



Telefónica's Socio-Economic Contribution Report

2025

Introduction



According to the World Meteorological Organisation (WMO), 2025 was one of the three warmest years on record, and the last 11 years have been the warmest ever observed consecutively. At the same time, the **Sustainable Development Report 2025** notes that barely 17% of the Sustainable Development Goal (SDG) targets are on track to be met by 2030.

Against this backdrop, the commitment of the private sector is key to driving the transition towards a model of economic and social development capable of addressing current global challenges.

In this collective effort, the telecommunications sector plays a key role by facilitating a more efficient use of resources, contributing to the reduction of emissions and enhancing essential services such as healthcare and education. It also acts as a driver of digital inclusion in areas such as employment and access to financial services.

From this perspective, Telefónica is aware that sustainability and the generation of a positive impact are not secondary considerations, but essential conditions for growth and for creating long-term value for its stakeholders.

With this conviction, **Telefónica promotes responsible digitalisation**, supported by the continuous evolution of its technological capabilities; with the aim of offering the best digital experience to its customers, while strengthening its competitive proposition and cement its position as a leading operator in the new global market.

To achieve meaningful change, capital markets must be geared towards activities that drive sustainable growth. In this regard, the monetisation of externalities and the social value generated by companies are key to integrating sustainability criteria into investor decision making, by translating impacts into a language that is understandable and can be incorporated into the analysis of the economic and social return on investment.

Since 2018, Telefónica has adopted the best available impact measurement methodologies to quantify its contribution to society in monetary terms, with the aim of providing capital markets with relevant information to improve decision making and resource allocation in the global economy.

We believe that this report will help stakeholders understand the transformative potential of Telefónica through telecommunications services and digital technologies, facilitating better-informed decision making and contributing, in a practical way, to progress towards a more sustainable economic development model.



Results at a glance

In our latest study, corresponding to our activities in 2025, we generated a positive impact of around €78bn in the countries where our three main operations are based: Germany, Brazil and Spain. This demonstrates the importance of connectivity and the digital transition both for society and in promoting sustainable economic development.

This achievement reflects our ability to drive sustainability in the telecommunications sector and underlines our contribution to the United Nations 2030 Agenda for Sustainable Development.

The analysis of our externalities, fully integrated into the company's dual materiality analysis, enables us to understand our impact on society and the environment and leads us to improve our product innovation and decision-making processes.

This means that the impact we have on people and nature is fully embedded in our corporate strategy, business model and organisational governance.

The aim is to maximise the economic, human, social and environmental value we generate for our investors and funders and for all the stakeholders with whom we engage.

The measurement of our contribution to society is structured around four key pillars:



Economic contribution



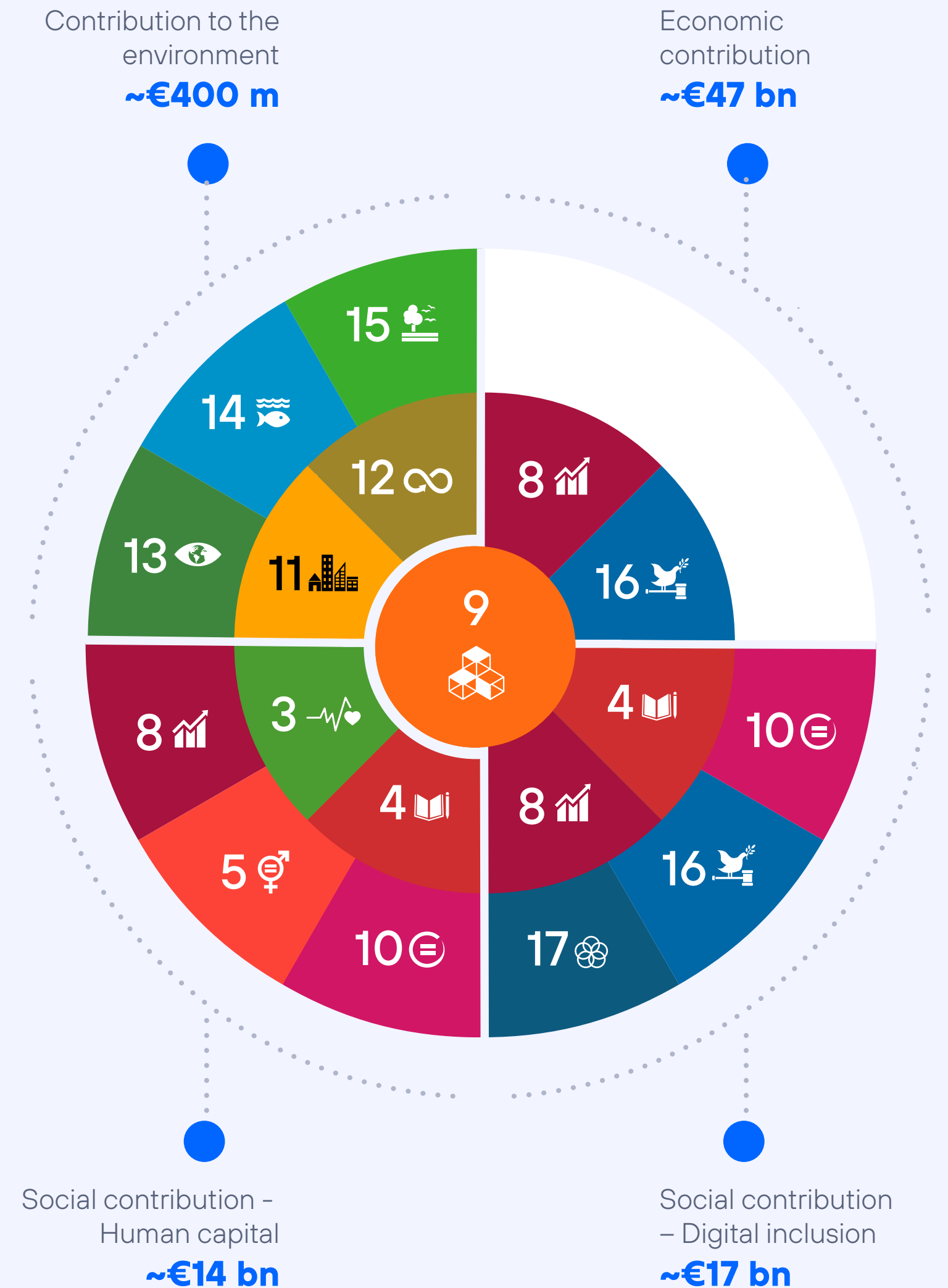
Social contribution - Digital inclusion

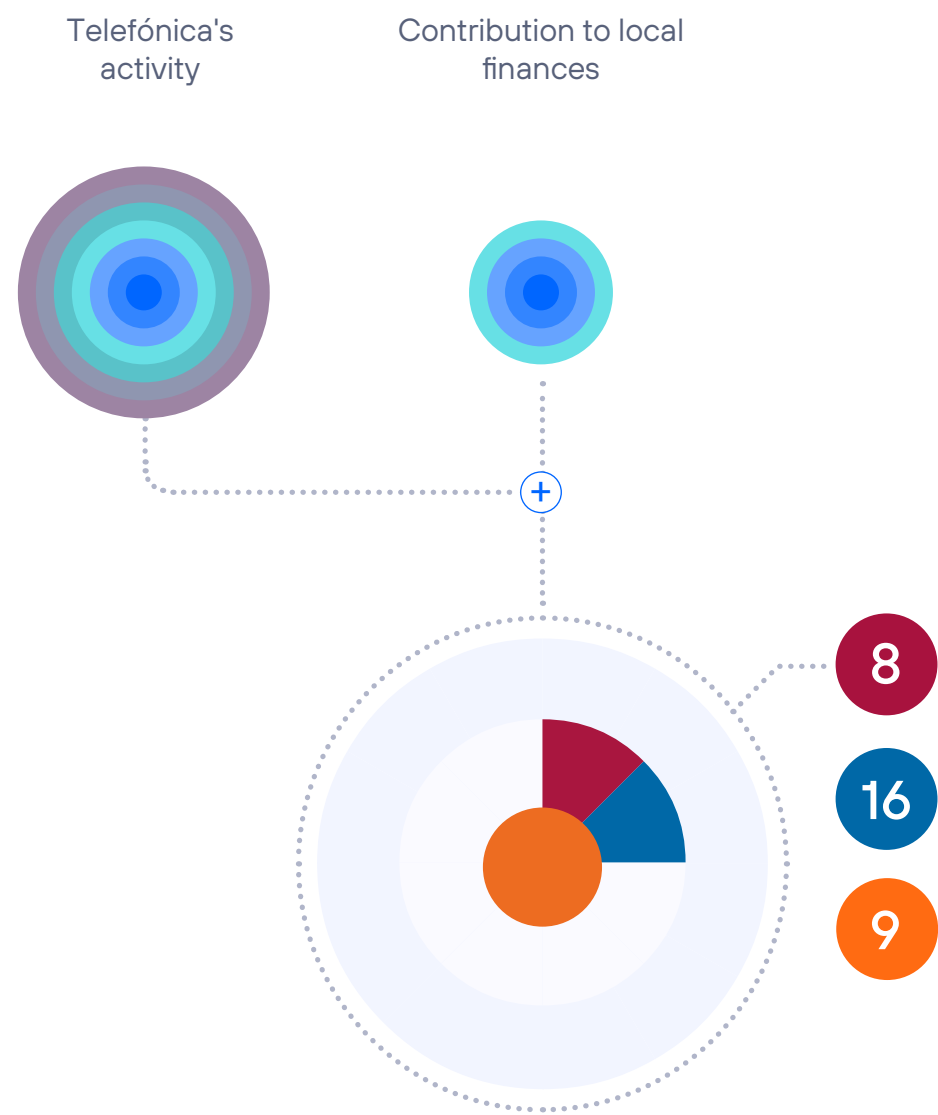


Social contribution - Human capital

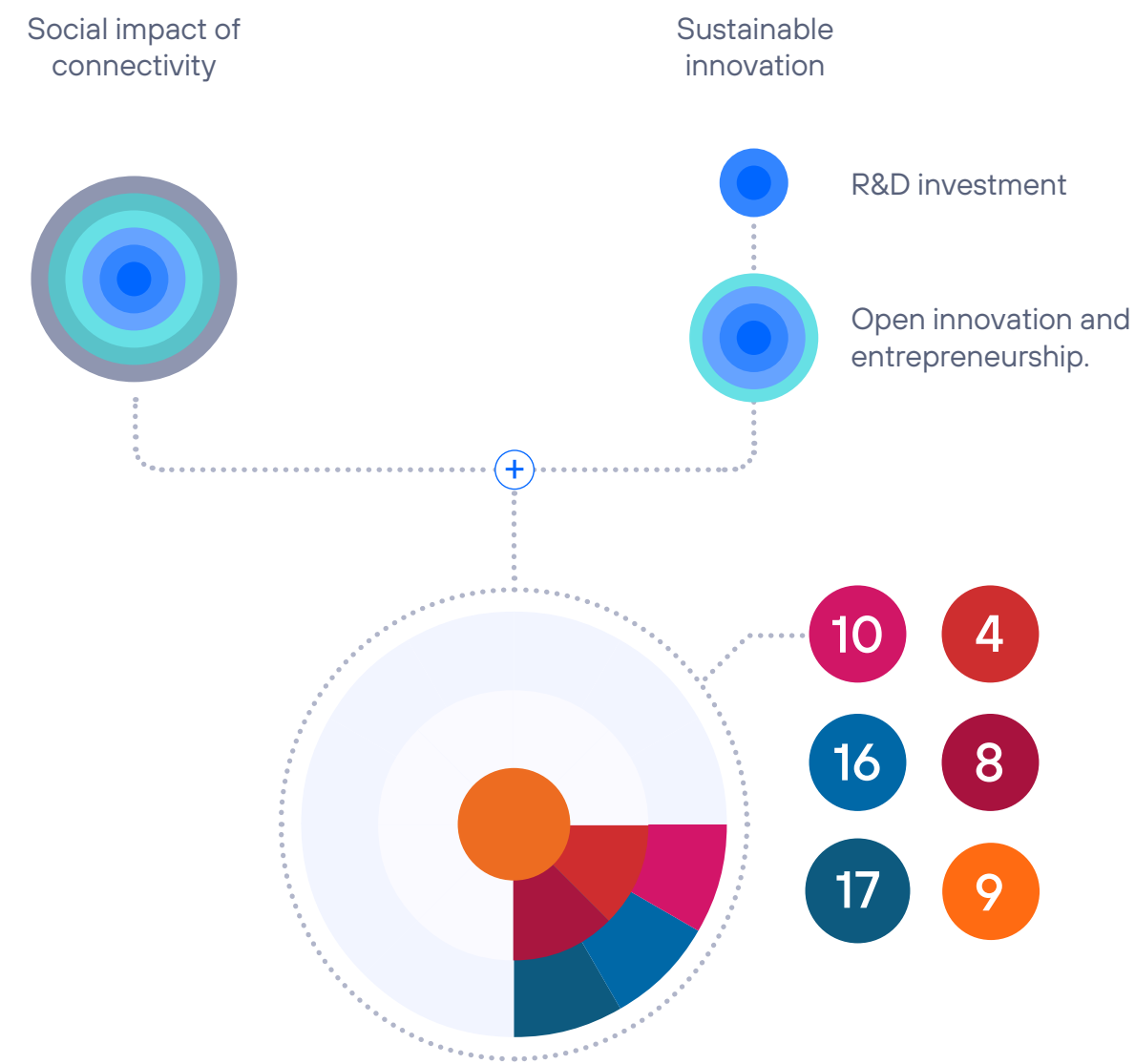


Contribution to the environment

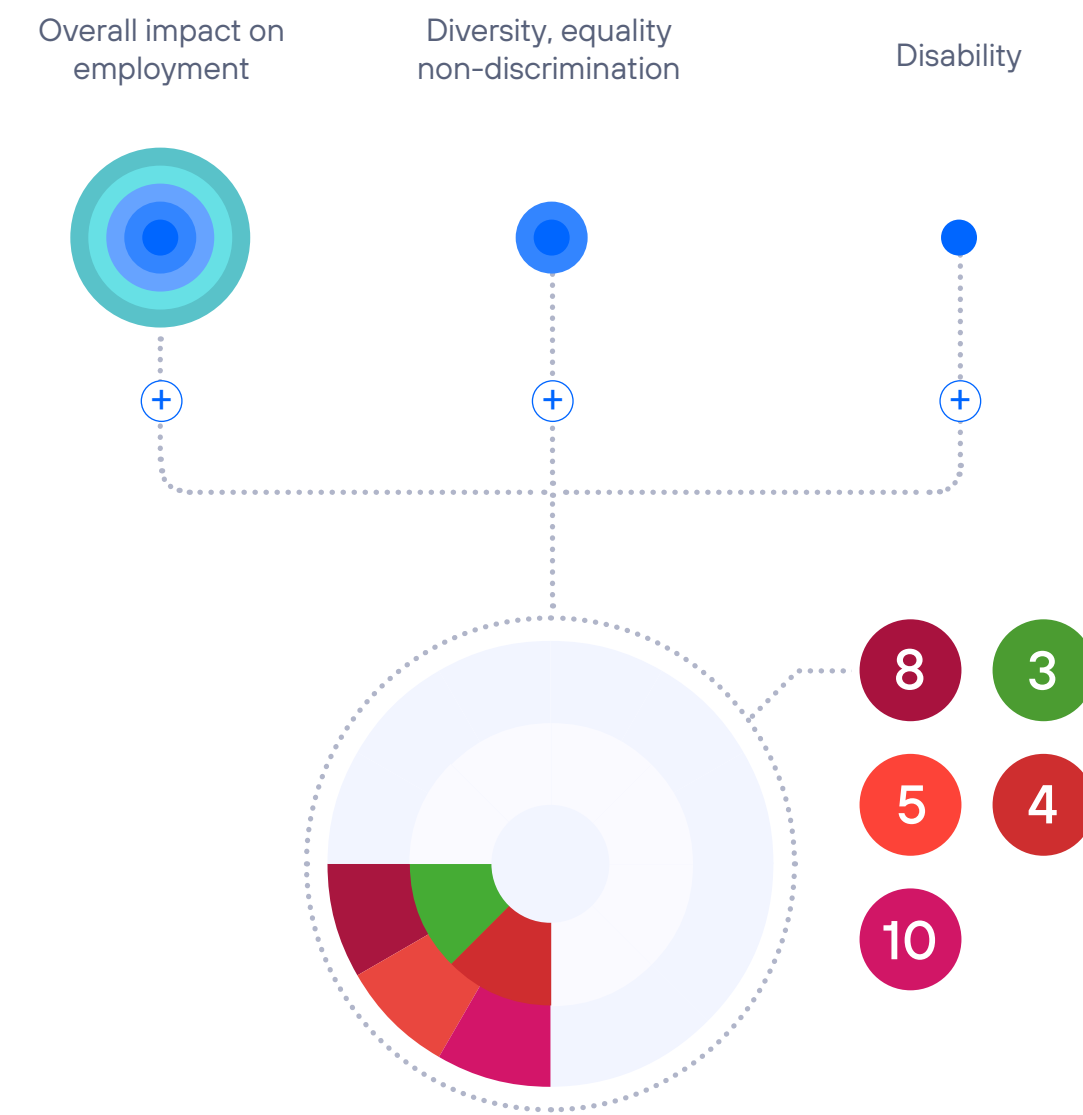




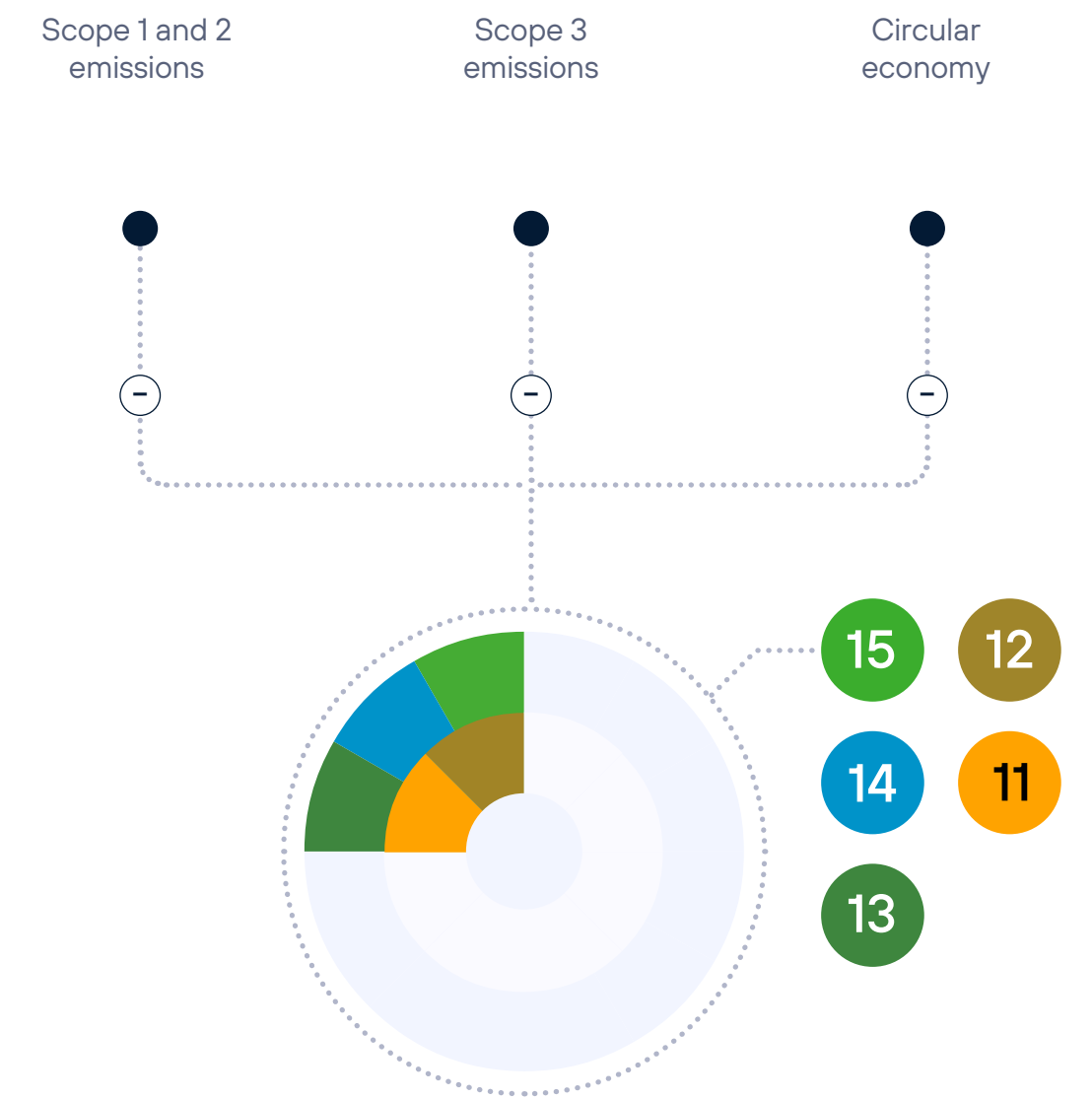
Economic contribution
~€47 bn



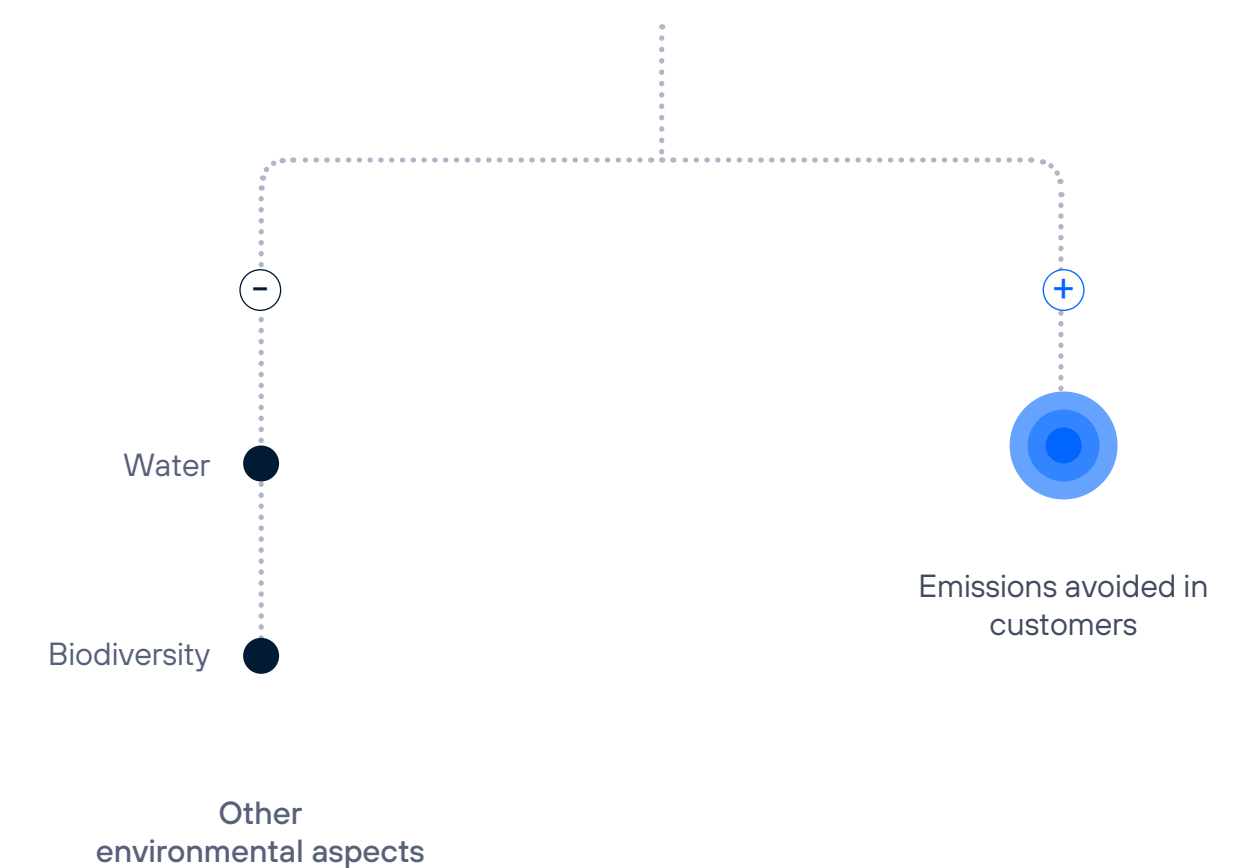
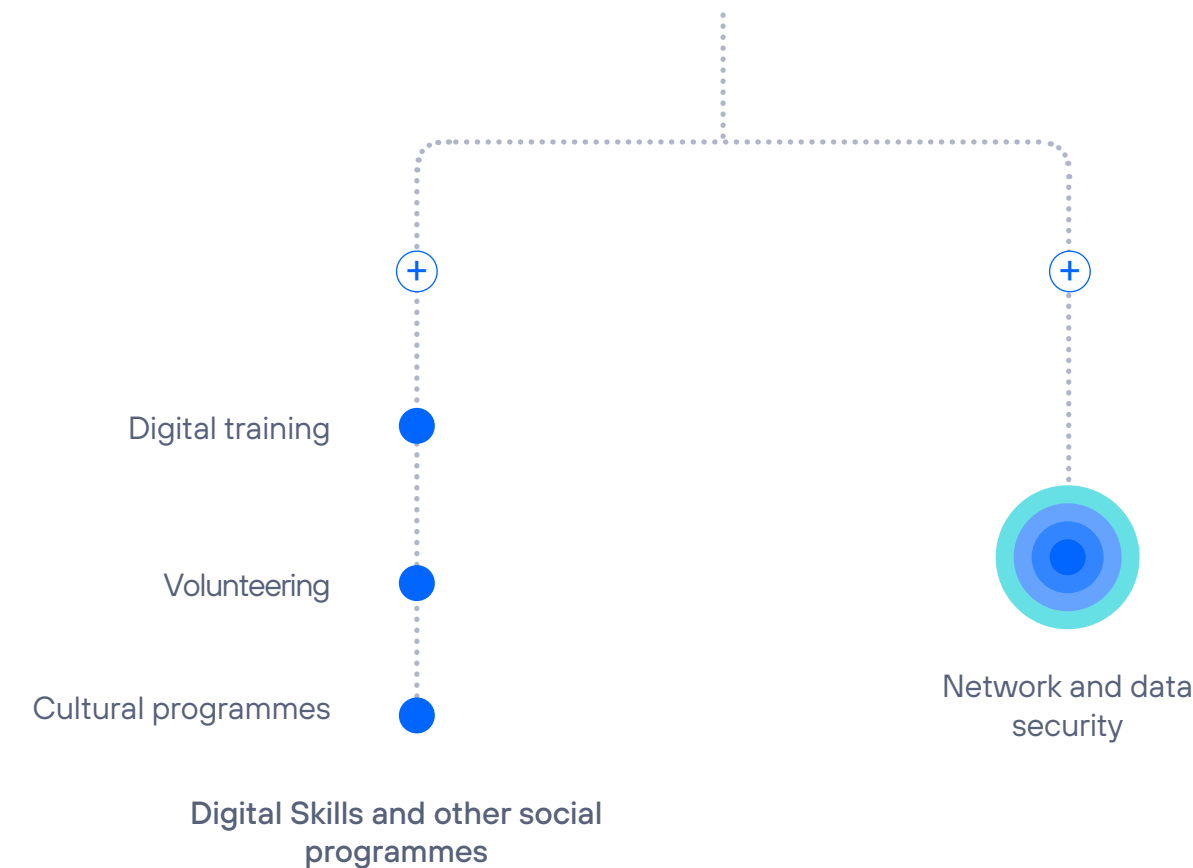
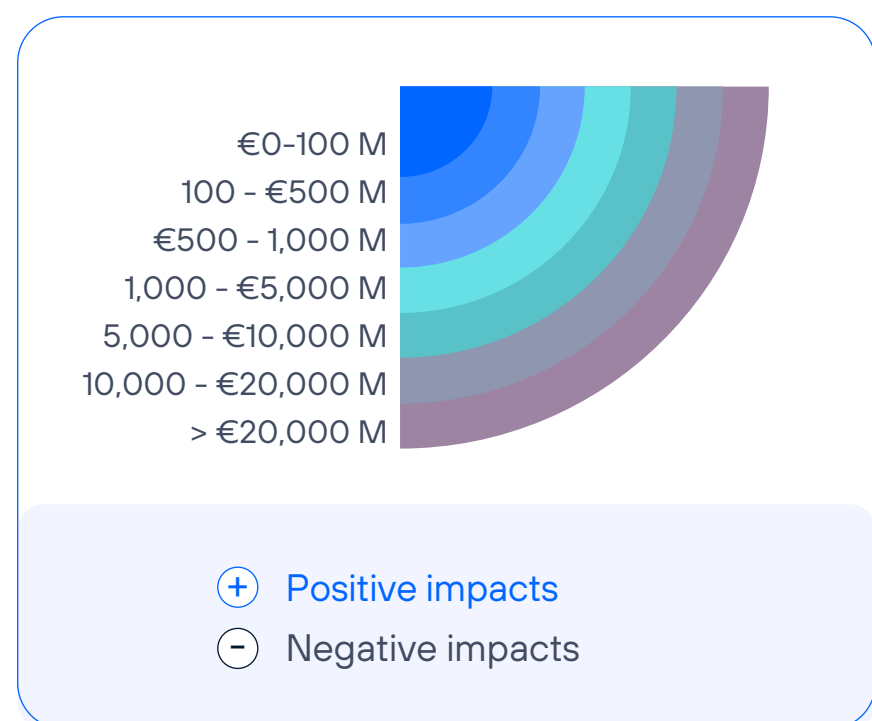
Social contribution
Digital Inclusion
~€17 bn



Social contribution
Human capital
~€14 bn



Contribution to the environment
~€400 m

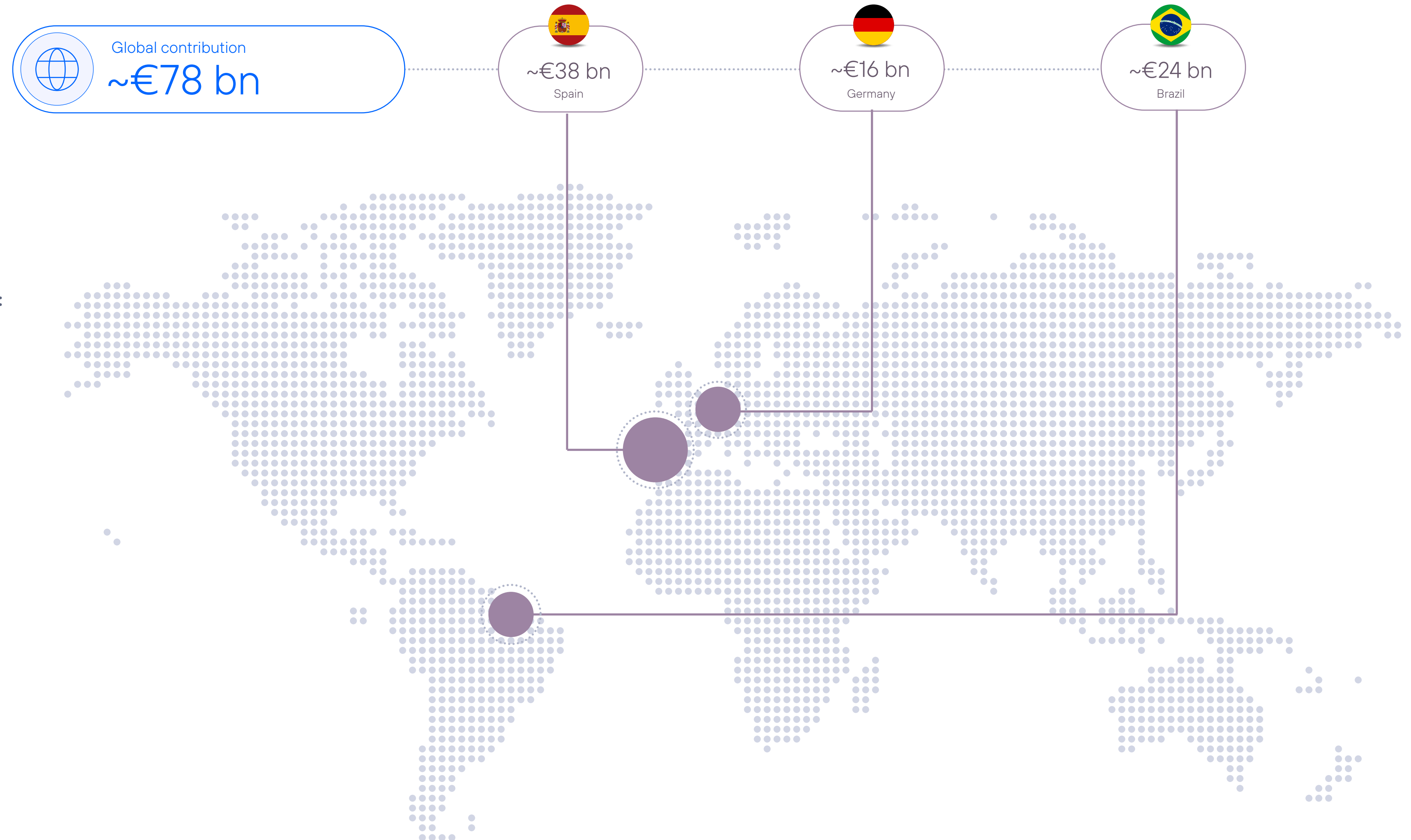


Contribution by geography

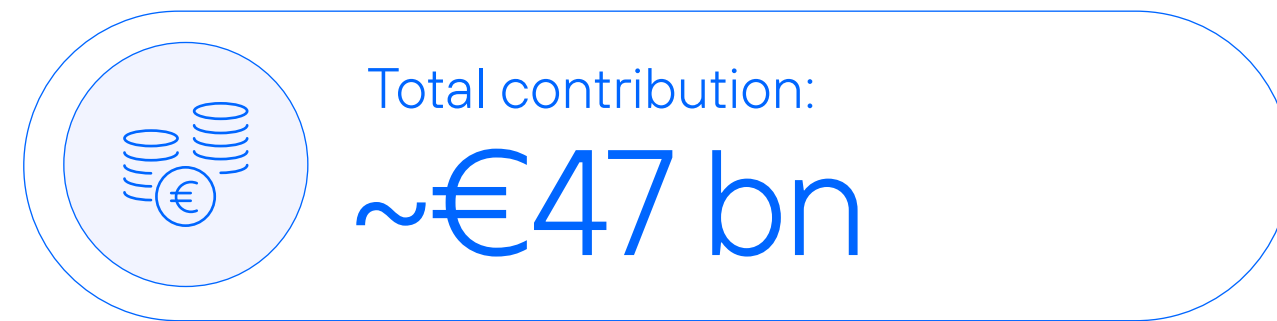
Although in 2025 the Group provided telecommunications services in Europe, Brazil and several countries in Hispanic America, the exercise to measure socio-economic contribution has focused on the countries representing Telefónica's key fully consolidated markets under the current strategic plan: Germany, Brazil and Spain.

The following chart highlights the breakdown of our contribution by region.

The contribution generated is distributed in a similar way to the Telefónica Group's revenue distribution in 2025 across the three countries in question, showing a direct correlation with the local development of the communities in which we operate.



Total contribution



Telefónica is part of a strategic industry that drives economic development in the countries where it operates. Our contribution materializes directly, through job creation and value generation via our commercial activities, and indirectly, thanks to the multiplier effect of our supply chain and the digitalisation of key sectors.

The deployment of telecommunications infrastructure and the development of broadband connectivity act as key pillars to ensure that people and businesses can benefit from the opportunities of the digital revolution.

Our commitment also includes a significant contribution to public finances through the payment of taxes, fees and social security contributions, establishing us as a key partner for national economies.

Together, our activities not only drive the business fabric, but also generate well-being and strengthen the foundations for inclusive and sustainable economic growth. All of this is part of our mission to become the best gateway for citizens to access digital technologies.



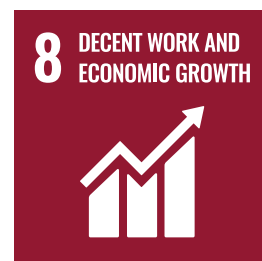
Main impacts

Main indicators used for the calculation

SDG

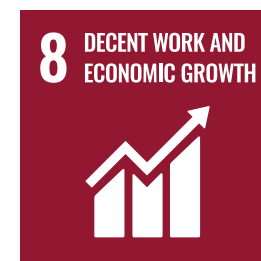
Telefónica's activity

- Direct impact
- Indirect impact
- Induced impact



Contribution to local finances¹

- Taxes borne in the countries where we operate



¹ The taxes borne by the companies that make up the Telefónica Group are added up, excluding the taxes collected. This is because the taxes borne are those that tax the company's activity, and therefore can directly support public treasuries.



Contribution to Gross Domestic Product (GDP)

At Telefónica we contribute to the economic growth of the areas in which we operate mainly through the connectivity and communications services we offer.

Through investments in communications infrastructure and telecommunications services operations, we create added value in the societies in which we operate.

In 2025, we contributed €45.4 bn to the GDP of the countries in which we operate, thanks to our corporate activity and the investments and expenditures made in the countries.

Telefónica's impact on GDP is 0.56% of the GDP of the main countries in which we operate.

Definitions

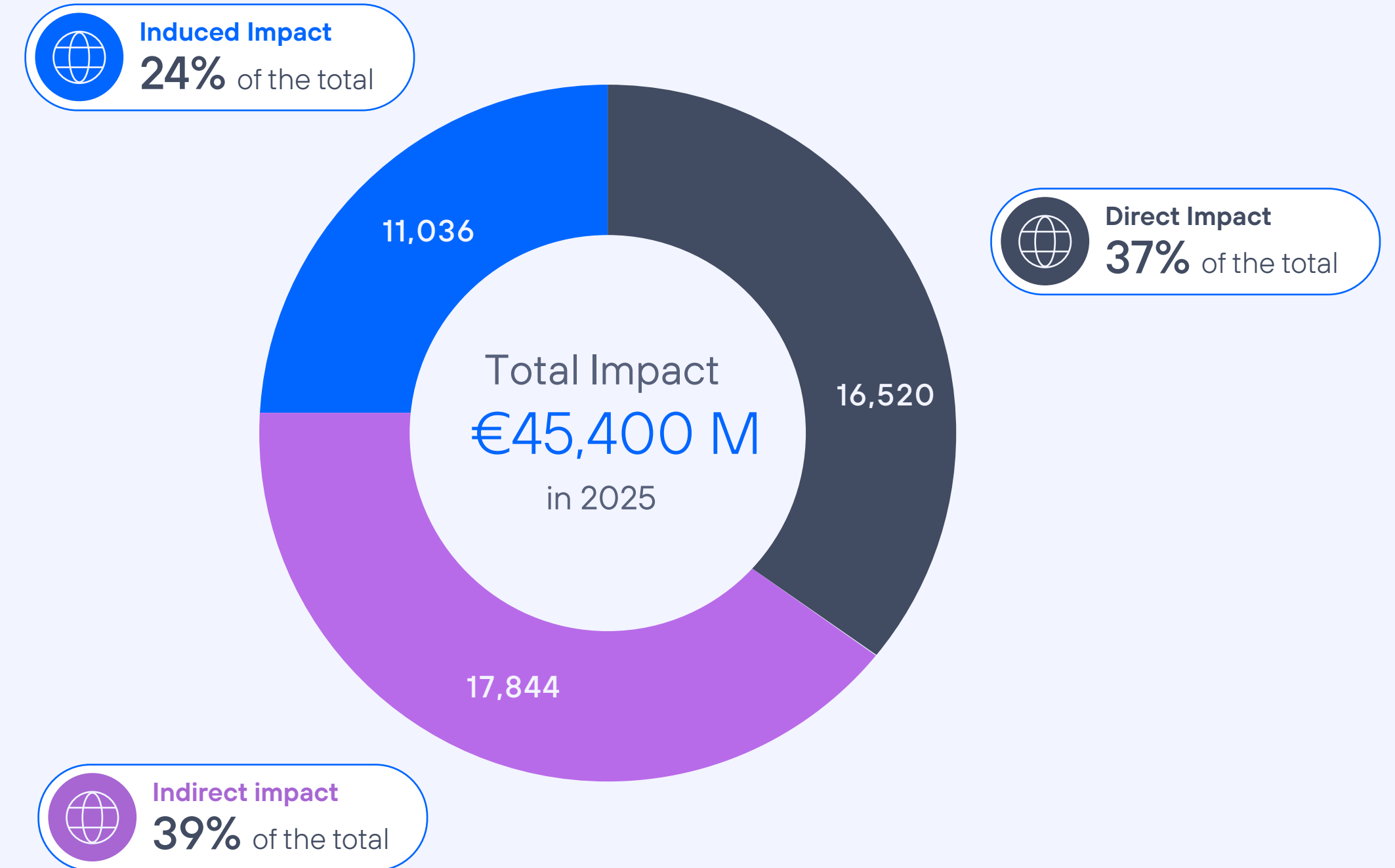
Impact on GDP

Total impact: total impacts generated by our corporate activity and the expenses and investments we make in the countries where we operate.

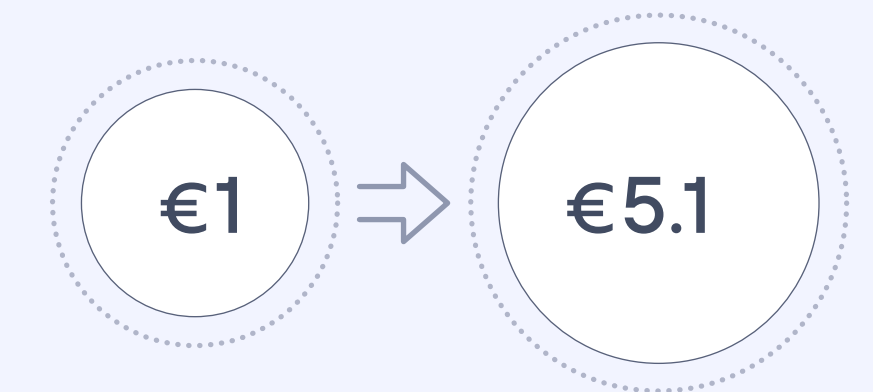
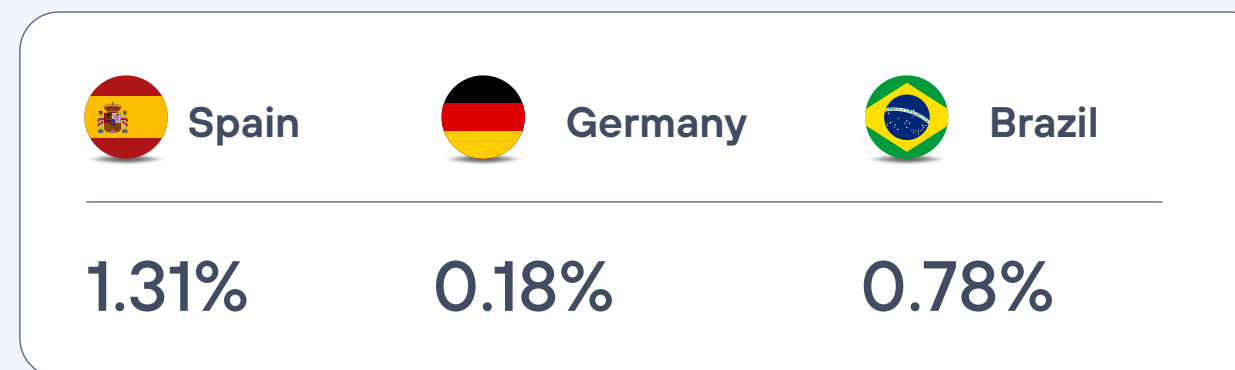
Direct impact: impacts generated directly by the development of our activity.

Indirect impact: impacts generated by the expenses and investments made throughout our supply chain.

Induced impact: impacts generated by increased consumption, derived from the increase in labor income generated by direct and indirect employment.



GDP contribution to each country's GDP (%):



For every euro of gross operating margin earned in 2025, €5.1 was generated, contributing to the GDP of the main countries in which we operate.

Contribution to local finances

At Telefónica, we promote the well-being of the regions in which we operate by supporting local economies through corporate taxes and other specific contributions.

In this impact we quantify our contribution to local treasuries through the corporate taxes we pay and other fiscal contributions, such as fees (for use of the public domain, for financing the radio and television corporation, among others), local taxes and social security payments, as well as other similar contributions in the different countries.



€1,932 M

Of taxes paid in the 2025 financial year

Tax Contribution by Country 2025

Millions of euros	Taxes borne	Taxes collected	Total
Germany	295	929	1,224
Brazil	506	1,701	2,207
Spain	1,131	1,912	3,043
TOTAL	2,583	4,542	6,474



For every 100 euros of turnover, we allocate 21.1 euros to tax payments (6.3 to taxes paid and 14.8 to taxes collected).

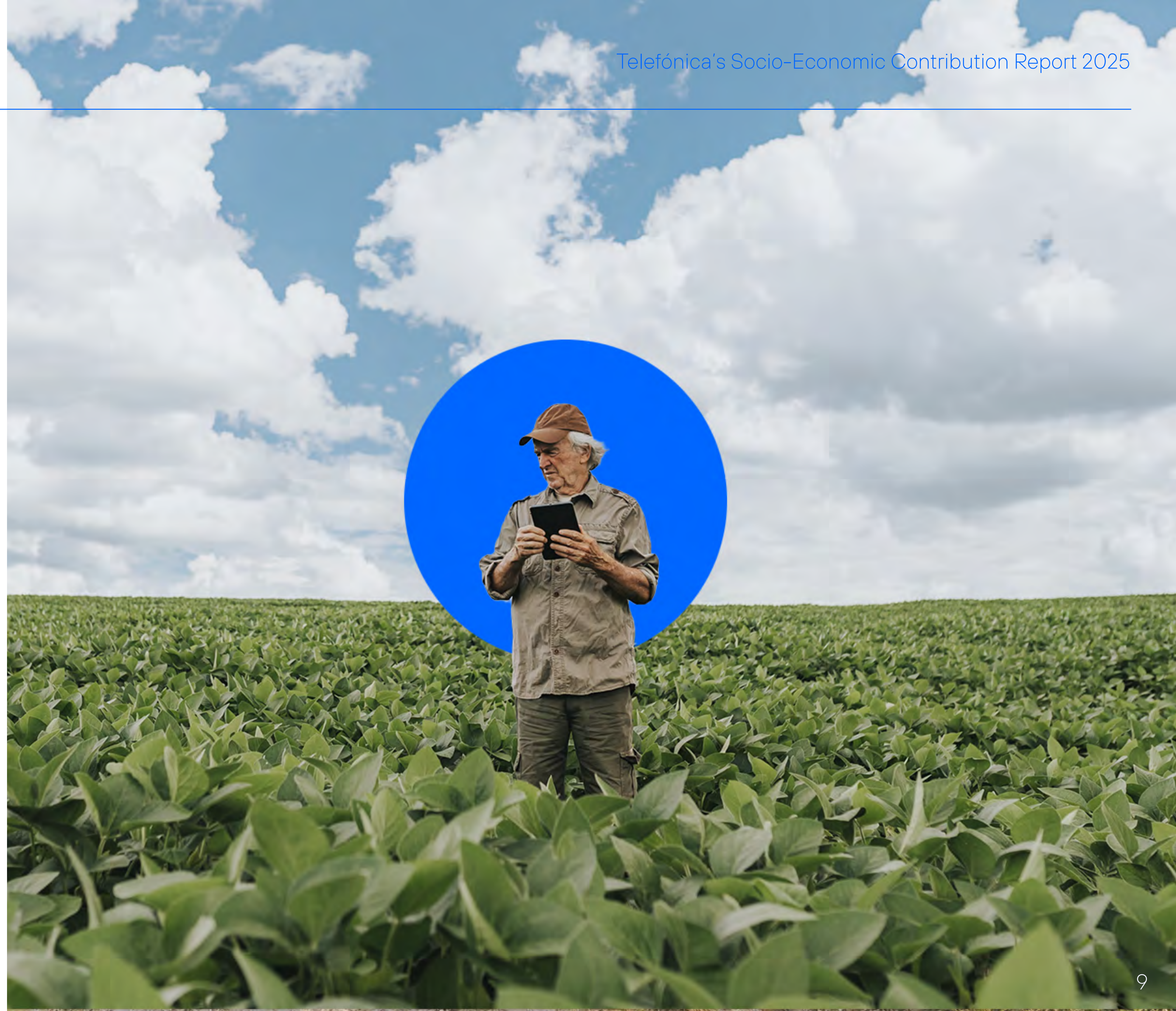
Data relating to the three main operations: Germany, Brazil and Spain. Total taxes across the group amounted to 7.472 billion euros (2.36 billion paid and 5.112 billion collected). Across the group, for every 100 euros of turnover, we allocated 21.3 euros to tax payments. For further information, please refer to the Telefónica 2025 Fiscal Transparency Report [\(link\)](#)

Social contribution - Digital inclusion



Connectivity has transformed society, opening up unprecedented opportunities in education, employment and social participation. However, the telecommunications sector faces significant challenges, such as the persistence of the digital divide, the risks associated with unequal access to technologies and the misuse of digital platforms.

At Telefónica, we actively contribute to reducing these inequalities by deploying infrastructure in urban and rural areas, creating accessible solutions and promoting digital skills. We also recognise the importance of fostering safe and responsible digital environments, especially for the most vulnerable groups. As a company committed to social responsibility beyond business, we strive to foster a more equitable and resilient world in the digital age, ensuring that no one is left behind in this process of transformation.





Social contribution - Human capital



Human capital is the engine of progress in any society. In the telecommunications sector, its impact is reflected not only in job creation, but also in the promotion of more diverse, equitable and secure working environments. This sector has the capacity to significantly improve working conditions, ensure inclusion and foster the continuous development of individuals.

At Telefónica, we recognise that our people are our greatest asset to become a more innovative and competitive company. That is why we foster inclusive, diverse, and well-being-focused work environments. We promote policies of work-life balance policies, continuous learning and training so that our workforce is prepared for the challenges of technological transformation.

Our goal is to ensure that technological innovation not only drives business progress, but also the personal and professional development of those who are part of our organisation.





¹ The number of jobs generated in the companies and sectors that receive Telefónica's expenditures and investments is multiplied by the value of the national average salary using input-output tables and macroeconomic variables from the main countries in which we operate.

Contribution to employment

We seek to promote local employment through our purchases and investments in different sectors and national companies.

The telecommunications sector is a driver of business development projects and economic activities that are crucial for job creation. Work functions as a factor of cohesion and social justice, enabling citizen participation, wealth distribution and the guarantee of rights.

In 2025, we contributed to sustaining 652,010 jobs in the three main markets where we operate, as a result of our corporate activities and the investments and expenditures we made.

Telefónica contributes to 0.38% of total employment in those countries.

Definitions

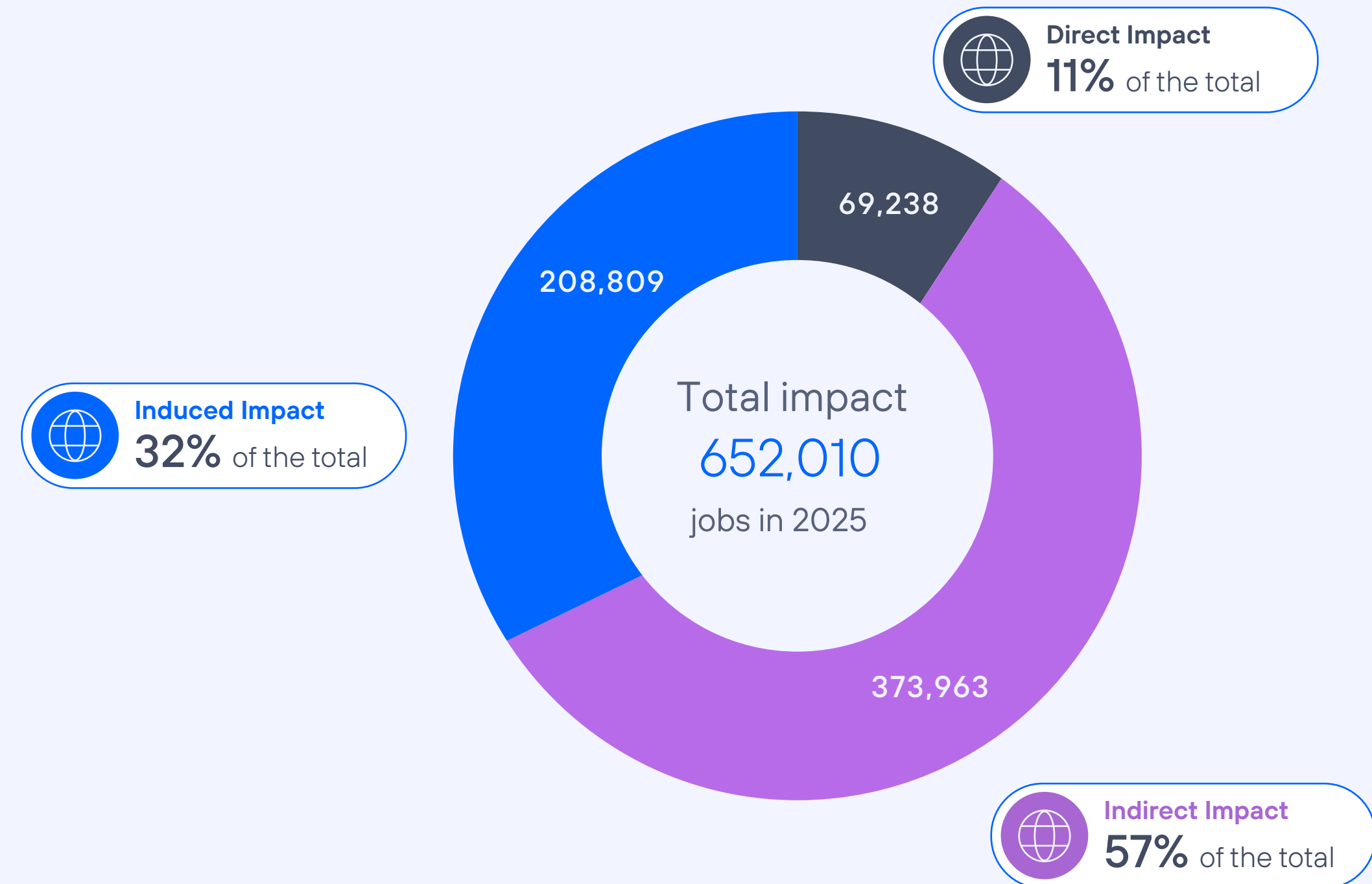
Impact on employment

Total impact: contribution generated by our corporate activity and the expenses and investments we make in the countries where we operate.

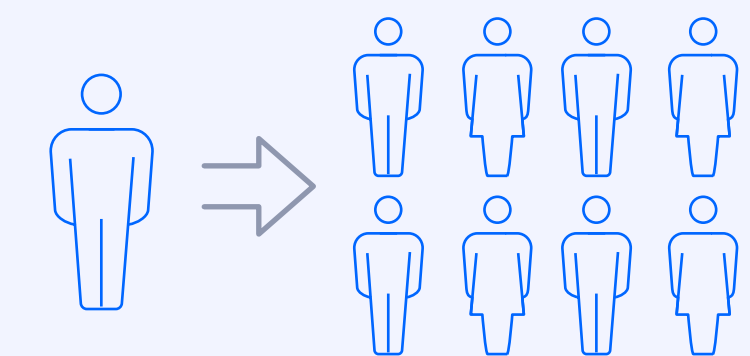
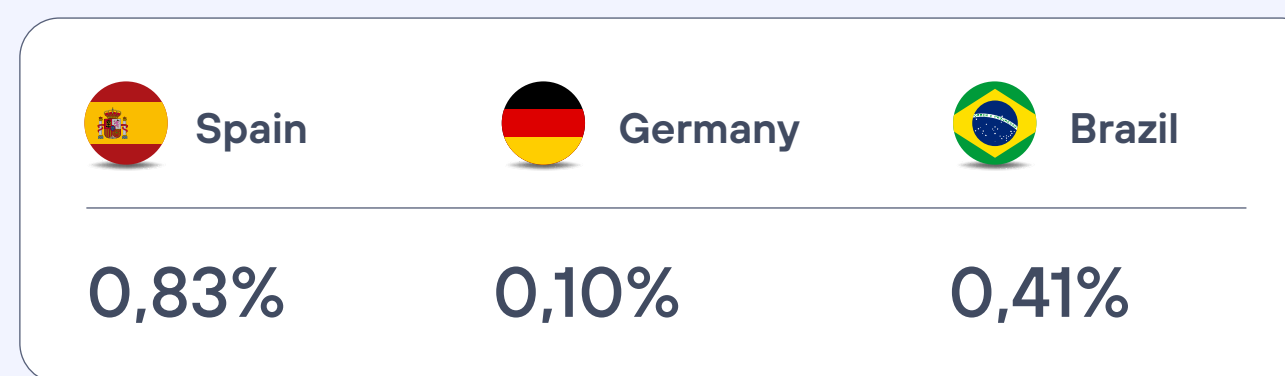
Direct impact: directly hired employees.

Indirect impact: jobs sustained in those companies and sectors that receive our expenses and investments and by their respective suppliers.

Induced impact: jobs sustained in all economic sectors thanks to the economic activity induced in the market as a whole.



Percentage of Telefónica Group employees by country (%):



For every person we hire, we contribute to sustaining more than 8 additional indirect and induced jobs.

Contribution to the environment



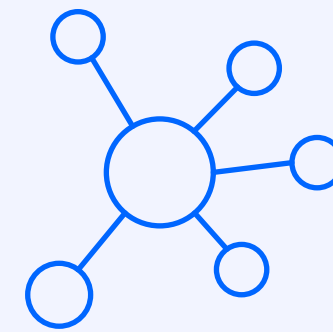
Telecommunications are responsible for major environmental impacts, especially those associated with the energy consumption of technological equipment and the consumption of raw materials and management of waste at the end of its life cycle.

However, they also have a strong capacity to contribute to the decarbonisation and dematerialisation of processes and products through digitalisation, and to generate key technologies for better monitoring and management of natural resources and ecosystems.

Telefónica is committed to minimising, mitigating and, where appropriate, offsetting the negative environmental impacts associated with its processes and products, as well as developing solutions that can benefit the environment.







Other contribution indicators

Direct economic value generated and distributed

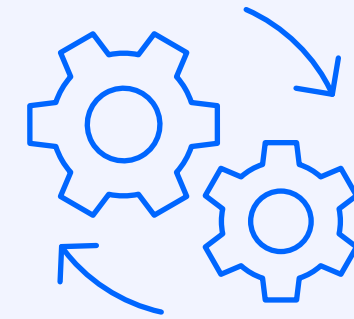
We have calculated the Direct Economic Value Generated and Distributed (DGEV) during the year, following the recommendations of the Global Reporting Initiative (GRI).

Information on the creation and distribution of economic value indicates the way in which our Company has generated wealth for the different stakeholders.

Millions of euros	2025
Direct economic value generated (revenues)	36,651
Economic value distributed	33,657
Operational costs	20,420
Salaries and employee benefits	7,548
Payments to capital providers	3,289
Payments to governments	2,360
Investments in the community	40
Economic Value retained (direct economic value generated - economic value distributed)	2,994

The figures cover the entire group and are not limited to the three main operations.





Methodological lines

Methodological guidelines

Total contribution measurement

Impact measurement and assessment is an evolving practice that seeks to quantify and evaluate the impact of companies on society.

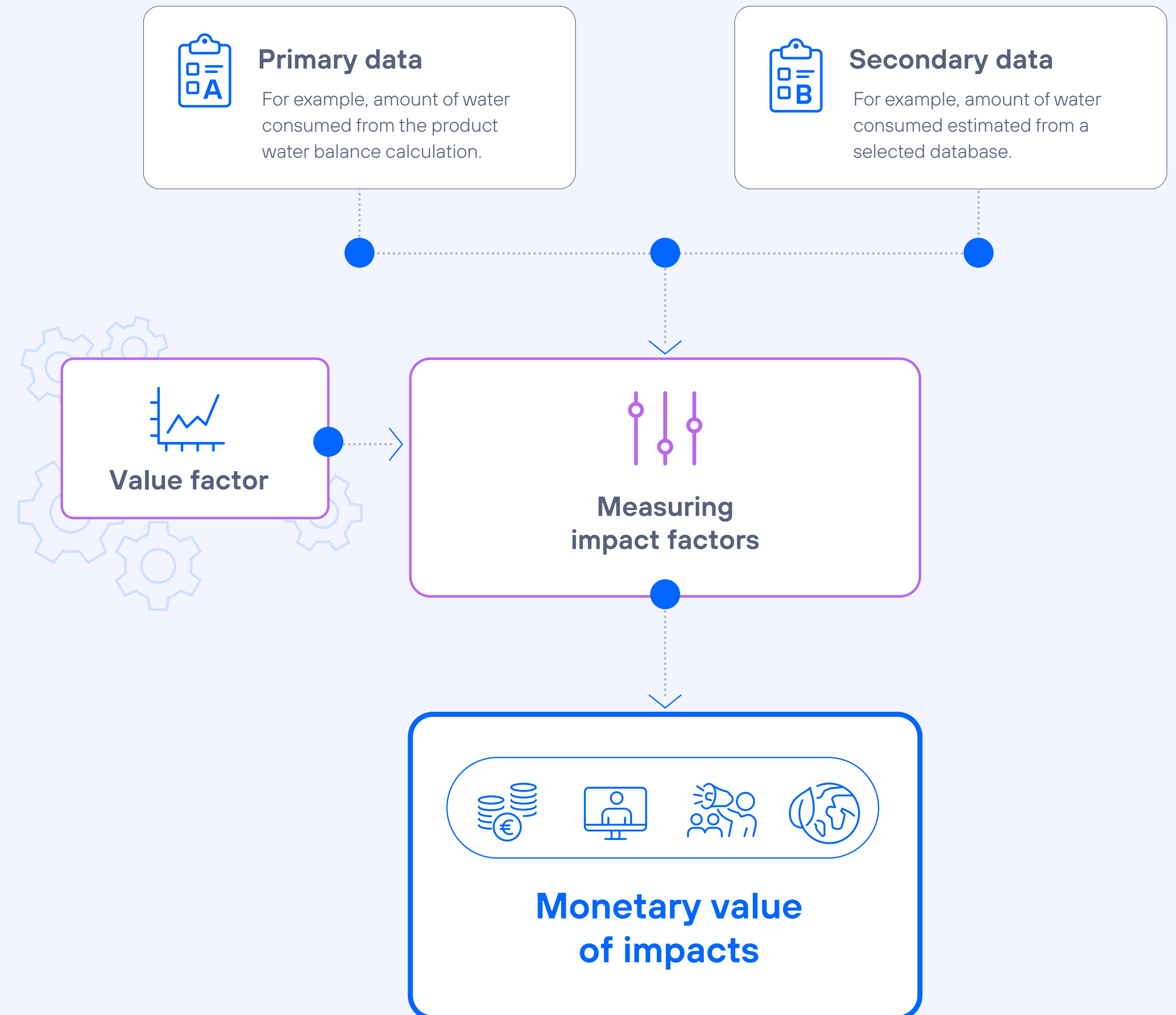
The impact analysis we have carried out is based on the identification of the most significant externalities of our activities, for their subsequent valuation in monetary terms. This approach allows all effects to be expressed in a common unit, thereby making it easier to compare, prioritise and manage impacts more effectively.

To achieve this, we have followed guidelines from leading institutions such as **Harvard Business School, Value Balancing Alliance, World Business Council for Sustainable Development and Capitals Coalition**. These organisations have developed widely recognized methodological frameworks and provide a solid basis for companies to quantify their impacts.

The Capitals Coalition, in collaboration with the VBA and the WBCSD, published the **General Guidance on Applying the Natural Capital Management Accounting Methodology** report, which outlines the impact measurement process. According to this publication, the steps to follow are:

1. **Collect relevant data.**
2. **Apply appropriate methodologies to identify impact pathways.**
3. **Obtain value factors.**
4. **Multiply data by value factors.**

The figure on the right provides a graphical summary of this process.



Methodological lines

Measurement of contribution to GDP and employment

Telefónica's direct contribution to the GDP of each of the countries analyzed was estimated using the Gross Value Added (GVA) as a reference.

The estimation of indirect and induced impacts is based on information on Telefónica's expenditures and investments.

The procedure for estimating indirect and induced impacts based on these expenditures and investments is shown schematically below:

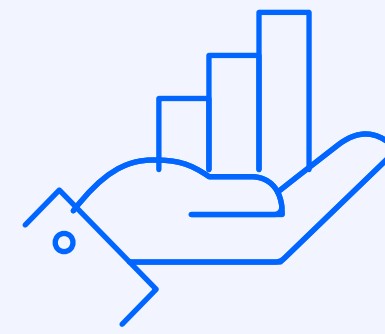




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Annex

Pillar	Externality	Magnitude of the impact
Economic contribution	Telefónica's activity	> €20,000 M
Economic contribution	Contribution to local finances	€1,000 – 5,000 M
Social contribution - Digital inclusion	Social impact of connectivity	€10,000 – 20,000 M
Social contribution - Digital inclusion	R&D investment	€100 – 500 M
Social contribution - Digital inclusion	Open innovation and entrepreneurship	€1,000 – 5,000 M
Social contribution - Digital inclusion	Digital training	€0 – 100 M
Social contribution - Digital inclusion	Volunteering	€0 – 100 M
Social contribution - Digital inclusion	Cultural programmes	€0 – 100 M
Social contribution - Digital inclusion	Network and data security	€1,000 – 5,000 M
Contribución social – Capital humano	Contribution to the employment	€5,000 – 10,000 M
Social contribution - Human capital	Diversity, equality and non-discrimination	€100 – 500 M
Social contribution - Human capital	Quality of wages	€1,000 – 5,000 M
Social contribution - Human capital	Training and talent management	€0 – 100 M
Social contribution - Human capital	Health and safety of professionals	€1,000 – 5,000 M
Social contribution - Human capital	Disability	€0 – 100 M
Contribution to the environment	Scope 1 and 2 emissions	Negative
Contribution to the environment	Scope 3 emissions	Negative
Contribution to the environment	Waste management and recycling	Negative
Contribution to the environment	Water	Negative
Contribution to the environment	Biodiversity	Negative
Contribution to the environment	Emissions avoided in customers	€500 – 1,000 M

