Sustainability. On

Sustainability Plan 2026-2030

Sustainability.On

We power sustainable progress across three key dimensions, generating tangible value for the business, society and the planet.

ENVIRONMENTAL

ON | Powering the green transition for a better future

We build low-carbon operations that reduce costs, optimises resources and strengthen competitiveness.

SOCIAL

ON | Powering a more digital & inclusive society that supports greater wellbeing.

We drive connectivity & digital solutions that deliver value for customers, communities and the business.

GOVERNANCE

ON | Powering trust in a digital world.

We embed ESG into governance to enhance accountability, manage risks and attract sustainable investment.

ESG: over 100 years of history

1924
Telefónica is founded

1928
Women in the workplace

1969
ATAM was established to help employees with disabilities and their families

1998
Fundación Telefónica is founded

2002
1st Sustainability Report

2006
Responsible Business Principles

2010
1st Global Energy and Climate Change Workshop

2019
1st Telecom company to issue green bonds

ESG in employee remuneration

2025
12 consecutive years on the CDP's Climate A List

2026
Approval of the 2026–2030 Sustainability Plan

Telefónica has taken on the clear challenge: to become the best gateway for the citizens to digital technologies.

Empowering Telefónica to thrive in tomorrow's world

The **2030 Global Sustainability Plan** serves as the roadmap for transforming the Company and better preparing it for the future.

In an environment characterised by digital transformation, the growing reality of climate risks and a constantly evolving geopolitical context, the Plan incorporates new strategic priorities, such as responsible artificial intelligence, climate resilience and the promotion of a safe and inclusive digital environment, whilst reinforcing established areas of action, such as energy efficiency and the circular economy**, to contribute, through the Company's activities, to a more sustainable, resilient and inclusive future**.

Value Creation

The Sustainability Plan is a key driver for accelerating the **Transform & Grow** strategy. It integrates sustainability in the business to make Telefónica a more innovative and competitive company, moving towards consolidation and European leadership. Beyond driving social and environmental progress, this Plan demonstrates that sustainability is a **strategic lever for value creation**, capable of accelerating business growth, improving operational efficiency, attracting investment and strengthening resilience in the face of risks.

GROWTH

- Digitalisation for decarbonisation (€743M in income from P&S that generates positive impact. E.g smart meters).
- Revenues related to circularity, equipment and assets (€1,789M).
- Increased commercial capacity by responding to customers' ESG requirements (>120 ESG requests addressed).

EFFICIENCY

- Reduced costs through energy efficiency and renewable PPAs.
- ESG-linked loan (€5.5B).
- Optimised processes through the responsible use of artificial intelligence.

INVESTMENT ATTRACTION

- Access to sustainable finance (green bond & ESG loan. >40% of our total financing).
- ESG investment attraction (e.g. ESG-themed funds).
- Increase in the proportion of revenue aligned with the European Taxonomy.

RISK MITIGATION

- Reduced exposure to energy cost volatility through renewable PPAs (€1,234 million in committed cash).
- Reduced economic impact of extreme weather events.
- Greater supply chain resilience in the face of regulatory and market risks.

Publicly disclosed 2025 figures

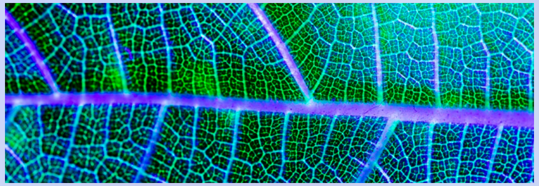
Pillars and Strategic Lines

Sustainability as a catalyst for Transform & Growth

Environmental

OPERATIONAL EFFICIENCY AND RESILIENCE

Cost savings through the optimisation of the asset life cycle, improved energy management, reduced emissions and the protection of critical infrastructure.



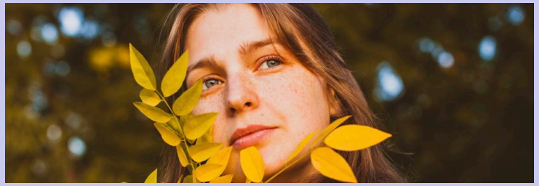
STRATEGIC LINES

1. Zero operational emissions
2. Low-carbon value chain
3. Circular asset management
4. Adaptation and resilience: Climate Risks

Social

SUSTAINABLE GROWTH

Growth driven by a vision that brings together vulnerable groups, the needs of customers in the energy and green transition, and responsible digitalisation.



STRATEGIC LINES

5. B2C: Responsible and inclusive digitalization
6. B2B: Business growth and sustainable offerings
7. Diversity, inclusion, and employee well-being
8. Sustainable brand and content

Governance

GOVERNANCE, TRUST AND CAPITAL

Governance that ensures operational and reputational stability, mitigates risks and optimises access to capital and partners, creating sustainable long-term value.

STRATEGIC LINES

9. Governance, policies, and processes
10. Responsible and resilient supply chain
11. Access to sustainable capital
12. Ethical and secure technology

Powering the green transition for a better future

Environmental

Powering the green transition for a better future

1 Zero operational emissions — 100% Renewable, 50% PPAs

2 Low-carbon value chain — -56% Scope 3 GHG emissions vs 2016

3 Circular asset management — Zero Waste Design, reuse and recycling

4 Adaptation and resilience: Climate Risks — >5.000 critical assets with individualised climate risk assessment

Social

Powering a more digital & inclusive society that supports greater wellbeing

5 B2C: Responsible and inclusive digitalization — Enhance customers' digital well-being and expand rural coverage

6 B2B: Business growth and sustainable offerings — Delivering the best portfolio of products for sustainability

7 Diversity, inclusion, and employee well-being — 37% Women executives (2027 Target)

8 Sustainable brand and content — Promote in-house TV content aligned with sustainability criteria

Governance

Powering trust in a digital world

9 Governance, policies, and processes — Workforce trained in ethics and sustainability

10 Responsible and resilient supply chain — >95% High risk suppliers assessed

11 Access to sustainable capital — Maintain the commitment to sustainable financing

12 Ethical and secure technology — Ethical and responsible AI and leadership in digital trust

An ambitious, rigorous and effective plan, with targets for 2030

Environmental

1 Zero operational emissions
- More efficient networks (ESCs*)
- 100% renewable
- Operational emissions offset

2 Low-carbon value chain
- Scope 3 emissions reduction
- Climate criteria in procurement
- Green transition in the sector

3 Circular asset management
- Reduction in resource use
- Extended service life and reuse of equipment
- Second-hand sales
- Recycling and sale of waste

4 Adaptation and resilience: climate risks
- Climate risk assessment
- Climate adaptation plan
- Resilience network

Social

5 B2C: Responsible and inclusive digitalisation
- Better customer experience
- Accessible products and channels
- Digital wellbeing: responsible and safe use
- Rural connectivity

6 B2B: Business growth and sustainable offerings
- ESG in the value proposition
- Eco-Smart solutions
- Responsible design of products and services

7 Diversity, inclusion & employee well-being
- Talent retention and recruitment
- High-impact culture
- Diverse teams

8 Sustainable branding and content
- Raising public awareness
- Responsible marketing
- Sustainable productions

Governance

9 Governance, policies and processes
- Cross-organisational ESG
- Certifications and standards
- ESG criteria in M&A
- AI in sustainability management
- Data governance

10 Responsible and resilient supply chain
- ESG in procurement
- Supply chain due diligence
- Support for strategic suppliers
- Industry collaboration

11 Access to sustainable capital
- Sustainable finance
- Taxonomic alignment
- ESG ratings and rankings

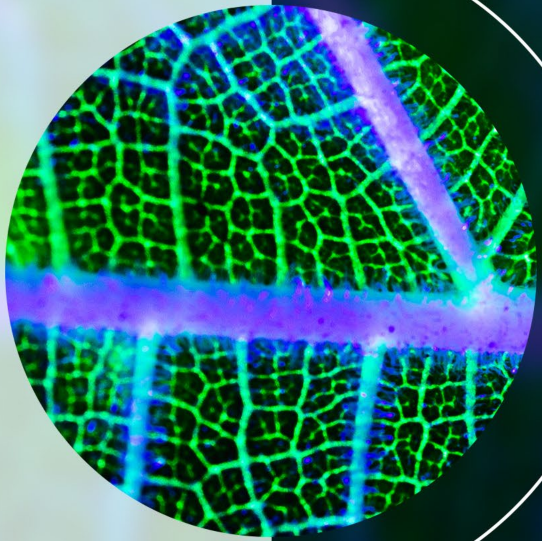
12 Ethical and secure technology
- Responsible AI
- Privacy by design
- Comprehensive cybersecurity

*Energy-saving certificates

Environmental

Sustainability.
On.

Lower footprint. Better future.



Powering the green transition for a better future

Environmental | Operational efficiency and resilience

Targets 2030

1 Zero operational emissions	We aim to minimise operational emissions as much as possible and offset the remainder, moving towards net-zero emissions by 2040 across the entire value chain. We will achieve this through more efficient operations powered by renewable energy, which will improve the resilience of the networks, reduce operating costs and strengthen access to sustainable capital.	100% Renewable 50% PPAs
2 Low-carbon value chain	We are driving the reduction of emissions across the value chain as a key lever for achieving net-zero emissions by 2040, by building long-term relationships with strategic suppliers that generate operational efficiencies, mitigate transition risks and strengthen resilience through the introduction of efficient and durable equipment.	-56% Scope 3 GHG emissions vs 2016
3 Circular asset management	We promote a circular management model (greater durability, reduced use of resources, incorporation of recycled materials, reuse, etc.) that maximises the value of devices and materials throughout their entire life cycle, generating operational efficiencies and new business opportunities.	Zero Waste Design, reuse and recycling
4 Adaptation and resilience: climate risks	We aim to integrate climate risk analysis into asset management and strategic decision-making, and to develop an Adaptation Plan that strengthens the network's resilience, reduces financial losses and ensures business continuity in the face of adverse climate scenarios.	>5.000 critical assets with individualised climate risk assessment

Social

Sustainability.
On.

Technology to connect.
People to transform.

Powering a more digital & inclusive society that supports greater wellbeing

Social | Sustainable growth

Targets 2030

5	B2C: Responsible and inclusive digitalisation	We are driving the development of a digital ecosystem that bridges the digital divide and protects vulnerable groups using cutting-edge technologies (such as fibre or 5G), turning this social impact into a driver of growth by attracting new customers and improving retention among existing ones, with a focus on families (digital protection of children), older people, people with disabilities and those living in rural areas.	Enhance customers' digital well-being and expand rural coverage
6	B2B: Business growth and sustainable offerings	We create new business opportunities by capitalising on our leadership in sustainability and by offering solutions that enhance our clients' security, resilience, efficiency and responsible digitalisation. Digitalisation is a driver of economic progress and a catalyst for decarbonisation.	Delivering the best portfolio of products for sustainability
7	Diversity, inclusion & employee well-being	We are building a high-performing, diverse and resilient organisation, where the development of key talent and cultural transformation drive operational excellence that maximises value for the customer and the business's sustained profitability.	37% Women executives (2027 Target)
8	Sustainable branding and content	We position Telefónica as a leader in sustainability that contributes to the progress of society, aligning its brands and communications with ESG commitments and transforming that credibility into a competitive advantage that drives profitable growth and revenue generation.	Promote in-house TV content aligned with sustainability criteria

Governance

Sustainability. On.

Transparent governance.
Responsible leadership.

Powering trust in a digital world

Governance | Governance, trust & capital

Targets 2030

9 Governance, policies and processes	We have implemented a streamlined ESG governance framework that integrates sustainability into our strategy and decision-making, thereby reducing regulatory risks and strengthening the business's resilience.	Workforce trained in ethics and sustainability
10 Responsible and resilient supply chain	We promote a responsible, traceable and resilient supply chain that complies with legal requirements and is capable of systematically anticipating and managing ESG impacts and risks, thereby safeguarding business continuity and reputation.	>95% High risk supliers assessed
11 Access to sustainable capital	We aim to anticipate and identify the financial market's ESG requirements in order to incorporate them into our sustainability strategy, thereby ensuring investor confidence and capitalising on the financing opportunities associated with sustainability.	Maintain the commitment to sustainable financing
12 Ethical and secure technology	We aim to be the most secure gateway to the digital world, using digital trust as a key differentiator in the eyes of our customers. This approach is underpinned by a comprehensive governance model that enables the secure, reliable and scalable deployment of Artificial Intelligence, alongside a global privacy framework and comprehensive security management that protect data and assets.	Ethical and responsible AI and leadership in digital trust

Telefónica