof. In such cases, and if applicable, it may submit recommendations or proposals to the Board of Directors and the corresponding period for follow-up thereon.

In that regard, it shall be responsible for proposing to the Board of Directors a risk control and management policy, which shall identify or determine at least the following:

- a) the types of financial (including contingent liabilities and other off-balance sheet risks) and non-financial (operational, technological, legal, social, environmental, political and reputational, including corruption-related) risks to which the Company is exposed;
 - b) a multi-level risk control and management model;
 - c) the setting of the risk level that the Company deems acceptable; the measures contemplated to mitigate the impact of identified risks, should they materialize; and
 - d) the internal control and information systems to be used to control and manage the above-mentioned risks.
- 7) To supervise the risk control and management unit, which shall perform the following duties:

- a) ensure the proper operation of the risk control and management systems, and particularly to ensure that all material risks affecting the Company are identified, managed and quantified;
 - b) actively participate in preparing the risk strategy and in important decisions regarding the management thereof; and
 - c) endeavor to ensure that the risk control and management systems properly mitigate risks within the framework of the policy determined by the Board of Directors.
- 8) To establish and supervise a mechanism that enables employees and other people connected with the Company, such as Directors, shareholders, suppliers, contractors and subcontractors, to confidentially and anonymously, with due regard for the rights of complainant and the subject of any complainant, report any significant improprieties, including financial, accounting or any other kind of improprieties regarding the Company, that they become aware of within the Company or its Group.
- 9) To establish and maintain appropriate relations with the Statutory Auditor in order to receive, for review by the Committee, information on all matters that could entail a threat to the independence thereof, as well as any other matters relating to the audit procedure, and when applicable, authorization of services other than those that are prohibited, upon the terms contemplated by applicable law, and such other communications as may be provided for in auditing legislation and auditing rules. In any event, the Audit and Control Committee must receive, on an annual basis, a declaration from the Statutory Auditor of its independence from the Company or entities directly or indirectly related thereto, as well as detailed and itemized information regarding additional services of any kind provided to and the corresponding fees received from such entities by the Auditor or by the persons or entities related thereto pursuant to the provisions of applicable law.
- 10) To issue on an annual basis, prior to the issuance of the audit report, a report stating an opinion on whether the independence of the Statutory Auditor has been compromised. This report must in all cases include a reasoned assessment of the provision of each and every one of the additional non-audit services referred to in point 9) above, both individually and as a whole, and regarding the rules on independence or regulations on the activity of auditing.
- 11) To preserve the independence of the auditor in the performance of its duties, and in this regard: (i) in the event of the resignation of the auditor, examine the circumstances giving rise to such resignation; (ii) endeavor to ensure that the compensation received by the statutory auditor for its work does not compromise the quality or independence thereof; (iii) ensure that the Company communicates through the Spanish National Securities Market Commission any change in auditor and attaches a statement regarding any disagreements with the outgoing auditor and, if any, the substance thereof; (iv) ensure that the statutory auditor meets annually with the full Board of Directors to inform the Board of Directors of the work performed and on the accounting status and the risks of the Company; and (v) ensure that the Company and the statutory auditor comply with applicable legal provisions regarding the provision of non-audit services, limits on the concentration of the auditor's business, and generally all other provisions regarding the independence of the auditors.

- 12) To analyze and report on the financial terms, accounting impact and, if applicable, the exchange ratio proposed for structural modifications and corporate transactions that the Company expects to carry out, prior to submission to the Board of Directors.
- 13) To report in advance to the Board of Directors on all matters provided by law and the By-Laws, and particularly regarding:
 1. Financial information and the management report, which shall include the required non-financial information that the Company must periodically make public; and
 2. The creation or acquisition of interests in special-purpose entities or entities domiciled in countries or territories considered to be tax havens.
- 14) To report on the related-party transactions that must be approved by the General Shareholders' Meeting or the Board of Directors and to supervise the internal procedure established by the Company for those transactions whose approval, if applicable, has been delegated by the Board of Directors.
- 15) To supervise the implementation of the general policy regarding the communication of economic/financial, non-financial and corporate information and communication with shareholders and investors, proxy advisers and other stakeholders, and to monitor the manner in which the Company communicates and engages with small and medium-sized shareholders, all as regards aspects within the purview of the Committee.
- 16) As regards those companies of the Group that are deemed to be Public-Interest Entities (*Entidades de Interés Público*) (as defined by applicable law) and with respect to which it is so approved by the Board of Directors, to perform all those duties of the Audit Committee at any time contemplated in applicable law, provided (a) the companies are directly or indirectly wholly-owned by the Company pursuant to the provisions of applicable law, or (b) the assumption of such duties has been unanimously approved by the shareholders' meeting of the subsidiary.

The provisions of sections 2), 9) and 10) above are deemed to be without prejudice to the legal provisions governing auditing.

Section 6 of this Report describes the most significant activities carried out by the Committee during fiscal year 2025 in relation to the above-described duties and tasks.

6. Significant Activities of the Committee in 2025.

Of the issues that the Audit and Control Committee examines at its meetings, some correspond to legal requirements and others relate to the powers assigned to the Committee.

The most significant activities performed by the Committee in 2025 for both Telefónica, S.A. and other Public-Interest Entities (PIEs) of the Group (specifically, Telefónica de España, S.A.U., Telefónica Emisiones, S.A.U. and Telefónica Europe, B.V.), with respect to which this Audit and Control Committee assumed the duties of an Audit Committee, are described below.

➤ **Activities carried out in relation to Financial and Non-Financial Information** (Articles 4 i), iv) and xiii) of the Regulations of the Committee).

1. Review of the Annual Accounts and Periodic Financial and Non-Financial Information of the Company.

The Audit and Control Committee, in accordance with the duties attributed thereto in this area, examined, analyzed and supervised the process of preparation and the integrity of the Company's financial and non-financial information. Specifically, the Committee examined and discussed the most important aspects regarding:

- The Individual Annual Accounts, Consolidated Financial Statements (Consolidated Annual Accounts) and Management Reports (which include the Sustainability Report) for fiscal year 2024 of Telefónica, S.A. and of its Consolidated Group, as well as the process for preparing such information and the accounting principles used (International Financial Reporting Standards - IFRS - and General Chart of Accounts in force in Spain). In relation to the Sustainability Report for fiscal year 2024, the Committee has overseen the content and preparation thereof to ensure that all statutory requirements have been included. In addition, the Committee was informed of the main developments included in the Sustainability Report, also contained in the 2024 Consolidated Management Report.
- The Annual Accounts and Management Reports of the aforementioned PIEs of the Group for fiscal year 2024.
- The Quarterly and Semiannual Periodic Financial Information in 2025 of the Telefónica Group and of the aforementioned PIEs of the Group.

2. Other Financial and Non-Financial Issues

The Audit and Control Committee has also monitored and analyzed the following matters and issues:

- The impairment test results for fiscal year 2024 and the preliminary analyses for 2025.
- The main financial/accounting aspects of corporate transactions.
- The main tax aspects and risks affecting the Telefónica Group.
- The macroeconomic outlook.
- The investments in companies domiciled in jurisdictions considered to be tax havens, monitoring their financial conditions and tax implications.

3. Company Filings.

The Audit and Control Committee examined and was informed over the course of several meetings of the following Filings made by the Company before various Supervisory Bodies:

- Annual Form 20-F Report of Telefónica, S.A. for fiscal year 2024, filed with the Securities Exchange Commission (SEC).

- Universal Share Registration Document of Telefónica, S.A., filed with the Spanish National Securities Market Commission, prepared according to Annex 2 of Delegated Regulation (EU) 2019/980 as regards the Regulation of Prospectuses.
- Base Prospectus for the European Medium Term Notes Programme (EMTN Programme) of Telefónica, S.A., filed with the Central Bank of Ireland (CBI).
- Prospectus for the Guaranteed Subordinated Notes Programme, “Hybrid Programmes” of Telefónica, S.A., filed with the Central Bank of Ireland (CBI).
- Prospectus for the Australian Dollar Debt Issuance Programme.

➤ **Activities carried out in relation to Related-Party Transactions (Article 4 xiv) of the Regulations of the Committee).**

The Audit and Control Committee also analyzed and was informed, prior to the decisions to be made by the shareholders at the General Shareholders’ Meeting or the Board of Directors, of any transactions entered into by Telefónica or its Group companies with Directors, with shareholders holding 10% or more of the voting rights or represented on the Board of Directors of the Company, or with any other person considered to be a related party of the Entity under applicable legal provisions. Specifically:

- Supervision report on the related-party transaction process: Internal Audit conclusions regarding the review of the process for recording and monitoring related-party transactions.
- Audit and Control Committee Report on the authorization of related-party transactions during fiscal year 2024 and the first half of 2025: Report on all related-party transactions carried out by Telefónica, S.A. or its Group companies during the aforementioned period.
- Renewal of Framework Agreements for certain lines of operations with the SEPI Group and with the rest of the organizations and entities belonging to the General Administration of the Spanish State and the State Public Sector.
- Renewal of Framework Agreements for lines of financial transactions with the BBVA Group.

The Audit and Control Committee also submitted to the Board of Directors the reports on related-party transactions that are not part of the ordinary course of business of the Telefónica Group (sponsorships, donations, etc.) for individual approval by the Board of Directors.

➤ **Activities carried out by Internal Audit (Article 4 iii) and vi) of the Regulations of the Committee).**

1. **Internal Audit.**

The Committee discussed the following issues, among others, during the course of fiscal year 2025:

- The 2024 Annual Activities Report of the Internal Audit Directorate, including the aforementioned PIEs of the Group.

- The 2025 Annual Plan of the Internal Audit Directorate of the Telefónica Group and of the aforementioned PIEs of the Group, as well as the budget proposal for this area and the details of its work plans.
- Preparation of the proposal for the 2026 Annual Plan of the Internal Audit Directorate of the Telefónica Group and of the aforementioned PIEs of the Group.
- Monitoring of the Action Plans for Internal Audit Reviews and for the Audit Plan, including the aforementioned PIEs of the Group.
- Conclusions of Internal Audit on reviews of global and over-arching processes and regarding regulatory requirements.
- Results of the review of financial and non-financial reporting indicators included in Telefónica Group employee compensation for 2024.
- Renewal process for quality certification issued by the Institute of Internal Auditors, based on the new Global Internal Audit Standards (GIAS).
- New organizational structure of the Internal Audit area.

2. Internal Control.

Additionally, at its meetings held during fiscal year 2025, the Audit and Control Committee was informed of the actions carried out by the Internal Audit Directorate of Telefónica, S.A. in relation to the Internal Control Systems of the Company and the aforementioned PIEs of the Group.

Specifically, the Committee was informed of the conclusions of the assessment of the Internal Control over Financial Reporting System required by applicable legal provisions in Spain and the United States of America, including the Sarbanes-Oxley Act and ICFRS. Likewise, the Committee was presented with the status of the Telefónica Group's Internal Control over Sustainability Reporting System (ICSRs).

3. Risk management.

During fiscal year 2025, the Committee also analyzed and was informed of the Risk Map of Telefónica, S.A., and of the aforementioned PIEs of the Group, as well as of the presentations made by the corresponding department heads on specific risks of the Telefónica Group (among them, Tax Risks, Regulatory Risks, Sustainability Risks, Cybersecurity Risks, Network and Systems Risks at Telefónica, Privacy Risks, Artificial Intelligence Risks, etc.). The Committee was also informed of the Insurable Risk Management at the Telefónica Group.

➤ **Activities carried out by Compliance (Article 4 iv) of the Regulations of the Committee).**

At its meetings held during fiscal year 2025, the Audit and Control Committee analyzed and was notified of the following actions carried out by the Compliance Directorate of Telefónica, S.A.:

- Annual Compliance Directorate Activities Report 2024.

- Annual Compliance Directorate Plan 2025 and details of its objectives.
- Regular monitoring of the main activities carried out by the Compliance Directorate in 2025, as well as the main indicators, including specific presentations on specific aspects or initiatives of the Company's Compliance Program in 2025 and the implementation and results of the Training Program.
- Monitoring and supervision of the Telefónica Group's Internal Reporting System (whistleblowing channel).
- Monitoring of investigations of particular relevance.

➤ **Activities carried out by the External Auditor (Article 4 ii) of the Regulations of the Committee).**

The Company's External Auditor, PwC, presented the Committee with its Annual Work Plan for 2025, reporting on the main services to be provided as External Auditor of the Telefónica Group and of the Group's aforementioned PIEs, and on the most significant matters to be reviewed.

In this regard, the different tasks performed by the Group's External Auditor were presented over the course of the various meetings of the Audit and Control Committee:

1. Financial Statements.

The representatives of the Statutory Auditor presented the Committee with the main findings of the audit work performed in relation to the Individual Annual Accounts and the Consolidated Financial Statements of the Telefónica Group and of the Group's aforementioned PIEs for fiscal year 2024.

In addition, the Committee was informed of the limited reviews carried out by the current Statutory Auditor, PwC, with regard to the Periodic Quarterly and Semiannual Financial Information for Fiscal Year 2025 of the Telefónica Group.

2. Internal Control over Financial Reporting Systems.

The representatives of the External Auditor, PwC, also reported on the work carried out with regard to the Internal Control over Financial Reporting Systems as required by applicable law, including the Sarbanes-Oxley Act.

3. Fees of the External Auditor.

Moreover, the Committee approved the final fees accrued by the audit firm PwC for fiscal year 2024 for all work performed, in accordance with the independence requirements set forth in legal provisions.

The Committee also approved the proposed fees for the audit firm PwC for fiscal year 2025 for auditing and other audit-related services. The proposed 2025 fees for other audit firms who perform statutory audit work for the Telefónica Group were also submitted.

4. External Auditor Assignments.

Over the course of fiscal year 2025, the Audit and Control Committee also approved various non-auditing assignments to be performed by companies within the PwC Group for various companies of the Telefónica Group, all of which were duly evaluated, justified and motivated in accordance with the internal regulations defined for this purpose, which conform to the provisions of applicable law.

5. Report on the Independence of the External Auditor.

In accordance with the provisions of Section 529.4 *quaterdecies* of the Restated Text of the Spanish Companies Act and Rule 3526 (Communication with Audit Committees Concerning Independence) of the Public Company Accounting Oversight Board (“PCAOB”), having been notified by the External Auditor for fiscal year 2024 (PwC) of its statement of independence, at its meeting held on February 25, 2025, the Audit and Control Committee issued its report on the independence of such External Auditor, which described, among other things, the services additional to audit services directly and indirectly provided by PwC and its related entities to the Company and its related companies during the period covered by the annual accounts for the fiscal year ended December 31, 2024, as well as the corresponding fees.

This report concluded that such External Auditor was independent of Telefónica, S.A. and its related companies on the terms established by applicable law.

6. Audit Reports on Financial Statements – “Key Audit Matters.”

The Audit and Control Committee was informed of the “Key Audit Matters” of the Telefónica Group included in the Audit Reports on the Individual and Consolidated Financial Statements of Telefónica, S.A. and of the aforementioned PIEs of the Group with respect to which this Committee has assumed the duties of an Audit Committee, for fiscal year 2025.

7. Evaluation of the role of the External Auditor.

Pursuant to the provisions of Section 71 of Technical Guide 1/2024 of the Spanish National Securities Market Commission on Audit Committees at Public-Interest Entities, the Audit and Control Committee analyzed the results of the process of evaluating the External Auditor, PwC, and how it has contributed to the quality of the audit and the integrity of the financial information and the review of non-financial information.

8. Proposed appointment and hiring of the Telefónica Group’s Statutory Auditor for fiscal year 2025.

The Audit and Control Committee proposed to the Board of Directors the appointment of PwC as Statutory Auditor of Telefónica, S.A. and its Consolidated Group for fiscal year 2025. The Committee also approved the hiring of PwC, BDO, KPMG, Grant Thornton and Salas, Piantini & Asociados for the performance of the statutory audit for fiscal year 2025 of the other Group subsidiaries where appropriate.

9. Selection Process for the new Statutory Auditor and Verifier of Sustainability Information of the Group for 2027, 2028 and 2029.

During fiscal year 2025, the Committee continued to monitor and implement the Selection Process for the Statutory Auditor and Verifier of Sustainability Information for Telefónica,

S.A. and its consolidated Group for the period 2027-2029, as well as the selection process for the Statutory Auditor for the aforementioned PIEs of the Group. In this context, the Committee was informed of the progress of the Selection Process, including its key milestones, the Terms and Conditions governing said process, the schedule and estimated dates, as well as those responsible for its implementation. Following a rigorous evaluation process, at its meeting on June 24, 2025 the Committee resolved to recommend the hiring of PwC as: (i) Statutory Auditor of Telefónica, S.A. and its Consolidated Group and as Verifier of Sustainability Information for fiscal years 2027, 2028 and 2029; and (ii) Statutory Auditor of the aforementioned PIEs of the Group for the same period. The process will conclude with the appointment by the shareholders at the Company's Ordinary General Shareholders' Meeting to be held in 2026.

➤ **Activities carried out by the Verifier of Sustainability Information**

- The Sustainability Report included in the Consolidated Management Report of the Telefónica Group for the year ended December 31, 2024 was reviewed by PwC, which appeared before the Committee to present the results of their independent assurance of the Sustainability Report, confirming that the Sustainability Report and the additional information included in the Management Report complied with applicable legal provisions in each case.
- The Audit and Control Committee was also informed of the dual materiality process carried out by Telefónica, S.A. to identify which sustainability standards and issues were material to Telefónica and what should be considered when reporting sustainability information.
- The Audit and Control Committee also proposed to the Board of Directors the appointment of PwC as Verifier of the Sustainability Information of Telefónica, S.A. and its Consolidated Group for fiscal year 2025.

➤ **Monitoring of the action plans of the Committee itself.**

With regard to the results of the Evaluation Process for fiscal year 2024, the Audit and Control Committee, at its meeting on January 28, 2025, approved the Action Plan of the Audit and Control Committee to improve the points that could be optimized, which relate, among other points, to the timely delivery of documentation and the training of the Directors.

In this context, and in order to continue to comply with the above-mentioned Action Plan, the Company will continue to endeavor to provide materials for Audit and Control Committee meetings with greater and sufficient advance notice to allow for informed discussion and an in-depth analysis of documentation. The Company will also continue to provide members of the Committee with ongoing training and continuing education programs on matters of particular importance to the performance of their duties.

➤ **Nature and scope of communications with regulators, where applicable.**

During fiscal year 2025, the Audit and Control Committee was not informed of any request for clarification of information or communication with Regulators relating to the securities market.

➤ **Other matters of interest analyzed by the Audit and Control Committee.**

- Approval of the Schedule of Meetings of the Audit and Control Committee for fiscal year 2026.
- Approval of the 2026 Activities Plan for the Audit and Control Committee, detailing the activities and topics to examine during the meetings of said fiscal year. The aforementioned Activities Plan has taken into account the process of delisting Telefónica from the New York Stock Exchange (NYSE), which became effective in January 2026, and the cancellation of registration and suspension of reporting obligations vis-à-vis the Securities and Exchange Commission (SEC).
- Annual Report on the activity of the Audit and Control Committee for fiscal year 2025
- Report of the Audit and Control Committee of the Board of Directors of Telefónica, S.A. regarding related-party transactions for fiscal year 2024.
- Monthly report from the Head of the Treasury Stock Management Team of Telefónica, S.A. on treasury stock transactions.
- Verifying that the financial information published on the Company's website is continuously updated and matches the information that has been prepared in each case by the Board of Directors and published on the CNMV website.
- Litigation status of the Telefónica Group.
- Evaluation of the role of the Internal Audit Directorate.
- Analysis of updates and changes to certain Corporate Policies and Regulations (specifically, the Policy on the Organization of Internal Audit and Risk Management, the Crime Prevention Policy and the Corporate Policy on the Comprehensive Disciplinary Program of the Telefónica Group).
- Training or information sessions for the members of the Audit and Control Committee on, inter alia, the following topics: Artificial Intelligence, Trends and Benchmarks on Sustainability Information, etc.

Furthermore, as set forth in Article 5 of the Regulations of the Audit and Control Committee, the Committee has the resources necessary for the members of the Committee to obtain external advice on legal, accounting, risk assessment and other matters as required.

7. Evaluation of the Operation and Performance of the Committee.

Pursuant to the provisions of Article 8 of the Regulations of the Audit and Control Committee of the Company, the Committee carried out its evaluation process at the end of fiscal year 2025, particularly with regard to its composition, work program, documentation, calls to meetings thereof, frequency, duration and conduct of meetings, contact with Senior Executives of the Company and with the External Auditors, powers, duties and resources.

The results of this process show the proper operation of the Committee, which has been communicated to the Board of Directors. The above-mentioned evaluation yielded very positive and satisfactory results in all areas evaluated, and it should be noted that in the evaluation process, the Directors very positively assessed certain areas, which achieved the highest score, specifically: (i) constructive conduct of the meetings, (ii) performance and conduct of the Committee's Secretary, a position held by the General Secretary; (iii) ability to contact department heads of the Company; (iv) direct access to the External Auditors; (v) appropriateness of annually evaluating the operation of the Committee and the quality and efficiency of its work; (vi) in-depth knowledge of the Committee's functions and responsibilities; and (vii) ability to request internal and external resources.

However and within the framework of the continuous process of optimization of this Committee, the documentation of meetings has been identified as an area for improvement, for which reason work will continue in order to provide the corresponding materials with greater and sufficient advance notice, thereby allowing for in-depth analysis of the documentation.

8. Information on the Committee's opinion regarding the independence of the Statutory Auditor.

Additionally, as stated in Section 6 above and as regards the External Auditor (PwC), on February 25, 2025, after having received the communication from such External Auditor regarding its independence, the Committee issued its report on the independence of PwC, concluding that such External Auditor is independent of Telefónica, S.A. and of its related companies, due to a relationship of control, pursuant to the terms established by applicable legal provisions.

9. Information on the Practical Guides regarding Audit Committees followed by the Committee.

The Audit and Control Committee of Telefónica, S.A. follows the Technical Guide on Audit Committees of Public-Interest Entities approved by the Spanish National Securities Market Commission (CNMV) on June 27, 2024.

10. Conclusions.

As reflected above, over the course of 2025, the Audit and Control Committee has analyzed and examined the main issues and aspects within its purview, regularly reporting to the Company's Board of Directors on the most significant issues.

During fiscal year 2026, the Audit and Control Committee plans to continue to review and monitor the situation affecting all matters within its purview, pursuant to its Meetings Schedule and Annual Work Program 2026.

11. Date of preparation and approval of the Report.

This Report was prepared by the Audit and Control Committee on February 23, 2026, and approved by the Board of Directors of Telefónica, S.A. on February 23, 2026.



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